

CITY OF WILDWOOD

CAPE MAY COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2013**

CITY OF WILDWOOD

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CITY OF WILDWOOD

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2013

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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
City of Wildwood, 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 City of Wildwood, as of December 31, 2013 and 2012, 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, 2013, and the related notes to the financial statements, which collectively comprise the City'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 City of Wildwood 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 City of Wildwood as of December 31, 2013 and 2012, 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, 2013 and 2012, 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, 2013 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 City of Wildwood's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 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 and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were 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.

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

The letter of comments and recommendations section has not been 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 August 27, 2014 on our consideration of the City of Wildwood'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 City of Wildwood's internal control over financial reporting and compliance.

Glen J. Ortman, CPA

Glen J. Ortman, CPA,
Registered Municipal Accountant
No. 427

Ford Scott & Associates, LLC
FORD SCOTT & ASSOCIATES, LLC

August 27, 2014

EXHIBIT A - CURRENT FUND

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

	2013	2012
<u>Assets</u>		
Regular Fund:		
Cash:		
Treasurer	\$ 3,611,862	3,243,177
Collector	4,223	14,878
Change Fund	925	825
Due from the State of New Jersey:		
Veterans' and Senior Citizens' Deductions	10,840	2,190
	3,627,850	3,261,070
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	39	5,438
Tax Title Liens Receivable	98,360	82,744
Demolition Liens Receivable	68,614	-
Property Acquired / Assessed Valuation	620,100	620,100
Revenue Accounts Receivable	20,689	23,337
NJSEA Mortgage Receivable	2,449,314	2,449,314
NJSEA Payment in Lieu of Tax Receivable	120,000	90,000
	3,377,116	3,270,933
Deferred Charges		
Special Emergency Authorizations	587,600	795,800
Emergency Authorizations	134,538	-
	722,138	795,800
	7,727,104	7,327,803
Federal and State Grant Fund:		
Cash	214,522	64,087
Federal and State Grants Receivable	434,774	767,985
	649,296	832,072
	\$ 8,376,400	8,159,875

The Accompanying Notes are an Integral Part of these Financial Statements

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

	2013	2012
<u>Liabilities, Reserves and Fund Balance</u>		
Regular Fund:		
Appropriation Reserves	\$ 146,122	266,089
Encumbrances & Accounts Payable	815,247	753,569
Refunds Payable	2,829	1,728
Prepaid Taxes	753,171	540,994
Tax Overpayments	3,170	2,801
Prepaid Rental Fees	-	43,913
Special Emergency Notes Payable	587,600	380,000
Due County for Added and Omitted Taxes	6,420	7,161
Reserve for:		
Tax Map	6,836	8,233
GWTD Authority Fee	699	8,871
Reassessment	79,815	201,661
Tax Appeals	74,998	62,156
Codification of Ordinance	24,872	24,872
Master Plan	1,960	1,960
Auctioneer/Auction Sale	240	114
Human Services	770	533
Land Sale Escrow	80,000	-
Insurance Proceeds	134,538	-
Performance Deposit	220,270	230,650
	2,939,557	2,535,305
Reserves for Receivables	3,377,116	3,270,933
Fund Balance	1,410,431	1,521,565
	7,727,104	7,327,803
Federal and State Grant Fund:		
Reserve for Encumbrances	248,062	15,589
Reserve for State Grants:		
Unappropriated Reserves	24,773	30,393
Appropriated Reserves	376,461	786,090
	649,296	832,072
	\$ 8,376,400	8,159,875

The Accompanying Notes are an Integral Part of these Financial Statements

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

	2013	2012
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 1,002,000	360,000
Miscellaneous Revenues Anticipated	5,878,237	8,321,973
Receipts from Delinquent Taxes	19,094	220,715
Receipts from Current Taxes	30,630,649	30,585,657
Nonbudget Revenues	602,826	411,634
Other Credits to Income:		
Unexpended Balance of		
Appropriation Reserves	194,949	60,943
Statutory Excess-Animal Control Fund	204	384
Accounts Payable Cancelled	2,186	8,051
	38,330,145	39,969,357
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	9,222,135	8,648,544
Other Expenses	7,969,075	8,768,977
Deferred Charges and Statutory Expenditures	2,090,149	3,732,665
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	96,600	94,500
Other Expenses	515,335	190,407
Capital Improvements	50,000	452,000
Debt Service	3,506,920	3,383,697
Deferred Charges	208,850	785,056
Deficit in Utility Operations	-	155,774
County Taxes Payable	3,604,755	3,698,684
County Share of Added and Omitted Taxes	6,420	7,161
Local District School Tax	9,743,947	9,587,624
Special District Tax	550,000	442,500
Prior Year Revenue Refunded	9,631	500
	37,573,817	39,948,089

The Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>2013</u>	<u>2012</u>
Excess/(Deficit) in Revenues	756,328	21,268
Adjustments to Income Before Fund Balance - Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year	<u>134,538</u>	<u>-</u>
Statutory Excess to Fund Balance	890,866	21,268
Fund Balance January 1	<u>1,521,565</u>	<u>1,860,297</u>
Total	2,412,431	1,881,565
Decreased by:		
Utilization as Anticipated Revenue	<u>1,002,000</u>	<u>360,000</u>
Fund Balance December 31	<u>\$ 1,410,431</u>	<u>1,521,565</u>

**CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS**

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 1,002,000	-	1,002,000	-
	1,002,000	-	1,002,000	-
<u>Miscellaneous Revenues:</u>				
Licenses-Alcoholic Beverages	76,000		91,419	15,419
Licenses-Other	392,000		394,240	2,240
Fees and Permits	432,000		522,523	90,523
Municipal Court	524,000		540,909	16,909
Interest and Costs on Taxes	91,000		106,287	15,287
Parking Meters	872,500		635,987	(236,513)
Interest on Investments	30,000		19,791	(10,209)
Public Property Rental	396,000		432,273	36,273
TV Cable Franchise Fee	39,878		39,878	-
In Lieu of Taxes	104,000		104,013	13
Ambulance Rescue Squad	407,000		325,796	(81,204)
Fees - Tram Car	92,700		92,700	-
GWTDA Administrative Reimbursement	30,000		30,000	-
Energy Receipts Tax (P.L. 1997, Ch 162&167)	1,005,571		1,005,571	-
Uniform Fire Safety Act	49,400		57,078	7,678
Indirect Cost Allocation from Water Utility	425,635		425,635	-
Wildwood Water Utility - Rio Grande Avenue	10,862		10,862	-
Reserve for Payment of Bonds	65,917		65,917	-
Reserve to Pay Notes	32,620		32,621	1
1.85% Room Tax	262,400		217,620	(44,780)
Municipal Even Support from GWTIDA	28,200		33,454	5,254
ACM JIF Safety Reimbursement	2,500		2,546	46
Water Utility Fund Balance	205,700		205,700	-
Lease of Wharfage	13,000		17,518	4,518
Interlocal Agreements				
Cops in School-WBOE	60,000		60,000	-
Dispatch Services	35,000		35,000	-
Municipal Court	17,500		17,500	-
Ambulance Service	15,000		15,000	-

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
(CONTINUED)**

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Additional Revenues Offset With Appropriations:				
Clean Communities		25,806	25,806	-
Alcohol Education and Rehabilitation Fund		950	950	-
Drunk Driving Enforcement Fund	7,434		7,434	-
GWTIDA - Municipal Event Support		100,000	100,000	-
Safe and Secure Community Program	90,000		90,000	-
Recycling Tonnage	18,657		18,657	-
COPS in Shops	1,000	5,600	6,600	-
WBID Community Policing	20,000		20,000	-
Body Armor Grant	3,302		3,302	-
Atlantic County Municipal Joint Insurance Fund		1,750	1,750	-
Federal Emergency Management Agency		65,900	65,900	-
Total Miscellaneous	5,856,776	200,006	5,878,237	(178,545)
Receipts from Delinquent Taxes	69,000		19,094	(49,906)
Subtotal General Revenues	6,927,776	200,006	6,899,331	(228,451)
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	17,000,980		16,834,143	(166,837)
Budget Totals	23,928,756	200,006	23,733,474	(395,288)
Nonbudget Revenues	\$ 23,928,756	200,006	24,336,300	207,538

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)**

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$	30,660,649
Less: Reserve for Tax Appeals Pending		<u>(30,000)</u>
Net Revenue from Collections		30,630,649
Allocated to:		
School, County and Other Taxes		<u>13,905,122</u>
Balance for Support of Municipal Budget Revenues		16,725,527
Add:		
Appropriation: "Reserve for Uncollected Taxes"		<u>108,616</u>
Amount for Support of Municipal Budget Appropriations		<u><u>16,834,143</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections		13,982
Tax Title Lien Collections		<u>5,112</u>
	\$	<u><u>19,094</u></u>

**CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
(CONTINUED)**

Analysis of Realized Revenue: (Continued)

Miscellaneous Revenue Not Anticipated:

Shopping Carts	\$	4,510	
Copy Machine		352	
Gasoline Service		53,804	
Insurance Claim		16,708	
Off Duty Police Administration		23,998	
Police MRNA		4,322	
Senior Citizen Administration		1,000	
Miscellaneous		108,015	
Restitution		3,646	
Lot Cleaning		20,230	
Off Duty Fire		10,357	
Health Insurance Reimbursement		3,554	
Sale of Municipal Property		28,613	
FEMA Reimbursement		192,869	
Recycling Fees		11,867	
Miscellaneous Receipts - Beach		36,000	
Lease - Buildings		35,000	
CMC MUA Recycling Rebate		26,142	
Cancelled 2012 Sewer Utility Fund Reserves		21,839	
		<hr style="width: 100%;"/>	
			<hr style="width: 100%;"/>
			\$ <u>602,826</u>

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Commissioner of Public Affairs and Public Safety						
Salaries and Wages	\$ 30,800	85,400	85,240			160
Other Expenses	3,520	3,520	3,054			466
Prosecutor						
Salaries and Wages	18,501	18,501	18,500			1
Department of Law - Director's Office						
Other Expenses	338,300	210,365	183,827	16,538		10,000
Police						
Salaries and Wages	3,087,900	3,083,468	3,068,184	15,200		84
Seasonal Salaries and Wages	373,000	378,782	378,782			
Other Expenses	99,760	117,192	117,044	148		
Purchase of Vehicles	63,400	63,400	63,400			
Lifeguards						
Salaries and Wages	388,500	399,500	399,404			96
Other Expenses	20,380	40,815	40,815			
Office of Emergency Management						
Salaries and Wages	5,100	2,800	2,722			78
Other Expenses	4,400	4,400	4,380			20
Traffic Marking						
Salaries and Wages	150,000	150,500	150,346			154
Other Expenses	66,150	66,150	60,683	500		4,967
Municipal Fire Fighting						
Salaries and Wages	1,497,400	1,579,236	1,571,438	4,500		3,298
Other Expenses	105,130	107,375	101,156	5,490		729
Volunteer Fire Fighting						
Other Expenses	7,800	7,000	7,000			
Parking						
Salaries and Wages	21,100	15,500	15,174			326
Other Expenses	9,400	9,400	6,470			2,930

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	
OPERATIONS WITHIN "CAPS":						
GENERAL GOVERNMENT:						
State Fire Prevention Code						
Salaries and Wages	186,500	175,925	175,923			2
Other Expenses	7,020	6,095	3,471			2,624
Animal Control						
Other Expenses	34,700	34,700	34,642			58
Property Inspectors						
Salaries and Wages	58,300	49,600	49,542			58
Other Expenses	19,000	5,200	5,197			3
Municipal Court						
Salaries and Wages	264,400	270,664	270,663			1
Other Expenses	23,220	30,570	27,932	2,638		
Public Defender						
Salaries and Wages	1,400	1,400	1,335			65
Other Expenses	13,200	13,200	5,865			7,335
DEPARTMENT OF REVENUE AND FINANCE:						
Commissioner of Revenue and Finance						
Salaries and Wages	30,300	34,300	34,208			92
Other Expenses	3,520	3,520	2,882			638
Municipal Administrator						
Salaries and Wages	10,000	1,630				1,630
Other Expenses	29,400	22,400	9,407			12,993

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	
OPERATIONS WITHIN "CAPS"						
Collection of Taxes	1	1				1
Other Expenses						
City Clerk			207,281			319
Salaries and Wages	207,800	207,600	207,281			319
Other Expenses	22,540	28,491	23,325	1,000		4,166
Elections						
Other Expenses	5,000	5,000	4,287			713
Accounts and Control						
Salaries and Wages	210,500	224,000	223,970			30
Other Expenses	34,390	34,390	30,268	4,122		
Audit Service						
Other Expenses	70,000	70,000	70,000			
Liquidation of Tax Liens						
Other Expenses	1	1				1
Tax Assessment						
Salaries and Wages	119,300	119,300	119,141			159
Other Expenses	151,900	90,900	52,452	10,000		28,448
Revenue Collection						
Salaries and Wages	109,700	111,005	111,004			1
Other Expenses	18,420	18,420	16,644			1,776
Purchasing						
Salaries and Wages	98,700	103,300	103,273			27
Other Expenses	17,150	39,464	25,348			14,116
Redevelopment Agency						
Other Expenses	21,000	35,565	35,549			16
Economic Development						
Other Expenses	100,000	100,000	93,000			7,000
Insurance						
General Liability	289,600	289,600	276,255			13,345
Worker's Compensation Insurance	940,300	940,300	935,546			4,754
Employee Group Health	3,243,930	3,243,930	3,047,108			196,822
Surety Bonds	50	50	50			

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	
<u>OPERATIONS WITHIN "CAPS"</u>						
Human Resources						
Salaries and Wages	177,000	146,200	139,547			6,653
Other Expenses	25,480	25,480	9,095	7,000		9,385
Relocation Assistance						
Other Expenses	5,090	5,090	1,230			3,860
Beach Services						
Salaries and Wages	60,000	35,900	35,846			54
Other Expenses	5,000	5,000	3,004			1,996
<u>DEPARTMENT OF PUBLIC WORKS, PARKS & PROPERTY:</u>						
Commissioner of Public Works						
Salaries and Wages	48,000	48,200	48,120			80
Other Expenses	3,520	3,520	3,508			12
Director						
Salaries and Wages	111,800	111,460	111,126			334
Other Expenses	34,590	34,590	31,462	700		2,428
Engineering Fees						
Other Expenses	45,000	45,000	44,784			216
Building Maintenance						
Salaries and Wages	157,900	150,200	148,347			1,853
Other Expenses	107,110	137,110	119,653	5,000		12,457
Boardwalk and Facility Construction						
Salaries and Wages	178,400	180,300	177,416			2,884
Other Expenses	19,600	23,597	19,545	500		3,552
Special Events						
Other Expenses	49,680	49,680	49,652			28
Recreation						
Salaries and Wages	261,900	260,000	258,446			1,554
Other Expenses	36,060	64,409	59,231	1,000		4,178
Street Maintenance						
Salaries and Wages	391,200	398,340	398,339			1
Other Expenses	31,360	32,360	31,360	1,000		
Snow Removal						
Other Expenses	1	1				1

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	
OPERATIONS WITHIN "CAPS"						
Environmental Maintenance						
Salaries and Wages	663,900	699,300	690,160			9,140
Other Expenses	10,480	10,480	10,418			62
Fleet Maintenance						
Salaries and Wages	101,600	101,400	101,350			50
Other Expenses	153,860	176,810	169,315	7,113		382
Sanitation/Trash						
Other Expenses	519,085	517,085	516,480			605
Landfill Tipping Fees						
Other Expenses	370,000	370,000	370,000			
Urban Enterprize Zone						
Salaries and Wages	5,500	5,500	5,413			87
Land Use Administration						
Salaries and Wages	89,850	89,850	87,695			2,155
Other Expenses	14,500	14,500	13,720			780
UNIFORM CONSTRUCTION CODE:						
State Uniform Construction Code						
Other Expenses	61,540	61,540	7,003			54,537
UNCLASSIFIED:						
Gasoline	282,140	282,140	280,733			1,407
Water Service	117,600	117,600	110,061			7,539
Street Lighting	311,640	328,590	295,446	30,000		3,144
Electricity	190,020	200,020	187,839	8,000		4,181
Natural Gas	55,070	72,520	72,479			41
Telephone	89,180	81,641	73,187		6,000	2,454
Sewer Service	50,070	57,609	57,609			
Postage	42,140	42,140	38,455			3,685

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES		OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>OPERATIONS WITHIN "CAPS"</u>	14,500	14,500		14,500		
Terminal Leave - Salaries and Wages						
Total Operations Within "CAPS"	17,523,149	17,653,487	17,050,261	140,949	-	462,277
Contingent						
Total Operations Incl. Contingent Within "CAPS"	17,523,149	17,653,487	17,050,261	140,949	-	462,277
Detail:						
Salaries and Wages	9,130,751	9,253,561	9,187,935	34,200	-	31,426
Other Expenses	8,392,398	8,399,926	7,862,326	106,749	-	430,851
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	482,850	482,850	482,850			
Social Security System (O.A.S.I.)	450,000	455,700	454,646			1,054
Police and Fire Retirement System	1,133,300	1,133,300	1,108,455	5,173		19,672
Unemployment Comp Ins.	43,400	41,900	36,204			5,696
Defined Contribution Retirement Plan	4,500	4,500	2,821			1,679
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	2,114,050	2,118,250	2,084,976	5,173	-	28,101

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	19,637,199	19,771,737	19,135,237	146,122	-	490,378
OPERATIONS EXCLUDED FROM "CAPS":						
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Interlocal Service Agreement - Cops in Schools WBOE		60,000	60,000			
Dispatch Services - West Wildwood	35,000	35,000	35,000			
Municipal Court - West Wildwood	17,500	17,500	17,500			
Ambulance Service - West Wildwood	15,000	15,000	15,000			
Clean Communities Program		25,806	25,806			
Safe and Secure Communities Program	90,000	90,000	90,000			
Recycling Tonnage	18,657	18,657	18,657			
Matching Funds for Grants	1	1	1			
GTWIDA Municipal Event Support		100,000	100,000			
Body Armor Replacement Program	3,302	3,302	3,302			
Drunk Driving Enforcement Grant	7,434	7,434	7,434			
WBID Grant	20,000	20,000	20,000			
Atlantic County Municipal Insurance Fund		1,750	1,750			
Federal Emergency Management Agency		65,900	65,900			
COPS in Shops	1,000	6,600	6,600			
Municipal Alliance Program						
Local Share	1,565	1,565	1,565			
Alcohol, Education, Rehabilitation & Enf. Grant		950	950			
Insurance						
Employee Group Health		142,470	142,470			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	411,929	611,935	611,935	-	-	-
Detail:						
Salaries and Wages	91,000	96,600	96,600	-	-	-
Other Expenses	320,929	515,335	515,335	-	-	-

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES		OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>						
Capital Improvement Fund	50,000	50,000	50,000			
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	50,000	50,000	50,000	-	-	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":</u>						
Payment of Bond Principal	2,354,000	2,354,000	2,354,000			
Payment of Bond Anticipation Notes and Capital Notes	383,000	383,000	383,000			
Interest on Bonds	680,862	680,862	676,175		4,687	
Interest on Notes	10,000	10,000	9,511		489	
Green Trust Loan Payment						
Loan Repayments for Principal and Interest	63,900	63,900	63,896		4	
USDA/Rural Development Program						
Loan Repayments for Principal and Interest	20,400	20,400	20,338		62	
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	3,512,162	3,512,162	3,506,920	-	-	5,242

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES		OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>DEFERRED CHARGES EXCLUDED FROM "CAPS"</u>						
Emergency Authorizations		-				
Ord 823-10	150	150	150			
Ord 930-12	500	500	500			
Special Emergency Authorization - 5 Years	208,200	208,200	208,200	-		
TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"	208,850	208,850	208,850	-	-	-
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>						
	4,182,941	4,382,947	4,377,705	-	-	5,242
<u>SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u>						
	23,820,140	24,154,684	23,512,942	146,122	-	495,620
	108,616	108,616	108,616			
TOTAL GENERAL APPROPRIATIONS	\$ 23,928,756	24,263,300	23,621,558	146,122	-	495,620

Budget
N.J.S.A. 40A: 4-87
Emergency Appropriation

	PAID OR CHARGED
Deferred Charges	\$ 208,850
Encumbrances Payable	804,566
Federal and State Grants	341,965
Reserve for Uncollected Taxes	108,616
Reimbursed	(213,269)
Disbursed	22,370,830
	<u>\$ 23,621,558</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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EXHIBIT B - TRUST FUNDS

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

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Animal Control Fund		
Cash	\$ 564	511
	<u>564</u>	<u>511</u>
Other Funds:		
Cash	2,706,405	1,979,310
Change Fund	200	200
Due from Federal - Payroll	42	-
Due from State - Payroll	2	-
Due from Employees - Payroll	83	-
	<u>2,706,732</u>	<u>1,979,510</u>
	<u>2,707,296</u>	<u>1,980,021</u>
 <u>Liabilities, Reserves, and Fund Balance</u>		
Dog License Fund:		
Due to State of NJ	-	1
Reserve for Dog Fund	564	510
	<u>564</u>	<u>511</u>
Other Funds:		
Deposits for Redemption of Tax Sale Certificates	106,601	84,898
Due to State - Surcharge Fees	2,569	1,522
Premiums Received at Tax Sale	1,048,000	435,000
Reserves:		
Payroll	256,953	122,139
Police Forfeiture	92,303	89,431
Recreation Expenditures	21,677	16,394
Special Events	13,998	3,184
Historical Society	50	50
DEDR	150	150
Lifeguard Pension	535,987	533,158
Developers Escrow	150,984	113,992
Parking Offense Adjudication Act	19,059	16,326
Fire Penalty - Compensation	64,887	77,230
Fire Penalty - Dedicated	41,684	47,128
Memorial Benches	34,849	33,634
Snow Removal	10,130	7,130
UCC Fees	18,928	12,362
Accumulated Absences	55,076	103,692
Self Insurance	68,314	112,337
Tourism Development Commission	53,754	59,904
Revolving Loan Fund	110,290	109,849
Beach Patrol Donations	489	-
	<u>2,706,732</u>	<u>1,979,510</u>
	<u>\$ 2,707,296</u>	<u>1,980,021</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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EXHIBIT C - GENERAL CAPITAL FUND

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

	2013	2012
<u>Assets</u>		
Cash	\$ 735,455	634,767
Grants Receivable	711,413	1,625,000
Deferred Charges to Future Taxation:		
Funded	17,847,457	20,261,389
Unfunded	1,487,500	1,213,650
	20,781,825	23,734,806
<u>Liabilities, Reserves and Fund Balance</u>		
Improvement Authorizations:		
Funded	518,148	1,319,736
Unfunded	1,199,182	830,650
Bond Anticipation Notes	657,500	-
General Serial Bonds Payable	17,079,000	19,433,000
USRDA Loans Payable	335,658	341,168
Green Trust Loan Payable	432,799	487,221
Tax Appeal Refunding Notes	-	383,000
Contracts Payable	464,607	762,722
Capital Improvement Fund	21,559	5,459
Reserve for Payment of Bonds	20,124	86,041
Reserve for Payment of Notes	-	32,621
Fund Balance	53,248	53,188
	\$ 20,781,825	23,734,806

There were Bonds and Notes Authorized But Not Issued at December 31, 2013 and 2012 of \$830,000 and \$830,650 respectively.

**GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS**

	<u>12/31/2013</u>	<u>12/31/2012</u>
Balance at the beginning of the year	\$ 53,188	53,188
Increased by:		
Premium on Bond/Note Sale	60	
Funded Improvement Authorizations Cancelled	<u>60</u>	<u>-</u>
Decreased by:		
Appropriated in Current Fund Budget		
Appropriated to Finance Improvement Auth.	<u>-</u>	<u>-</u>
Balance at the end of the year	\$ <u><u>53,248</u></u>	<u><u>53,188</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements

EXHIBIT D - WATER UTILITY

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**WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 2,398,405	2,646,233
Change Fund	200	200
	<u>2,398,605</u>	<u>2,646,433</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	174,642	175,874
Utility Liens Receivable	847	-
Inventory	248,400	255,548
	<u>423,889</u>	<u>431,422</u>
 Total of Operating Fund	 <u>2,822,494</u>	 <u>3,077,855</u>
Capital Fund:		
Cash and Investment	1,906,923	2,122,308
Fixed Capital:		
Completed	36,633,525	35,387,025
Authorized and Uncompleted	18,177,000	16,348,500
	<u>56,717,448</u>	<u>53,857,833</u>
 Total of Capital Fund	 <u>56,717,448</u>	 <u>53,857,833</u>
 Total Assets	 \$ <u><u>59,539,942</u></u>	 <u><u>56,935,688</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements

**WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
AS OF DECEMBER 31,**

	2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 164,856	219,556
Encumbrances & Accounts Payable	398,787	688,326
Accrued Interest on Bonds and Notes	116,512	118,809
Water Overpayments	34,414	38,853
Escrow Deposits	8,217	7,900
Due to the State of New Jersey	4,224	3,136
	727,010	1,076,580
Reserve for Receivables	423,889	431,422
Fund Balance	1,671,595	1,569,853
Total of Operating Fund	2,822,494	3,077,855
Capital Fund:		
Improvement Authorizations:		
Funded	1,214,186	1,507,520
Unfunded	5,453,366	4,309,800
Contracts Payable	1,348,389	526,006
Serial Bonds Payable	12,993,000	14,178,000
NJ Environmental Infrastructure Trust Bonds	831,307	894,437
USDA Loan Payable	1,450,108	773,681
Reserve for Amortization	30,056,111	28,797,408
Deferred Reserve for Amortization	3,000,000	2,500,000
Reserve for Preliminary Expenses	10,000	10,000
Capital Improvement Fund	90,761	90,761
Fund Balance	270,220	270,220
Total of Capital Fund	56,717,448	53,857,833
Total Liabilities, Reserves and Fund Balance	\$ 59,539,942	56,935,688

There were Bonds and Notes Authorized But Not Issued at December 31, 2013 and 2012 of \$6,480,000 and \$4,592,000 respectively.

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

	2013	2012
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ 250,000	376,937
Water Rents	6,718,488	6,905,645
Miscellaneous	79,641	112,411
Other Credits to Income:		
Cancellation of Prior Year Payable	5,200	2,755
Unexpended Balance of Appropriation Reserves	230,057	175,847
Total Income	7,283,386	7,573,595
<u>Expenditures</u>		
Operating		
Salaries and Wages	1,587,594	1,505,560
Other Expenses	1,598,117	1,585,969
Capital Improvements	1,008,329	1,242,000
Debt Service	1,821,443	1,623,427
Deferred Charges and Statutory Expenditures	709,433	741,177
Surplus (General Budget)	205,700	200,000
Refund of Prior Year Revenue	1,028	319
Total Expenditures	6,931,644	6,898,452
Excess of Revenues	351,742	675,143
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute deferred charges to budget of succeeding year	-	-
Statutory Excess to Fund Balance	351,742	675,143
Fund Balance January 1	1,569,853	1,271,647
Decreased by:		
Utilization as Anticipated Revenue	250,000	376,937
Fund Balance December 31	\$ 1,671,595	1,569,853

The Accompanying Notes are an Integral Part of these Financial Statements

**WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL FUND BALANCE - REGULATORY BASIS**

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Balance at the beginning of the year	\$ 270,220	227,763
Increased by:		
Premium on bond sale	-	42,457
	<u>-</u>	<u>42,457</u>
Balance December 31, 2013	<u>\$ 270,220</u>	<u>270,220</u>

**WATER OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>ANTIC. BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus Anticipated	\$ 250,000	250,000	-
Anticipated Revenue:			
Water Rents	6,902,000	6,718,488	(183,512)
Miscellaneous	96,100	79,641	(16,459)
	<u>\$ 7,248,100</u>	<u>7,048,129</u>	<u>(199,971)</u>
 <u>Analysis of Realized Revenue</u>			
<u>Water Rents</u>			
Consumer Accounts Receivable	D-7	<u>6,718,488</u>	
 <u>Miscellaneous</u>			
Interest on Investments	15,394		
Miscellaneous	<u>64,247</u>	<u>79,641</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**WATER OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER - EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
OPERATING	\$						
Salaries and Wages	1,666,913	1,572,913	1,567,594	-	-	5,319	
Other Expenses	990,170	1,084,170	697,405	51,219	164,856	170,690	
Terminal Leave - Salaries and Wages	20,000	20,000	20,000	-	-	-	
Insurance	729,100	729,100	621,961	62,676	-	44,463	
	<u>3,406,183</u>	<u>3,406,183</u>	<u>2,906,960</u>	<u>113,895</u>	<u>164,856</u>	<u>220,472</u>	<u>-</u>
CAPITAL IMPROVEMENTS							
Capital Improvement Fund	500,000	500,000	500,000	-	-	-	
Capital Outlay	590,000	590,000	229,055	279,274	-	81,671	
	<u>1,090,000</u>	<u>1,090,000</u>	<u>729,055</u>	<u>279,274</u>	<u>-</u>	<u>81,671</u>	<u>-</u>
DEBT SERVICE							
Payment of Bond Principal	1,258,800	1,258,800	1,258,702	-	-	98	
Interest on Bonds	567,700	567,700	562,741	-	-	4,959	
	<u>1,826,500</u>	<u>1,826,500</u>	<u>1,821,443</u>	<u>-</u>	<u>-</u>	<u>5,057</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES							
Deferred Charges							
City of Wildwood - Indirect Costs	425,635	425,635	425,635	-	-	-	
City of Wildwood - Rio Grande Phase 1	10,862	10,862	10,862	-	-	-	
Contribution to:							
Public Employee Retirement System	148,420	148,420	148,419	-	-	1	
Social Security System (O.A.S.I.)	129,000	129,000	118,842	-	-	10,158	
Unemployment Compensation	5,800	5,800	5,675	-	-	125	
Surplus (General Budget)	205,700	205,700	205,700	-	-	-	
	<u>925,417</u>	<u>925,417</u>	<u>915,133</u>	<u>-</u>	<u>-</u>	<u>10,284</u>	<u>-</u>
\$	<u><u>7,248,100</u></u>	<u><u>7,248,100</u></u>	<u><u>6,372,591</u></u>	<u><u>393,169</u></u>	<u><u>164,856</u></u>	<u><u>317,484</u></u>	<u><u>-</u></u>

Original	7,248,100
	<u>7,248,100</u>
Accrued interest on Bonds 12/31/12	(118,809)
Accrued interest on Bonds 12/31/13	116,512
Disbursed	<u>6,374,888</u>
	<u><u>6,372,591</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements

EXHIBIT E - SEWER UTILITY

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**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
AS OF DECEMBER 31,**

	2013	2012
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 171,829	192,343
	<u>171,829</u>	<u>192,343</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	67,970	78,321
Utility Liens Receivable	128	-
	<u>68,098</u>	<u>78,321</u>
Deferred Charges:		
Emergency Authorizations	28,633	-
	<u>28,633</u>	<u>-</u>
 Total of Operating Fund	 <u>268,560</u>	 <u>270,664</u>
 Capital Fund:		
Cash and Investment	468,630	230,245
Grants Receivable	2,192,000	789,110
Fixed Capital:		
Completed	14,879,197	10,629,197
Authorized and Uncompleted	5,839,000	6,369,000
	<u>23,378,827</u>	<u>18,017,552</u>
 Total of Capital Fund	 <u>23,378,827</u>	 <u>18,017,552</u>
 Total Assets	 <u>\$ 23,647,387</u>	 <u>18,288,216</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
AS OF DECEMBER 31,**

	2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,400	14,020
Encumbrances Payable	25,242	51,791
Accounts Payable	2,555	-
Accrued Interest on Bonds and Notes	60,330	55,583
Overpayments	9,622	60,473
Reserve for Insurance Proceeds	28,633	-
	127,782	181,867
Reserve for Receivables	68,098	78,321
Fund Balance	72,680	10,476
Total of Operating Fund	268,560	270,664
Capital Fund:		
Improvement Authorizations:		
Funded	17,550	629,193
Unfunded	1,213,727	1,064,000
Contracts Payable	3,543,046	267,855
Bond Anticipation Notes	1,064,000	-
Serial Bonds Payable	1,914,000	2,026,000
USDA Loan Payable	5,732,916	5,807,578
Reserve for Amortization	7,562,768	5,999,106
Reserve for Deferred Amortization	2,209,000	2,102,000
Capital Improvement Fund	43,507	43,507
Fund Balance	78,313	78,313
	23,378,827	18,017,552
Total of Capital Fund	23,378,827	18,017,552
Total Liabilities, Reserves and Fund Balance	\$ 23,647,387	18,288,216

There were Bonds and Notes Authorized But Not Issued at December 31, 2013 and 2012 of \$2,236,000 and \$1,064,000 respectively

**SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>		
Sewer Rents	\$ 4,615,900	4,458,742
Interest on Investments	2,015	1,727
Miscellaneous	52,628	49,506
Deficit (General Budget)	-	155,774
Total Income	<u>4,670,543</u>	<u>4,665,749</u>
<u>Expenditures</u>		
Operating		
Salaries and Wages	312,334	426,553
Other Expenses	3,811,954	3,755,599
Debt Service	458,061	380,274
Deferred Charges and Statutory Expenditures	54,623	58,123
Deficit in Operations in Prior Years	-	45,200
Total Expenditures	<u>4,636,972</u>	<u>4,665,749</u>
Excess in Revenues	33,571	-
Adjustments to Income before Fund Balance:		
Expenditures Included Above Which Are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>28,633</u>	<u>-</u>
Statutory Excess to Fund Balance	62,204	-
Fund Balance January 1	10,476	10,476
Decreased by:		
Utilization as Anticipated Revenue	-	-
Fund Balance December 31	<u>\$ <u>72,680</u></u>	<u>10,476</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL FUND BALANCE - REGULATORY BASIS**

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Balance December 31, 2012	\$ 78,313	78,313
No activity in 2013	_____	_____
Balance December 31, 2013	\$ <u>78,313</u>	<u>78,313</u>

**SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>ANTIC. BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Anticipated Revenue:			
Sewer Rents	\$ 4,102,400	4,082,492	(19,908)
Sewer Rents - Additional Rents	533,408	533,408	-
Miscellaneous	49,500	52,628	3,128
Interest on Deposits	900	2,015	1,115
	<u>\$ 4,686,208</u>	<u>4,670,543</u>	<u>(15,665)</u>

Analysis of Realized Revenue

Sewer Rents

Consumer Accounts Receivable

4,615,900

Less:

 Additional Rents

(533,408)

4,082,492

Miscellaneous

 Interest on Delinquent Rents

25,871

 Miscellaneous

26,757

52,628

**SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED	OVER - EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED		
OPERATING						
Salaries and Wages	\$ 298,200	312,750	312,334	-	416	
Other Expenses	122,468	132,501	88,732	10,731	31,638	
Insurance	177,800	177,800	143,359	14,511	19,930	
CMCMUA	3,557,609	3,557,609	3,553,221	-	4,388	
	<u>4,156,077</u>	<u>4,180,660</u>	<u>4,097,646</u>	<u>25,242</u>	<u>56,372</u>	<u>-</u>
CAPITAL IMPROVEMENTS						
Capital Outlay	1	1	-	-	1	
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
DEBT SERVICE						
Payment of Bond Principal	186,700	186,700	186,662	-	38	
Interest on Bonds	265,400	269,000	268,961	-	39	
Interest on Notes	23,700	23,700	2,438	-	21,262	
	<u>475,800</u>	<u>479,400</u>	<u>458,061</u>	<u>-</u>	<u>21,339</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Contribution to:						
Public Employee Retirement System	30,230	30,230	30,222	-	8	
Social Security System (O.A.S.I.)	23,000	23,450	23,315	-	135	
Unemployment Compensation	1,100	1,100	1,086	-	14	
	<u>54,330</u>	<u>54,780</u>	<u>54,623</u>	<u>-</u>	<u>157</u>	<u>-</u>
	<u>\$ 4,686,208</u>	<u>4,714,841</u>	<u>4,610,330</u>	<u>25,242</u>	<u>77,869</u>	<u>-</u>
		Accrued interest on Bonds 12/31/13	60,330			
		Accrued interest on Bonds 12/31/12	(55,583)			
		Disbursed	4,605,583			
		<u>\$ 4,610,330</u>	<u>\$ 4,610,330</u>			

The Accompanying Notes are an Integral Part of these Financial Statements

EXHIBIT G - GENERAL FIXED ASSETS

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**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
General Fixed Assets:		
Land	\$ 24,903,100	24,903,100
Land Improvements	5,283,404	5,283,404
Buildings and Building Improvements	23,765,709	24,169,842
Machinery and Equipment	9,760,271	8,590,075
	<u>63,712,484</u>	<u>62,946,421</u>
Total General Fixed Assets		
	<u>63,712,484</u>	<u>62,946,421</u>
Investment in General Fixed Assets	\$ <u>63,712,484</u>	<u>62,946,421</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Wildwood (hereafter referred to as the "City") is a resort community in the County of Cape May, State of New Jersey. The City covers an area of approximately 1.3 square miles with a population according to the 2010 census of 5,325. The City was incorporated by an Act of the New Jersey Legislature on January 1, 1912.

The City Commission is governed by the Walsh Act, and consists of a Mayor and two Commissioners. From 1912 to 1982, the City had a commission form of government. In 1983, the government changed to the mayor-council. In 1995, by voter referendum, the City switched back to the commission form of government.

The Commissioners serve a four-year term of office. Voters within the City choose three Commissioners to serve the four year term. During 2011 the Commissioners approved a change in the election from May to December, this will extend the current terms an additional six months. The three elected commissioners then choose one of their members to serve as Mayor. The individual City Commissioners have direct supervisory control over their respective departments. The chief financial officer has been appointed to prepare and administer the annual budget.

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The Wildwood Special Improvement District and Business Improvement District are component units of the City; however they are not presented as part of the financial statements of the City. The Corporations issue separate financial statements which are available from the corporate offices.

B. Description of Funds

The accounting policies of the City of Wildwood conform to the accounting principles applicable to municipalities that 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 City of Wildwood accounts for its financial transactions through the following separate funds:

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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.

Water and Sewer Utility Operating and Capital Fund -- The Water and Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Water and Sewer Utility.

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 accounting principles generally accepted in the United States of America 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 that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the City budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City'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 City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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 unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts that 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.

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, except for the Water and Sewer Operating Funds, are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on various balance sheets. The City did not take a physical inventory of the supplies in the Sewer Utility Fund; therefore, no amount is reported on the Sewer Utility Operating Fund balance sheet.

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

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

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 at the time the land is foreclosed or donated. Land purchased by the City is valued at cost. Expenditures for long lived assets with an original cost in excess of \$5,000 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 the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have been accounted for separately.

Property and equipment purchased by the Water and Sewer Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

The following schedule is a summarization of the changes in general fixed assets for the most recent calendar years ended December 31, 2013 and 2012.

	Balance as of 12/31/11	Additions	Disposals	Balance as of 12/31/12
Land	\$ 24,903,100			24,903,100
Land Improvements	4,341,953	941,451		5,283,404
Buildings and Building Improvements	23,414,717	755,125		24,169,842
Machinery and Equipment	9,131,309	536,148	(1,077,382)	8,590,075
	<u>\$ 61,791,079</u>	<u>2,232,724</u>	<u>(1,077,382)</u>	<u>62,946,421</u>

	Balance as of 12/31/12	Additions	Disposals	Balance as of 12/31/13
Land	\$ 24,903,100			24,903,100
Land Improvements	5,283,404			5,283,404
Buildings and Building Improvements	24,169,842	18,867	(423,000)	23,765,709
Machinery and Equipment	8,590,075	1,170,196		9,760,271
	<u>\$ 62,946,421</u>	<u>1,189,063</u>	<u>(423,000)</u>	<u>63,712,484</u>

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

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

Interest on Delinquent Taxes – It is the policy of the City of Wildwood 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.

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Levy of Utility Charges – The City operates a water utility fund and a sewer utility fund. Rates are determined by ordinance and changed as necessary. Water and Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments.

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

Capitalization of Interest -- It is the policy of the City of Wildwood to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 City'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-Statutory Basis and Statement of Expenditures-Statutory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the City's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the City's financial reporting. However, the provisions of this statement will require

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

significant modifications to the disclosure requirements related to the City's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the City's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Non-exchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the City's financial statements.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014, will not have any effect on the City's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the City's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

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 City is required to establish a reserve for uncollected taxes. The 2013 and 2012 statutory budgets included a reserve for uncollected taxes in the amount of \$108,616 and \$293,316. To balance the budget, the City is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2013 and 2012 statutory budgets was \$1,002,000 and \$360,000.

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 City Council. The following significant budget transfers were approved in the 2013 and 2012 calendar years:

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Budget Category	2013	2012
Current Fund		
Municipal Fire Fighting		
Salaries & Wages	81,836	31,300
Other Expenses	-	31,023
Comm. Of Public Affairs & Public Safety		
Salaries & Wages	54,600	-
Department of Law		
Other Expenses	(127,935)	-
Beach Services		
Salaries & Wages	(24,100)	-
Human Resources		
Salaries & Wages	(30,800)	-
Land Use Administration		
Other Expenses	-	(32,067)
Recreation		
Other Expenses	28,349	-
Public Works - Director		
Salaries & Wages	-	(26,644)
Environmental Maintenance		
Salaries & Wages	35,400	-
Building Maintenance		
Other Expenses	30,000	(60,000)
Uniform Construction Code		
Other Expenses	-	40,900
Fleet Maintenance		
Other Expenses	-	50,000
Urban Enterprise Zone		
Salaries & Wages	-	(28,100)
Tax Assessment		
Other Expenses	(61,000)	-
Budget Category	2013	2012
Water Utility Fund		
Salaries and Wages	(94,000)	(172,040)
Other Expenses	94,000	-
Capital Outlay	-	122,000
City of Wildwood - Indirect Costs	-	50,000

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Budget Category	2013	2012
Sewer Utility Fund		
Salary & Wages	14,550	-
Other Expenses	(18,600)	-

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 2013 and 2012, they were as follows:

	2013	2012
GWTIDA - Muni Event Support	\$ 100,000	100,000
Alcohol Education Rehab. Fund	950	-
Clean Communities	25,806	-
Atl. Co. Joint Insurance Fund	1,750	-
Federal Emergency Mgmt.	65,900	-
COPS in Shops	5,600	4,500
	<u>\$ 200,006</u>	<u>104,500</u>

The City 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 City approved a special emergency appropriation in in 2008 for \$200,000 for the preparation of the City's Master Plan. During 2011 the City approved a special emergency appropriation for Accumulated Absence Liabilities. During 2012 the City approved two special emergency appropriations, one for the preparation of a reassessment program and one for the preparation of the tax map. The unfunded balance as of December 31, 2013 was \$0, \$255,600, \$264,000 and \$68,000 respectively. During 2013 the City also approved an emergency appropriation in the amount of \$134,538. This amount is included in the 2014 budget.

Note 3: INVESTMENTS

As of December 31, 2013 and 2012, the City had no investments.

Interest Rate Risk. The City 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.

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, the local unit or school districts of which the local unit is a part; 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 City places no limit on the amount the City may 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 City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2013 and 2012, \$1,926,226 and \$0 of the City's bank balance of \$12,311,725 and \$12,559,007, respectively were exposed to custodial credit risk.

Note 5: LONG TERM DEBT

Long-term debt as of December 31, 2013 and 2012 consisted of the following:

	Balance as of 12/31/11	Additions	Reductions	Balance as of 12/31/12	Due in One Year
General	\$ 19,041,018	3,374,000	2,153,629	20,261,389	2,413,933
Water Utility	13,911,961	3,010,000	1,075,844	15,846,117	1,258,702
Sewer Utility	6,838,392	1,112,000	116,814	7,833,578	186,662
Comp Absences	1,516,740	144,631	89,101	1,572,270	-
Total	\$ 41,308,111	7,640,631	3,435,388	45,513,354	3,859,297

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
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	Balance as of 12/31/12	Additions	Reductions	Balance as of 12/31/13	Due in One Year
General	\$ 20,261,389		2,413,932	17,847,457	2,221,270
Water Utility	15,846,117	687,000	1,258,702	15,274,415	1,088,977
Sewer Utility	7,833,578		186,662	7,646,916	187,548
Comp Absences	1,572,270	114,800	3,207	1,683,863	
Total	\$ 45,513,354	801,800	3,862,503	42,452,651	3,497,795

Paid by Current Fund:

\$7,150,000 General Improvement Bond dated 01/01/03 payable in annual installments through 01/01/2014. \$800,000 of principal was paid on 01/01/13. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2013 was \$550,000.

\$10,729,000 General Improvement Bond dated 05/01/2008 payable in annual installments through 05/01/2021. \$730,000 of principal was paid on 05/01/13. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2013 was \$7,469,000.

\$7,175,000 Refunding Bonds dated 12/28/11 payable in annual installments through 11/01/21. Interest is paid semiannually at rates varying from 3.00% to 4.00% per annum. \$630,000 of principal was paid on 11/01/13. The balance remaining as of December 31, 2013 was \$5,880,000.

\$3,374,000 General Improvement Bonds dated 10/26/12 payable in annual installments through 10/01/23. Interest is paid semiannually at rates varying from 2.00% to 3.00% per annum. The balance remaining as of December 31, 2013 was \$3,180,000.

\$500,000 Green Trust Loans Payable dated 10/07/2002 payable in semiannual installments of \$17,864 through 05/29/2019. The payment includes principal and interest \$31,549 of principal was paid during 2013. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2013 was \$185,205.

\$289,000 Green Trust Loans Payable dated 02/20/2003 payable in semiannual installments of \$8,985 through 11/25/2022. The payment includes principal and interest \$14,801 of principal was paid during 2013. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2013 was \$147,347.

\$164,000 Green Trust Loans Payable dated 01/19/2007 payable in semiannual installments of \$5,099 through 10/24/2024. The payment includes principal and interest \$8,072 of principal was paid during 2013. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2013 was \$100,247.

\$175,000 USDA/Rural Development Loan dated 01/23/2003 payable in semiannual installments of \$4,738 through 11/25/2042. The payment includes principal and interest \$2,526 of principal was

CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
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paid during 2013. Interest is payable at 4.50% per annum. The balance remaining as of December 31, 2013 was \$152,531.

\$208,000 USDA/Rural Development Loan dated 08/01/2003 payable in semiannual installments of \$5,431 through 08/01/2043. The payment includes principal and interest \$2,984 of principal was paid during 2013. Interest is payable at 4.25% per annum. The balance remaining as of December 31, 2013 was \$183,127.

Paid by Water Utility Fund:

\$1,770,000 Water Bond dated 01/01/03 payable in annual installments through 01/01/2013. \$195,000 of principal was paid on 01/01/13. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2013 was \$0.

\$3,490,000 Refunding Water Bond dated 01/01/04 payable in annual installments through 09/15/2016. \$315,000 of principal was paid on 09/15/13. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2013 was \$965,000.

\$9,903,000 Water Bond dated 05/01/08 payable in annual installments through 05/01/2028. \$410,000 of principal was paid on 05/01/13. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2013 was \$8,063,000.

\$1,350,000 Refunding Bonds dated 12/28/11 payable in annual installments through 11/01/21. Interest is paid semiannually at rates varying from 2.00% to 3.00% per annum. \$125,000 of principal was paid on 11/1/13. The balance remaining as of December 31, 2013 was \$1,095,000.

\$3,010,000 General Improvement Bonds dated 10/26/12 payable in annual installments through 10/01/27. Interest is paid semiannually at rates varying from 2.00% to 3.00% per annum. The balance remaining as of December 31, 2013 was \$2,870,000.

\$824,726 USDA/Rural Development Loan dated 02/28/2008 payable in semiannual installments of \$21,146 through 02/28/2047. The payment includes principal and interest. \$10,573 of principal was paid during 2013. Interest is payable at 4.125% per annum. The balance remaining as of December 31, 2013 was \$763,108.

\$410,000 USDA/Rural Development Loan dated 07/12/2013 payable in semiannual installments of \$7,635 through 07/12/2053. The payment includes principal and interest. \$0 of principal was paid during 2013. Interest is payable at 2.125% per annum. The balance remaining as of December 31, 2013 was \$410,000.

\$277,000 USDA/Rural Development Loan dated 11/26/2013 payable in semiannual installments of \$5,385 through 11/26/2053. The payment includes principal and interest. \$0 of principal was paid during 2013. Interest is payable at 2.375% per annum. The balance remaining as of December 31, 2013 was \$277,000.

\$625,000 N.J. Environmental Trust Loan Bond dated 11/10/2007 payable in annual installments through 08/01/2025. \$30,000 of principal was paid on 08/01/13. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2013 was \$450,000.

**CITY OF WILDWOOD
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\$621,500 N.J. Environmental Fund Loan Bond dated 11/10/2007 payable in annual installments through 08/01/2025 bearing no interest. \$33,130 of principal was paid on 08/01/13. The balance remaining as of December 31, 2013 was \$381,307.

Paid by Sewer Utility Fund:

\$1,079,000 Sewer Bond dated 05/01/08 payable in annual installments through 05/01/2028. \$45,000 of principal was paid on 05/01/13. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2013 was \$869,000.

\$1,112,000 General Improvement Bonds dated 10/26/12 payable in annual installments through 10/01/27. Interest is paid semiannually at rates varying from 2.00% to 3.00% per annum. The balance remaining as of December 31, 2013 was \$1,045,000.

\$279,524 USDA/Rural Development Loan dated 02/28/2007 payable in semiannual installments of \$7,167 through 02/28/2047. The payment includes principal and interest. \$3,583 of principal was paid during 2013. Interest is payable at 4.125% per annum. The balance remaining as of December 31, 2013 was \$258,639.

\$1,435,000 USDA/Rural Development Loan dated 02/28/2007 payable in semiannual installments of \$36,794 through 02/28/2047. The payment includes principal and interest. \$18,397 of principal was paid during 2013. Interest is payable at 4.25% per annum. The balance remaining as of December 31, 2013 was \$1,327,780.

\$1,455,500 USDA/Rural Development Loan dated 12/05/2008 payable in semiannual installments of \$39,130 through 12/05/2048. The payment includes principal and interest. \$15,964 of principal was paid during 2013. Interest is payable at 4.5% per annum. The balance remaining as of December 31, 2013 was \$1,372,331.

\$1,737,000 USDA/Rural Development Loan Dated 6/3/2010 payable in semiannual installments of \$44,537 through 6/3/2050. The payment includes principal and interest at an annual rate of 4.125%. This loan was issued under the Build America Bond program of the United States of America Recovery and Reinvestment Act (ARRA). Under the provisions of the Act, the City is issued a semiannual interest rebate equal to 35% of the actual interest payment. The rebate is issued prior to the interest payment date. In calendar year 2013 the City made principal payments of \$19,495. The rebate amount received in 2013 was \$24,353. The balance remaining as of December 31, 2013 was \$1,672,114.

\$1,136,000 USDA/Rural Development Loan dated 7/15/2011 payable in semiannual installments of \$22,550 through 7/15/2051. \$17,223 of principal was pad during 2013. The payment includes principal and interest. Interest is payable at 2.5% per annum. The balance remaining as of December 31, 2013 was \$1,102,052.

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
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Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding:

Year	General		Water Utility		Sewer Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	2,160,000	600,406	1,005,000	482,182	110,000	61,903
2015	1,795,000	532,531	1,030,000	445,901	110,000	58,691
2016	1,860,000	470,694	1,050,000	408,788	115,000	55,372
2017	1,930,000	399,381	770,000	369,814	115,000	51,947
2018	2,005,000	324,944	795,000	343,520	120,000	48,522
2019-2023	7,329,000	514,097	4,170,000	1,272,474	660,000	185,340
2024-2028	-	-	4,173,000	450,736	684,000	67,122
	<u>\$ 17,079,000</u>	<u>2,842,053</u>	<u>12,993,000</u>	<u>3,773,415</u>	<u>1,914,000</u>	<u>528,897</u>

Schedule of Annual Debt Service for Principal and Interest for USDA/Rural Development Loans:

Year	General		Water Utility		Sewer Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	5,753	14,585	21,821	46,511	77,548	198,739
2015	6,007	14,331	22,520	45,812	80,549	196,034
2016	6,272	14,066	23,243	45,089	83,599	193,293
2017	6,549	13,789	23,992	44,340	86,917	190,296
2018	6,838	13,500	24,768	43,564	90,295	190,296
2019-2023	38,992	62,698	136,460	205,200	507,042	903,382
2024-2028	48,391	53,299	160,401	181,259	614,424	810,425
2029-2033	60,058	41,632	188,948	152,712	745,569	697,142
2034-2038	74,541	27,149	223,046	118,614	905,641	558,790
2039-2043	82,257	9,295	263,845	77,815	1,102,262	388,874
2044-2048	-	-	238,909	30,771	1,183,842	183,671
2049-2053	-	-	122,155	8,044	255,228	20,622
	<u>\$ 335,658</u>	<u>264,344</u>	<u>1,450,108</u>	<u>999,731</u>	<u>5,732,916</u>	<u>4,531,564</u>

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
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Schedule of Annual Debt Service for Principal and Interest for Green Trust Loans:

Year	General Capital	
	Principal	Interest
2014	55,516	8,381
2014	56,633	7,264
2016	57,771	6,126
2017	58,932	4,965
2018	60,117	3,780
2019-2023	133,784	6,954
2024	10,046	151
	\$ 432,799	37,621

Schedule of Annual Debt Service for Principal and Interest N.J. Environmental Trust Loans:

Year	Water	
	Principal	Interest
2014	62,154	19,481
2015	61,180	17,981
2016	60,400	16,781
2017	67,869	15,581
2018	66,959	14,181
2019-2023	360,422	46,869
2024-2025	152,323	5,906
	\$ 831,307	136,780

As of December 31, 2013 and 2012, the carrying value of the above bonds approximates the fair value of the bonds.

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**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

<u>Summary of Municipal Debt</u>	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued:</u>			
<u>General:</u>			
Bonds & Notes Issued	\$ 17,736,500	19,816,000	22,214,500
Green Trust Loans	432,799	487,221	540,572
USRDA Loans	335,659	341,169	346,446
<u>Water and Sewer:</u>			
Bonds & Notes Issued	15,971,000	16,204,000	16,109,000
USRDA Loans	7,183,024	6,581,259	6,663,224
NJ Environmental Loan	831,309	894,436	950,129
Total Debt Issued	<u>42,490,291</u>	<u>44,324,085</u>	<u>46,823,871</u>
 <u>Authorized but not issued:</u>			
<u>General:</u>			
Bonds & Notes	830,000	830,650	1,255,150
<u>Water and Sewer:</u>			
Bonds & Notes	<u>8,716,000</u>	<u>5,656,000</u>	<u>3,050,000</u>
 Bonds & Notes Authorized But Not Issued			
	<u>9,546,000</u>	<u>6,486,650</u>	<u>4,305,150</u>
Net Bonds & Notes Issued and Authorized But Not Issued	<u>52,036,291</u>	<u>50,810,735</u>	<u>51,129,021</u>
 <u>Deductions:</u>			
Reserve for Payment of Bonds/Notes	20,124	118,662	1,073,992
Self-liquidating Debt	32,701,333	27,120,868	22,261,429
Total Deductions	<u>32,721,457</u>	<u>27,239,530</u>	<u>23,335,421</u>
 Net Debt	 <u>\$ 19,314,834</u>	 <u>23,571,205</u>	 <u>27,793,600</u>

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
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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 1.278%.

	Gross Debt	Deductions	Net Debt
Self-Liquidating Purpose	\$ 32,701,333	32,701,333	-
General Debt	19,334,958	20,124	19,314,834
	\$ 52,036,291	32,721,457	19,314,834

Net Debt \$19,314,834 / Equalized Valuation Basis per NJSA 40A:2-2 as amended, \$1,510,746,846= 1.278%.

The foregoing information is in agreement with the original Annual Debt Statement filed with the Division of Local Government Services.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$	52,876,140
Net Debt		19,314,834
Remaining Borrowing Power	\$	33,561,306

The City of Wildwood School District, as a K-12 school district, is permitted to borrow up to 4% 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 amounts in excess of the limit is treated as an impairment of the municipal limit.

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
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**Calculation of "Self-Liquidating Purposes"
Water Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Fund Balance Anticipated Interest and Other Investment Income, and Other Charges for the Year		\$ 7,282,358
Deductions:		
Operating and Maintenance Costs	\$ 3,884,282	
Debt Service per Water Fund	<u>1,821,443</u>	
Total Deductions		<u>5,705,725</u>
Excess in Revenues		<u><u>\$ 1,576,633</u></u>

**Calculation of "Self-Liquidating Purposes"
Sewer Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Fund Balance Anticipated Interest and Other Investment Income, and Other Charges for the Year		\$ 4,639,265
Deductions		
Operating and Maintenance Costs	\$ 4,150,278	
Debt Service per Sewer Fund	<u>458,061</u>	
Total Deductions		<u>4,608,339</u>
Excess in Revenues		<u><u>\$ 30,926</u></u>

Note 6: NOTES

Bond Anticipation, Special Emergency Notes and Emergency Notes

The City has outstanding at December 31, 2013 and 2012, bond anticipation notes in the amount of \$2,309,100 and \$380,000, respectively. The December 31, 2013 amount payable to Jefferies & Company is \$1,064,000 and the amount payable to Cede and Company is \$1,245,100. Of the December 31, 2013 amount payable to Cede & Company, \$1,245,100 bears an interest rate of

**CITY OF WILDWOOD
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1.25% and will mature on October 24, 2014. Of this note \$587,600 is a Special Emergency in the Current Fund. The note with Jefferies & Company bears an interest rate of 1.25% and matured on April 25, 2014. The note was paid off using proceeds of a long term debt issue.

Tax Appeal Refunding Note

The City has outstanding at December 31, 2013 and 2012, a tax appeal refunding note in the amount of \$0 and \$383,000, respectively.

Short term notes as of December 31, 2013 and 2012 consisted of the following:

	Balance as of 12/31/11	Additions	Reductions	Balance as of 12/31/12
General	\$ 3,282,500		3,282,500	-
Tax Appeal Refunding	778,000		395,000	383,000
Water Utility	2,000,000	500,000	2,500,000	-
Sewer Utility	972,000		972,000	-
Special Emergency	360,000	145,200	125,200	380,000
Emergency	1,958,000		1,958,000	-
Total	\$ 9,350,500	645,200	9,232,700	763,000

	Balance as of 12/31/12	Additions	Reductions	Balance as of 12/31/13
General	\$ -	657,500		657,500
Tax Appeal Refunding	383,000		383,000	-
Sewer Utility	-	1,064,000		1,064,000
Special Emergency	380,000	332,600	125,000	587,600
Total	\$ 763,000	2,054,100	508,000	2,309,100

Note 7: FUND BALANCES APPROPRIATED

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

Current Fund	\$975,950
Water Utility	318,000

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
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Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2013	2014 Budget Appropriation	Balance to Succeeding Year
Current fund:			
Emergency Authorization	\$ 134,538	134,538	-
Special Emergency Authorization	587,600	168,200	419,400
	<u>\$ 722,138</u>	<u>302,738</u>	<u>419,400</u>
Sewer utility fund:			
Emergency Authorization	\$ 28,633	28,633	-
	<u>\$ 28,633</u>	<u>28,633</u>	<u>-</u>

The appropriations in the 2014 Budget are not less than that required by statute.

Note 9: SCHOOL TAXES

Local District School Tax in the amounts of \$9,743,947 and \$9,587,624 have been raised for the 2013 and 2012 calendar year, respectively and \$9,743,947 and \$9,587,624 were remitted to the school district leaving a zero balance payable. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount for debt service.

Note 10: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/13	Balance 12/31/12
Prepaid Taxes	<u>\$ 753,171</u>	<u>540,994</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 753,171</u>	<u>540,994</u>

Note 11: PENSION FUNDS

Description of Plans

Substantially all of the City's employees are covered by the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS), a cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension 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

**CITY OF WILDWOOD
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the financial statements and required supplementary information for the Public Employees Retirement System and Police and Fireman's Retirement System. This report may be obtained by writing to the Division of Pensions 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 Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, City, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Police and Fireman's Retirement System

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% of employees' annual compensation, as defined. Employers are required to contribute at 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 provide for employee contributions of 6.64% thru June 30, 2013 and 6.78% from July 1, 2013 to December 31, 2013 of employees' annual compensation, as defined. PFRS provide for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The current PERS rate is 13% of covered payroll and for PFRS a rate of 29% of covered payroll. The City's contributions to PERS for the years ending December 31, 2013, 2012 and 2011 were \$682,860, \$629,379 and \$831,671 respectively, equal to the required contributions for each year.

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 City's contributions to PFRS for the years ending December 31, 2013, 2012 and 2011 were \$1,133,272, \$1,107,515 and \$1,348,272 respectively, equal to the required contributions for each year.

During the preparation of the 2009 budget the City elected to defer 50% of its required pension contributions. The deferred amounts were required to be funded starting in the 2012 budget including interest at 8.5% per annum.

**CITY OF WILDWOOD
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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 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES 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

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

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

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

NOTE 12: PENSION PLAN FOR LIFEGUARDS

The City of Wildwood has established a pension plan to provide retirement, disability and survivor pension benefits for the individuals who serve on the City's lifeguard force. An eligible employee becomes a plan member upon employment. Employee contributions shall be withheld from the member's salary at the rate of 4.0% and contributed to the plan for his benefit. Retiree benefits are paid out of the trust fund. A plan member may retire with a pension only after his 45th birthday and after he has completed 20 years of service, the last 10 must have been completed immediately preceding his application.

The City's contributions to the Lifeguard Pension for the years ending December 31, 2013, 2012 and 2011 were \$0, \$0 and \$0, respectively. The City's trust for the Lifeguard Pension at December 31, 2013 was \$535,987. Currently there are only three individuals receiving benefits. The benefits paid by the trust for the years ended December 31, 2013, 2012 and 2011 were \$15,041, \$15,216 and \$15,042, respectively.

NOTE 13: POST-RETIREMENT BENEFITS

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

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

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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

Members of the Public Employees' Retirement System would generally qualify for coverage under the following criteria:

Service Retirement	Eligible at age 60
Early Retirement	Eligible after 25 years of service
Service or Early Retirement Eligibility for State-paid SHBP Benefits	Attainment of 25 years of service
Ordinary Disability Retirement	Eligible after 10 years of service
Accidental Disability	Eligible upon total and permanent disability prior to age 65 as a result of a duty injury

Members of the Police and Firemen's Retirement System would generally qualify for coverage under the following criteria:

Service Retirement	Eligibility means age 55 or 20 years of credited service for an employee who is a member of the Retirement System as of January 18, 2000 and age 55 for an employee who became a member of the Retirement System after January 18, 2000. Mandatory at age 65.
Service or Early Retirement Eligibility for State-paid SHBP Benefits	Attainment of 25 years of service
Ordinary Disability Retirement	A Member is eligible for Ordinary Disability Retirement if he (she) has 4 years of service and is totally and permanently incapacitated from the

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

		performance of usual or available duties.
Accidental Retirement	Disability	A member is eligible upon total and permanent incapacitation from the performance of usual and available duties as a result of injury during the performance of regular duties.
Special Disability Retirement		A member is eligible for Special Disability Retirement if he (she) has 5 years of Credited Service, is under age 55, and has received a heart transplant.

The City is a member of the SHBP and provides that its retirees will be covered if they have participated in either the PERS or the PFRS for 25 years. During 2013 and 2012 the City paid the SHBP \$1,127,523 and \$1,065,467, respectively for health care of retirees.

The City also provides dental and vision coverage for retirees but not through the NJSHBP. The City is required to calculate the future cost to provide this service. The City is not required to fund OPEB calculation but only to report the amount.

Annual OPEB Cost. The City's annual OPEB valuations are as follows:

Plan assets at December 31, 2011 \$0

The FYE 2013 Annual Required Contribution (ARC) is \$69,549 (assuming no prefunding of obligations).

Benefit payments for the year ended December 31, 2013 were \$45,462.

Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of event in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

The city's calculation was based on trend assumptions along with information in published papers from other industry experts. For prescription drug and vision benefits, the initial trend is to increase the cost 4.5% annually.

Note 14: DEFERRED COMPENSATION

Employees of the City of Wildwood 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 City. 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.

The deferred compensation plan is administered by an unrelated financial institution. 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 City has an obligation of due care in selecting the third party administrator. In the opinion of the City's legal counsel, the City has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 15: LABOR CONTRACTS

As of December 31, 2013, the City's employees are organized in the following collective bargaining units. Contracts are continually being negotiated the following table shows their current status.

Contract	Category	Expiration	Covers
UAW #2327	Public Works, Water, Sewer, Traffic Operations, Municipal Court and Clerk Typists	12/31/14	All employees in public works, water, sewer, traffic operations, municipal court and clerk typists. Supervisors are excluded.
PBA	Police	12/31/14	All uniformed police, detectives, and other special police units, excluding the chief and captain.
Firemen's Mutual Benevolent Asso.	Firefighters	12/31/12	All uniformed firefighters.

Pursuant to P.L. 2011, c. 78 any collective bargaining agreement entered into after June 28, 2011 requires employee contributions to health insurance coverage based on percentages of income as listed in the law.

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 16: ACCRUED SICK AND VACATION BENEFITS

The City has permitted full time employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2013 and 2012, the City estimates this liability to approximate \$1,683,863 and \$1,572,270, respectively. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The City has established an accrual of \$55,000.

Note 17: ECONOMIC DEPENDENCY

The City of Wildwood is economically dependent on the tourism industry.

Note 18: LEASE OBLIGATIONS

At December 31, 2013, the City had lease agreements in effect for the following:

Operating:
Copy Machines

The following is an analysis of operating leases:

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2014	24,282
2015	24,215
2016	<u>16,153</u>
	<u>\$ 64,650</u>

Rental payments under operating leases for the year 2013 were \$24,282.

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 19: RISK MANAGEMENT

The City is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles
Boiler and Machinery
Employee Dishonesty

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the City with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles
Boiler and Machinery

Contributions to the Fund, are payable in an annual premium and based on actuarial assumptions determined by the Fund's actuary. The City's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of \$500,000 for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2013, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund
P.O. Box 488
Marlton, New Jersey 08053

Note 20: LITIGATION

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

Note 21: MORTGAGE RECEIVABLE

On February 8, 2000, the City entered into an intergovernmental agreement with the New Jersey Sports and Exposition Authority for the construction of the Wildwood Convention Center. This

**CITY OF WILDWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

agreement included a mortgage in the amount of \$3,092,392 payable to the City. The mortgage requires annual payments through 2016. The State is currently behind in the annual payments.

The agreement also calls for a payment in lieu of taxes in the amount of \$30,000 per year. This amount has not been paid for the 2012 and 2013 years and a receivable has been established.

Note 22: RENTAL OF MUNICIPAL PROPERTY

The City is party to several agreements for the rental of municipally owned land and buildings. The total rent received in 2013 was \$432,273.

Note 23: SUBSEQUENT EVENTS

The City has evaluated subsequent events through August 27, 2014, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY INFORMATION

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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
City of Wildwood, 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 financial statements of the various funds and account group of the City, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated August 27, 2014, 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 City's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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.

Glen J. Ortman, CPA

Glen J. Ortman, CPA,
Registered Municipal Accountant
No. 427

Ford Scott & Associates, LLC
FORD SCOTT & ASSOCIATES, LLC

August 27, 2014



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

The Honorable Mayor and
Members of the Board of Commissioners
City of Wildwood, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the City of Wildwood's (City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the New Jersey OMB 04-04 *State Grant Compliance Supplement* that could have a direct and material effect on each of City's major federal and state programs for the year ended December 31, 2013. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Glen J. Ortman, CPA

Glen J. Ortman, CPA,
Registered Municipal Accountant
No. 427

Ford Scott & Associates, LLC
FORD SCOTT & ASSOCIATES, LLC

August 27, 2014

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA # Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/2012	Receipts or Revenue Recognized	Disbursements/Expenditures	Prior Year Encumbrances Cancelled	Cancellation	Balance 12/31/2013	Cumulative Expenditures
FEDERAL:										
Federal Emergency Management Assistance										
Assistance to Firefighters	97,044	01/27/12 01/26/13	351,564	101,320	65,900	101,290	-	-	30	351,524
Equipment Reimbursement	97,036	10/28/12 12/13/14	65,900	-	65,900	56,444	-	-	9,456	56,444
Total Federal Emergency Management Assistance				101,320	65,900	157,734	-	-	9,486	
Department of Agriculture										
Sewer Improvements - II	10,760	09/01/06 open	605,000	344,303	-	73,199	-	-	271,104	333,896
Sewer Improvements - 3B	10,760	05/12/09 open	772,000	7,908	-	7,908	-	-	-	772,000
Sewer Improvements - 3A	10,760	05/12/09 open	708,000	708,000	-	-	-	-	708,000	-
Total Department of Agriculture				1,060,211	-	81,107	-	-	979,104	
Department of Justice										
ARRA - COPS Hiring Grant	16,710	01/01/09 12/31/11	819,120	220,792	-	188,605	-	-	32,187	786,933
COPS in Shops	16,710	05/23/13 09/15/13	1,000	-	1,000	1,000	-	-	-	1,000
COPS in Shops	16,710	05/23/13 09/15/13	5,600	-	5,600	5,600	-	-	-	5,600
Edward Byrne Memorial Justice Assistance - 2009	16,738	01/01/10 12/31/10	12,483	6,815	-	6,815	-	-	-	12,483
Edward Byrne Memorial Justice Assistance - 2011	16,738	01/01/11 12/31/11	11,711	11,711	-	11,711	-	-	-	11,711
Total Department of Justice				239,318	6,600	213,731	-	-	32,187	
Department of Law and Public Safety										
Bullet Proof Vest		01/20/06 open	9,795	1,254	-	1,254	-	-	-	9,795
Total Department of Law and Public Safety				1,254	-	1,254	-	-	-	
Housing and Urban Development										
Youngs Avenue Reconstruction	14,228	07/01/13 12/31/14	400,000	429,272	400,000	375,992	-	-	24,008	375,992
Expansion and Renovation of Municipal Building	14,228	01/01/09 06/30/11	500,000	429,272	400,000	429,272	-	-	-	500,000
Total Housing and Urban Development				429,272	400,000	805,264	-	-	24,008	
Total Federal Assistance				\$ 1,831,375	472,500	1,259,090	-	-	1,044,785	

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA # Pass Through Grantor's #	Grant Period		Program or Award Amount	Balance 12/31/2012	Receipts or Revenue Recognized	Disbursements/ Expenditures	Prior Year Encumbrances Cancelled	Cancelled	Balance 12/31/2013	Cumulative Expenditures	
		From	To									
STATE OF NEW JERSEY												
Department of Community Affairs												
Clean Communities - 2011	4900-765-042-4900-6020	01/01/11	12/31/11	22,335	192		192			-	22,335	
Clean Communities - 2012	4900-765-042-4900-6020	01/01/12	12/31/12	21,979	17,241		11,420			5,821	6,309	
Clean Communities - 2013	4900-765-042-4900-6020	01/01/13	12/31/13	25,806	-	25,806				25,806	16,158	
Department of Human Services												
Safe and Secure	100-066-1020-232-6210	01/29/12	01/28/13	90,000	90,000		90,000			-	90,000	
Safe and Secure	100-066-1020-232-6210	01/29/13	01/28/14	90,000						90,000	-	
Department of Environmental Protection												
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/10	12/31/10	13,182	755		1,113	(557)		199	12,983	
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/11	12/31/11	13,609	7,309					7,309	6,300	
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/12	12/31/12	5,477	5,477		4,117			1,360	4,117	
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/13	12/31/13	18,657	-	18,657				18,657	-	
Department of Transportation												
Pacific Avenue	6320-480-60139X-61	12/20/05	open	150,000	150,000		150,000			-	150,000	
Pacific Avenue	6320-480-60139X-61	05/20/09	open	350,000	350,000		274,073			75,927	274,073	
Pacific Avenue Rio Grande to Creese	6320-480-60139X-61	02/08/11	open	290,000	28,708		28,708			-	290,000	
Park Boulevard Phase I	6320-480-60139X-61	01/20/10	open	186,000	-					-	186,000	
Park Boulevard Phase II	6320-480-60139X-61	01/01/11	open	205,000	186,000		186,000			18,448	1,852	
Park Boulevard Phase III	6320-480-60139X-61	01/01/12	open	180,000	180,000		205,000			-	205,000	
							37,301			142,699	37,301	
Department of Commerce & Economic Growth Commission												
Urban Enterprise Zone Authority	763-020-2830-061	01/01/13	12/31/13	12,000	-	12,000	12,000			-	12,000	
Purchase of Portable Atage												
Department of Law and Public Safety												
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/08	12/31/08	2,249	1,664		1,664			-	2,249	
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/09	12/31/09	2,367	1,267		36	(1,100)		2,331	36	
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/10	12/31/10	1,307	1,307					1,307	-	
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/11	12/31/11	1,349	1,349					1,349	-	
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/12	12/31/12	1,241	1,241					1,241	-	
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/13	12/31/13	950	-	950				950	-	
Drunk Driving Enforcement Fund	6400-100-078-6409	01/01/09	12/31/09	10,628	6,402		5,271			1,131	9,497	
Drunk Driving Enforcement Fund	6400-100-078-6409	01/01/11	12/31/11	16,358	9,323					9,323	7,035	
Drunk Driving Enforcement Fund	6400-100-078-6409	01/01/13	12/31/13	7,434	-	7,434				7,434	-	
Body Armor Replacement	718-066-1020-001-6120	01/01/08	12/31/08	4,961	2,104		2,104			-	4,961	
Body Armor Replacement	718-066-1020-001-6120	01/01/09	12/31/09	4,460	3,706		275	(754)		4,185	275	
Body Armor Replacement	718-066-1020-001-6120	01/01/10	12/31/10	1,623	1,623					1,623	-	
Body Armor Replacement	718-066-1020-001-6120	01/01/10	12/31/10	3,890	3,890					3,890	-	
Body Armor Replacement	718-066-1020-001-6120	01/01/11	12/31/11	3,141	3,141					3,141	-	
Body Armor Replacement	718-066-1020-001-6120	01/01/13	12/31/13	3,302	-	3,302				3,302	-	
Total State Assistance				\$ 1,071,699	\$ 344,149		\$ 825,126	(2,411)	-	\$ 593,133		

See Accompanying Notes to Schedule of Expenditures of Federal and State Awards

**NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2013**

Note 1: BASIS OF PRESENTATION

The accompanying schedule of federal and state awards includes the federal and state grant activity of the City of Wildwood, State of New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Encumbrances are considered in determining the single audit threshold on major programs.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the City's financial statements. Receipts from federal and state grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the City's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services as follows:

	Federal	State
Expenditures per Schedule of Federal and State Awards	\$ 1,259,090	813,126
Add :		
County / Local Funding		124,082
Less:		
Capital/Utility Funding	(1,018,221)	(424,073)
	\$ 240,869	513,135

**CITY OF WILDWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Section I -- Summary of Auditor's Results

Financial Statement

Type of auditor's report issued	<u>Adverse under GAAP - Unmodified under Regulatory Basis</u>		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____	no
• Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> _____	none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> _____	no

Federal Awards

Internal Control over major programs:			
• Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____	no
• Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> _____	none reported
Type of auditor's report issued on compliance major programs	_____ <u>Unmodified</u> _____		
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	_____ yes	_____ _____	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ <u>14.228</u> _____	_____ <u>Youngs Avenue Reconstruction/Expansion of Municipal Building</u> _____
_____ _____	_____ _____
_____ _____	_____ _____
_____ _____	_____ _____

Dollar Threshold used to distinguish between type A and type B programs: \$ _____ 300,000

Auditee qualified as low-risk auditee? _____ yes _____ no

State Awards

Internal Control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance major programs

_____ Unmodified _____

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

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____ 6320-480-60139X _____	_____ New Jersey Department of Transportation Trust Fund _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee? _____ yes X no

Part II - Schedule of Financial Statement Findings

NONE

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

NONE

STATUS OF PRIOR RECOMMENDATIONS

Finding 2012-1

We found several violations of the Local Public Contracts Law. We found that resolutions approving certain contracts were awarded as professional services; however the services being performed are not professional services in accordance with State rules and regulations. We also found that contracts were awarded prior to obtaining the required certification of availability of funds from the Chief Financial Officer. We found one change order in excess of 20% of the original contract was approved and that the State rules and regulations were not followed for this change order.

Current Status – This finding has been cleared in 2013.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Treasurer	Federal and State Grant
Balance December 31, 2012	\$ 3,243,177	64,087
Increased by Receipts:		
Tax Collector	30,821,355	
Miscellaneous Revenue Anticipated	5,365,634	
Miscellaneous Revenue Not Anticipated	602,826	
Due from State - Sr. Citizens and Veterans	42,250	
Homestead Rebate	136,107	
Appropriation Refunds	213,269	
Appropriation Reserve Refunds	-	
Special Emergency Note Proceeds	207,600	
Due from Sewer Operating Fund	25,588	
Due from Water Operating Fund	80,000	
Reserve for Land Sale Deposit	154,787	
Reserve for Insurance Proceeds	32,373	
Reserve for Maintenance Guarantee		
Prepaid Rental Fees		
Federal and State Grants Receivable	643,217	
Federal and State Grants Unappropriated	24,773	
	37,681,789	667,990
	40,924,966	732,077
Decreased by Disbursements:		
2013 Appropriations	22,370,830	
2012 Appropriation Reserves	808,556	
Accounts Payable	2,185	
Reserve for 1.5% Health Insurance	2,167	
Reserve for Auctioneer/Auction Sale	17,158	
Reserve for State Tax Appeals	20,249	
Reserve for Insurance Proceeds	8,172	
Reserve for GWTD Authority Fee	871	
Reserve for Boardwalk Viewers	31,397	
Reserve for Tax Map	1,425	
Reserve for Human Services		
Reserve for Codification of Ordinances		
Reserve for Accumulated Absence Liabilities	42,754	
Reserve for Performance Bonds		
Reserve for Master Plan	91,846	
Reserve for Reassessment	9,631	
Prior Year Revenue Returned		
Due to Sewer Operating		
County Taxes Payable	3,604,755	
Due County for Added and Omitted Taxes	7,161	
Local District School Tax	9,743,947	
Special District Tax		
Federal and State Grant Expenditures		517,555
Due to the Current Fund		
	37,313,104	517,555
	\$ 3,611,862	214,522
Balance December 31, 2013		

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF CASH - COLLECTOR**

Balance December 31, 2012	\$		14,878
Increased by Receipts:			
Taxes Receivable	\$	29,946,130	
Tax Title Liens		5,112	
Interest and Cost on Taxes		106,287	
2014 Prepaid Taxes		<u>753,171</u>	
		<u>30,810,700</u>	
		<u>30,825,578</u>	
Decreased by Disbursements:			
Payment to Treasurer		<u>30,821,355</u>	
		<u>30,821,355</u>	
Balance December 31, 2013	\$		<u><u>4,223</u></u>

See Accompanying Auditor's Report

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

Year	Balance Dec. 31, 2012	2013 Levy	Added Taxes	Collections		Over- Payments Created/(Applied)	(Transfers)/ Canceled	Transferred To Tax Title Liens	Balance Dec. 31, 2013
				2012	2013				
2012	\$ 5,438		8,553		13,982		9		-
	5,438	-	8,553	-	13,982	-	9	-	-
2013		31,084,746	53,536	540,994	30,119,655		457,317	20,277	39
	\$ 5,438	31,084,746	62,089	540,994	30,133,637	-	457,326	20,277	39

Taxes Receivable
Homestead Benefit Credit
Senior Citizens and Veterans

\$ 29,946,130
136,107
51,400
30,133,637

Analysis of 2013 Property Tax Levy

Tax Yield:
General Property Tax
Added Taxes (54:4-63.1 et. seq.)

31,084,746
53,536
31,138,282

Tax Levy:

Local School District Tax (Abstract)
County Taxes:
County Tax (Abstract)
County Library Tax (Abstract)
County Open Space (Abstract)
Due County for Added Taxes
(54:4-63.1 et. seq.)

9,743,947
3,027,475
429,326
147,954
6,420

Total County Taxes
Special District Tax

3,611,175
550,000

Local Tax for Municipal Purposes
Add: Additional Tax Levied

17,000,980
232,180
17,233,160
\$ 31,138,282

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2012		\$	82,744	
Increased by:				
Transfers from Taxes				
Receivable	\$	20,277		
Interest and Costs Accrued by:				
Sale of December 17, 2013		<u>451</u>		
			<u>20,728</u>	
			103,472	
Decreased by:				
Collected		<u>5,112</u>		
			<u>5,112</u>	
Balance December 31, 2013		\$	<u><u>98,360</u></u>	-

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2012	Accrued In 2013	Collected	Balance Dec. 31, 2013
Miscellaneous Revenue Anticipated:				
Licenses-Alcoholic Beverages	\$	91,419	91,419	-
Licenses-Other		394,240	394,240	-
Fees and Permits		522,523	522,523	-
Municipal Court	23,337	538,261	540,909	20,689
Interest and Costs on Taxes		106,287	106,287	-
Parking Meters		635,987	635,987	-
Interest on Investments		19,791	19,791	-
Public Property Rental		432,273	432,273	-
TV Cable Franchise Fee		39,878	39,878	-
In Lieu of Taxes		104,013	104,013	-
Ambulance Rescue Squad		325,796	325,796	-
Fees - Tram Car		92,700	92,700	-
GWTDA Administrative Reimbursement		30,000	30,000	-
Energy Receipts Tax (P.L. 1997, Ch 162&167)		1,005,571	1,005,571	-
Uniform Fire Safety Act		57,078	57,078	-
Indirect Cost Allocation from Water Utility		425,635	425,635	-
Interlocal Service Agreement - Dispatch Services		35,000	35,000	-
Interlocal Service Agreement - Municipal Court		17,500	17,500	-
Interlocal Service Agreement - Ambulance Service		15,000	15,000	-
Wildwood Water Utility - Rio Grande Avenue		10,862	10,862	-
Interlocal Service Agreement - Cops in School - WBOE		60,000	60,000	-
Reserve for Payment of Bonds		65,917	65,917	-
Reserve for Payment of Notes		32,621	32,621	-
1.85% Room Tax		217,620	217,620	-
Water Utility Surplus		205,700	205,700	-
Municipal Event Support from GWTDA		33,454	33,454	-
ACM JIF Safety Reimbursement		2,546	2,546	-
Lease of Wharfage		17,518	17,518	-
Miscellaneous Revenue Not Anticipated:		602,826	602,826	-
	\$ 23,337	6,138,016	6,140,664	20,689

Treasurer	5,968,460
Reserve for 1.85% Room Tax	65,917
Prior Year Receipts	106,287
Interest and Costs on Taxes	6,140,664

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2012

	<u>Balance Dec. 31, 2012</u>	<u>Balance After Transfers</u>	<u>Paid</u>	<u>Overexpended</u>	<u>Balance Lapsed</u>
OPERATIONS WITHIN "CAPS"					
General Government Functions:					
Department of Public Affairs and Public Safety:					
Commissioner of Public Affairs and Public Safety					
Other Expenses	\$ 486	486	486		-
Department of Law - Director's Office					
Other Expenses	88,479	88,479	65,123		23,356
Police					
Salaries and Wages	16,537	16,537	10,616		5,921
Other Expenses	27,348	31,548	30,636		912
Lifeguards					
Other Expenses	73	73	73		-
Emergency Management					
Salaries and Wages	4,746	4,746			4,746
Traffic Marking					
Other Expenses	237	237	237		-
Municipal Fire Fighting					
Salaries and Wages	4,500	4,500	1,062		3,438
Other Expenses	27,188	27,108	23,108		4,000
Parking					
Other Expenses	1,433	1,433	1,433		-
Animal Control					
Other Expenses	320	320			320
Property Inspectors					
Other Expenses	445	524	524		-
Municipal Court					
Salaries and Wages	5	5			5
Other Expenses	3,180	3,750	3,641		109
Department of Revenue and Finance:					
Commissioner of Revenue and Finance					
Other Expenses	581	581	286		295
Municipal Administrator					
Other Expenses	1,250	2,276	2,276		-
City Clerk					
Other Expenses	4,058	4,058	3,137		921
Accounts and Control					
Other Expenses	4,524	10,520	5,211		5,309
Tax Assessment					
Other Expenses	50,515	50,515	21,935		28,580
Revenue Collection					
Salaries and Wages	1	1			1
Other Expenses	4,516	4,516	4,333		183
Purchasing					
Other Expenses	2,461	2,461	1,936		525
Redevelopment Agency					
Other Expenses	30,493	9,035	9,035		-
Economic Development					
Other Expenses	35,186	35,186	17,602		17,584
Insurance					
Employee Group Health	347,047	347,047	328,992		18,055
Human Resources					
Salaries and Wages	33	33			33
Other Expenses	13,424	13,424	12,187		1,237
Department of Public Works, Parks & Property					
Commissioner of Public Works					
Other Expenses	178	178	178		-
Director's Office					
Salaries and Wages	38	38			38
Other Expenses	19,438	12,438	4,999		7,439
Engineer Fees					
Other Expenses	5,681	5,681	3,801		1,880
Building Maintenance					
Salaries and Wages	23	23			23
Other Expenses	36,614	30,423	22,341		8,082
Boardwalk and Facility Construction					
Other Expenses	13,249	13,249	11,556		1,693

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2012**

	<u>Balance Dec. 31, 2012</u>	<u>Balance After Transfers</u>	<u>Paid</u>	<u>Overexpended</u>	<u>Balance Lapsed</u>
Special Events					
Other Expenses	1,123	1,123	1,108		15
Recreation					
Salaries and Wages	16	16			16
Other Expenses	5,150	5,150	4,288		862
Street Maintenance					
Salaries and Wages	15	15			15
Other Expenses	20,467	20,467	10,651		9,816
Snow Removal					
Other Expenses	3,000	3,000	3,000		-
Environmental Maintenance					
Salaries and Wages	50	50			50
Other Expenses	6,757	6,757	1,055		5,702
Fleet Maintenance					
Other Expenses	48,695	48,695	35,616		13,079
Sanitation/Trash					
Other Expenses	8,927	8,927	2,060		6,867
Landfill Tipping Fees					
Other Expenses	82,726	111,579	96,979		14,600
Land Use Administration					
Other Expenses	2,000	2,000	2,000		-
Unclassified:					
Gasoline	18,984	18,984	18,984		-
Electricity	8,919	8,919	4,296		4,623
Natural Gas	5,802	5,802	5,687		115
Telephone	8,702	8,702	4,376		4,326
Street Lighting	17,706	17,706	17,531		175
Water Service	30,830	24,835	24,835		-
Sewer Service		-			-
Postage	27	27	27		-
Deficit in Sewer Utility Operations	3	3			3
Totals	<u>\$ 1,014,186</u>	<u>1,014,186</u>	<u>819,237</u>	<u>-</u>	<u>194,949</u>
		Reserved	\$ 266,089	808,556	Disbursed
		Encumbered	748,097	10,681	Accounts Payable
			<u>\$ 1,014,186</u>	<u>819,237</u>	

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

Balance December 31, 2012		
School Tax Payable	\$	-
Increased by:		
Levy-Calendar Year January 1, 2013		
to December 31, 2013		<u>9,743,947</u>
		9,743,947
Decreased by:		
Payments		<u>9,743,947</u>
Balance December 31, 2013		
School Tax Payable		<u><u>-</u></u>
 <u>2013 Liability for Local District School Tax</u>		
Tax Paid		9,743,947
Tax Payable December 31, 2013		<u>-</u>
		9,743,947
Less:		
Tax Payable December 31, 2012		<u>-</u>
Amount Charged to 2013 Operations	\$	<u><u>9,743,947</u></u>

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - RECEIVABLE**

Grant	Balance Dec. 31, 2012	Anticipated Revenue	Received	Receivable Cancelled	Balance Dec. 31, 2013
State:					
Alcohol Education and Rehabilitation 2013	950	950	950		-
Drunk Driving Enforcement Fund - FY 2012		7,434	7,434		-
Body Armor Grant - FY 2012		3,302	3,302		-
Clean Communities 2013		25,806	25,806		-
Safe and Secure Community Program 2012 2013	90,000	90,000	90,000		90,000
NJ DOT CMC Park Boulevard - Phase II Park Boulevard - Phase III	205,000 180,000		107,250		97,750 180,000
Recycling Tonnage Grant		18,657	18,657		-
Local:					
Casino Reinvestment Development Authority	6,000				6,000
Greater Wildwood Tourism Development Authority Municipal Event Support		100,000	100,000		-
ACM JIF Safety Incentive Program - 2013		1,750	1,750		-
WBID Community Policing		20,000	20,000		-
Federal:					
COPS in Shops 2011 2012 2013	81	1,000 5,600	1,000 5,600		81 -
FEMA Superstorm Sandy - Equipment Reimbursement		65,900	65,900		-
COPS Hiring Recovery	284,129		225,961		58,168
Bulletproof Vest Partnership 2009	2,775				2,775
	<u>\$ 767,985</u>	<u>340,399</u>	<u>673,610</u>	<u>-</u>	<u>434,774</u>
		Unappropriated Reserves Federal and State Grant Fund	30,393 643,217		673,610

FEDERAL AND STATE GRANT FUND
 SCHEDULE OF FEDERAL AND STATE GRANTS - APPROPRIATED

Grant	Balance Dec. 31, 2012	2013 Budget Appropriation	Expended	Prior Encumbrance Cancelled	Appropriation Cancelled	Balance Dec. 31, 2013
State:						
Recycling Tonnage Grant 2010	\$ 755		1,113	557		199
Recycling Tonnage Grant 2011	7,309					7,309
Recycling Tonnage Grant 2012	5,477		4,117			1,360
Recycling Tonnage Grant 2013		18,657				18,657
Alcohol Education and Rehabilitation						
2008	1,664		1,664			-
2009	1,267		36	1,100		2,331
2010	1,307					1,307
2011	1,349					1,349
2012	1,241					1,241
2013		950				950
Clean Communities						
2011	192		192			-
2012	17,241		11,420			5,821
2013		25,806				25,806
Drunk Driving Enforcement Fund						
2009	6,402		5,271			1,131
2011	9,323					9,323
2012		7,434				7,434
Body Armor Replacement						
2007	2,104		2,104			-
2008	3,706		275	754		4,185
2009	1,623					1,623
2010	3,890					3,890
2011	3,141					3,141
2013		3,302				3,302
Department of Transportation						
Park Boulevard Phase II	205,000		205,000			-
Park Boulevard Phase III	180,000		37,301			142,699
Safe and Secure Community Program						
2012	90,000		90,000			-
2013		90,000				90,000
Local:						
Municipal Alliance		1,565	1,565			-
ACM JIF Safety Incentive Program						
2010	2,517		2,517			-
2013		1,750				1,750
Greater Wildwood Tourism Development Authority						
Municipal Event Support		100,000	100,000			-
WBID Community Policing Grant		20,000	20,000			-
Matching Funds for Grants		1	1			-

FEDERAL AND STATE GRANT FUND
 SCHEDULE OF FEDERAL AND STATE GRANTS - APPROPRIATED

Grant	Balance Dec. 31, 2012	2013 Budget Appropriation	Expended	Prior Encumbrance Cancelled	Appropriation Cancelled	Balance Dec. 31, 2013
Federal:						
COPS in Shops						
2012		1,000	1,000			-
2013		5,600	5,600			-
COPS Hiring Recovery	220,802		188,605			32,197
Energy Efficiency & Conservation Block Grant						-
FEMA Superstorm Sandy - Equipment Reimbursement		65,900	56,444			9,456
Bulletproof Vest Partnership	1,254		1,254			-
Edward Byrne Memorial Justice Assistance						
2011	11,711		11,711			-
2009	6,815		6,815			-
	<u>\$ 786,090</u>	<u>341,965</u>	<u>754,004</u>	<u>2,411</u>	<u>1</u>	<u>376,461</u>
		Encumbered	248,062			
		Expended	505,555			
		Prior Encumbrance	387			
		<u>754,004</u>				

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED**

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>Received</u>	<u>Transferred to 2013 Budget Appropriations</u>	<u>Balance Dec. 31, 2013</u>
Body Armor Replacement Program	\$ 3,302	3,925	3,302	3,925
Drunk Driving Enforcement Fund	7,434		7,434	-
COPS in Shops	1,000	1,500	1,000	1,500
Recycling Tonnage Grant	18,657	19,348	18,657	19,348
	<u>\$ 30,393</u>	<u>24,773</u>	<u>30,393</u>	<u>24,773</u>

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	Dog Licenses	Other
Balance December 31, 2012	\$ 511	1,979,310
Increased by Receipts:		
Dog License Fees 2013	\$ 258	
Due to State of New Jersey	103	
Interest Earned	-	
Miscellaneous Trust Reserves		5,450,182
Due to the State of NJ Surcharge Fee		10,521
Redemption of Tax Liens		2,222,312
Premiums Received		964,000
	361	8,647,015
	872	10,626,325
Decreased by Disbursements		
Due to Current Fund	204	
Due to State of New Jersey	104	
Miscellaneous Trust Reserves		5,358,710
Due to the State of NJ Surcharge Fee		9,474
Due from Employees		83
Due from State		2
Due from Federal		42
Redemption of Tax Liens		2,200,609
Premiums Returned		351,000
	308	7,919,920
Balance December 31, 2013	\$ <u>564</u>	<u>2,706,405</u>

**TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

Balance December 31, 2012		\$	510
Increased by:			
Dog License Fees Collected	\$	<u>258</u>	<u>258</u>
			768
Decreased by:			
Statutory Excess		204	
Expenditures under N.J.S. 4:19-15:11		<u> </u>	<u>204</u>
Balance December 31, 2013		\$	<u><u>564</u></u>

License Fees Collected:

Year	Amount
2011	\$ 246
2012	<u>318</u>
	<u><u>\$ 564</u></u>

TRUST FUND
SCHEDULE OF AMOUNT DUE TO CURRENT FUND - DOG LICENSE FUND

Balance December 31, 2012		\$	-
Increased by:			
Interest	\$		-
Statutory Excess		<u>204</u>	<u>204</u>
			204
Decreased by:			
Payment			<u>204</u>
Balance December 31, 2013		\$	<u><u>-</u></u>

TRUST FUND
SCHEDULE OF AMOUNT DUE TO(FROM) STATE OF NEW JERSEY - DEPARTMENT OF HEALTH

Balance December 31, 2012		\$	1
Increased by:			
2013 State License Fees	\$	<u>103</u>	<u>103</u>
			104
Decreased by:			
Disbursements to the State			<u>104</u>
Balance December 31, 2013		\$	<u><u>-</u></u>

**TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Reserve</u>	Balance Dec 31, 2012	<u>Increased by</u>		<u>Decreased by</u>		Balance Dec 31, 2013
		Receipts	2013 Budget Appropriation	Disbursements		
Payroll	\$ 122,139	4,800,097		4,665,283		256,953
DEDR	150					150
Offduty Police Officers	-					-
Police Forfeiture	89,431	5,180		2,308		92,303
Recreation Expenditures	16,394	44,643		39,360		21,677
Special Events	3,184	17,132		6,318		13,998
Historical Society	50					50
Lifeguard Pension	533,158	17,870		15,041		535,987
Developers Escrow	113,992	76,009		39,017		150,984
Parking Offense Adjudication Act	16,326	2,733				19,059
Fire Penalty - Compensatory	77,230	14,423		26,766		64,887
Fire Penalty - Dedicated	47,128	84,207		89,651		41,684
Memorial Benches	33,634	15,065		13,850		34,849
Snow Removal	7,130		3,000			10,130
UCC Fees	12,362	264,120		257,554		18,928
Accumulated Absences	103,692			48,616		55,076
Self Insurance	112,337	417		44,440		68,314
Tourism Development Commission	59,904	101,101		107,251		53,754
Revolving Loan Fund	109,849	441				110,290
Beach Patrol Donations	-	3,744		3,255		489
	<u>\$ 1,458,090</u>	<u>5,447,182</u>	<u>3,000</u>	<u>5,358,710</u>		<u>1,549,562</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2012	----- Receipts -----		----- Disbursements -----		----- Transfers -----		Balance Dec. 31, 2013
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Contracts Payable	\$ 762,722					762,722	464,607	464,607
Capital Improvement Fund	5,459	50,000				33,900		21,559
Reserve for Payment of Bonds	86,041				65,917			20,124
Reserve for Preliminary Expenses	-							-
Fund Balance	53,188		60					53,248
Reserve for Payment of Notes	32,621				32,621			-
Grants Receivable	(1,625,000)		1,313,587			400,000		(711,413)
<u>Improvement Authorizations:</u>								
<u>Ordinance</u>								
<u>Number</u>								
773-09 Various Improvements								
a Replacement of Boardwalk	76,755			18,331		22,594	29,299	65,129
c Pacific Ave. Streetscape	-							-
d Improvement to Pacific Ave.	119,322			432,519		8,673	398,403	76,533
e Street lights and Street signs	6,133			24				6,109
798-10 a. Purchase of Equipment	10,237			2,249		10,237	2,249	-
b. Major Repairs of Equipment	-							-
805-10 Acquisition of Timekeeping System	28,206			252				27,954
811-10 a. Expansion/Renovation Muni. Bldgs.	392,292			502,820		12	112,338	1,798
b. Purchase of Vehicles	6,364			337				6,027
823-10/ a. Purchase of DPW Equipment	79,215			2,046		42,232		34,937
867-11 b. Purchase of Police SUV	1,205			33,205			32,000	-
c. Purchase of DPW Dump Truck	26,212			25,190			4,200	5,222
d. Purchase of Various Equipment	339			339				-
e. City Hall Improvements/Expansion	86,767			397		11,546		74,824
f. Reconst. of Park Blvd.	185,850			1,852		184,148		-
g. Preliminary Plan - Streetscape								-
824-10 b. Purchase of DPW Equipment	3,491							3,491
c. Improvements - Sidewalks & Curbs	18,715							18,715

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2012	----- Receipts -----		----- Disbursements -----		Balance Dec. 31, 2013
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	
					From	To
841-11 Back Bay Flood Abatement	1,825			188		1,637
860-11 Preliminary Expense - Redevelopment of Bayside Area	50,889			12,787	62,064	46,650
904-12 Acquisition of Firefighting Equipment	39,134			119,858		25,147
906-12 Construction of Boardwalk Ramp	6,011			28,668		40
917-12 Various Capital Improvements						
a. Improvements to Rec Bldg/City Hall	45,747			5,918		43,428
b. Improvements to Lifeguard Equip.	21,843			23,021		15,822
c. Restoration of Lifeguard Boats	8,316			13	8,000	303
d. Lifeguard Communication Equipment	9,473			14	9,000	459
e. Purchase of Equip. for Court & Police	37,315			8,455	32,000	6,301
f. Purchase of Equip. for Fire Dept & Human Resources	5,477					5,663
g. Purchase of Fire Equipment	2,956			5		2,951
h. Purchase of Parking Meters	1,599			52		1,547
i. Purchase of Computers	7,895			6,630		1,556
j. Purchase of Recreation Dept Truck	4,986			31	4,200	755
k. Restoration of Recreation Fields	618			5,734		602
l. Replacement of Boardwalk Subdeck	20,297			2,049	186	20,266
m. Purchase & Install Street Signs	1,070			44		1,026
930-12 Acquisition of Beach boxes	13,182	500		78		13,604
954-13 Investigation/Remediation - Soil			34,200	5,768	28,543	1,689
959-13 Improvements - Schellenger Ave.			95,000	95,665		4,335
964-13 a. Improvements - Youngs Avenue			20,000	379,859	25,008	16,133
b. Reconstruction of Roads			200,000	626		209,374
c. Acquisition of Parking Meter			22,700	12,706	4,338	6,856
d. Acquisition - Court Security System			5,000	22		5,278
e. Acquisition - Police Security System			30,000	1,848	27,252	2,400
f. Improvements to Recreation Center			11,800	11,828		572
g. Improvements to Maxwell Field			42,500	22,002		22,698
h. Acquisition - Equipment			83,800	260	21,177	66,763
i. Acquisition - Info Technology			38,000	21,512	13,694	4,794
j. Acquisition - Vehicles			74,500	37,369	3,089	37,942
	<u>\$ 634,767</u>	<u>50,650</u>	<u>1,971,147</u>	<u>1,822,571</u>	<u>1,714,615</u>	<u>735,455</u>
				<u>98,538</u>	<u>1,714,615</u>	<u>1,714,615</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE**

Balance December 31, 2012		\$ 1,625,000
Increased by:		
CDBG - Improvements to Youngs Ave.	<u>400,000</u>	
		400,000
Decreased by:		
Receipts:		
FEMA - 2011 Assistance to Firefighters	351,524	
NJ DOT - Pacific Ave. Streetscape	150,000	
NJ DOT - ARRA - Pacific Ave. Streetscape	111,117	
NJ DOT - Reconst. of Park Avenue	186,000	
CDBG - Expansion/Renovation of Muni Bldg	500,000	
CDBG - Boardwalk access ramp	<u>14,946</u>	
		<u>1,313,587</u>
Balance December 31, 2013		<u>\$ 711,413</u>

Analysis of Balance

NJ DOT - ARRA - Pacific Ave. Streetscape	238,883	
FEMA - 2011 Assistance to Firefighters	30	
NJ DOT - Boardwalk access ramp	72,500	
CDBG - Improvements to Youngs Ave.	<u>400,000</u>	
		<u>711,413</u>

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

Balance December 31, 2012		\$ 20,261,389
Increased by:		
Bonds Issued		-
Decreased by:		
2013 Budget Appropriations:		
General Serial Bonds	2,354,000	
USRDA Loans	5,510	
Green Trust Loans	54,422	
	<u>2,413,932</u>	<u>2,413,932</u>
Balance December 31, 2013		\$ <u><u>17,847,457</u></u>

See Accompanying Auditor's Report

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013	Analysis of Balance Dec. 31, 2013		Unexpended Improvement Authorization
						Financed by Notes	Expended	
716-07	Tax Appeals Refunding	\$ 383,000		383,000	-			
823-10/ 867-11	f. Reconst. of Park Blvd.	150		150	-			
841-11	Back bay Flood Abatement Program	830,000			830,000			830,000
930-12	Acquisition of Beach Boxes	500		500	-			
954-13	Investigation/Remediation - Soil		34,200		34,200	34,200		
959-13	Improvements at Schellenger Ave.		95,000		95,000	95,000		
964-13	a. Improvements - Youngs Avenue		20,000		20,000	20,000		
	b. Reconstruction of Roads		200,000		200,000	200,000		
	c. Acquisition of Parking Meter		22,700		22,700	22,700		
	d. Acquisition - Court Security System		5,000		5,000	5,000		
	e. Acquisition - Police Security System		30,000		30,000	30,000		
	f. Improvements to Recreation Center		11,800		11,800	11,800		
	g. Improvements to Maxwell Field		42,500		42,500	42,500		
	h. Acquisition - Equipment		83,800		83,800	83,800		
	i. Acquisition - Info Technology		38,000		38,000	38,000		
	j. Acquisition - Vehicles		74,500		74,500	74,500		
		\$ <u>1,213,650</u>	<u>657,500</u>	<u>383,650</u>	<u>1,487,500</u>	<u>657,500</u>	<u>-</u>	<u>830,000</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012		2013 Authorizations			Expended	Prior Year Encumbrance Cancelled	Transfer	Canceled	Balance Dec. 31, 2013		
				Funded	Unfunded	Capital Improvement Fund	Capital Grant	Capital Fund Balance					Deferred Charge to Future Taxation	Funded	Unfunded
773-09	Various Improvements a. Replacement of Boardwalk d. Improvement to Pacific Ave. e. Street lights and signs	10/06/09	1,602,000	76,755 119,322 6,133				11,626 42,789 24					65,129 76,533 6,109		
798-10	Various Improvements a. Purchase of Equipment	04/14/10	327,500	10,237				10,237					-		
805-10	Acquisition of Timekeeping System	06/09/10	168,000	28,206				252					27,954		
811-10	Various Capital Improvements a. Expansion/Renovation Muni. Bldgs. b. Purchase of Vehicles	08/11/10	762,500	392,292 6,364				390,494 337					1,798 6,027		
823-10/ 867-11	Various Capital Improvements a. Purchase of DPW Equipment b. Purchase of Police SUV c. Purchase of DPW Dump Truck d. Purchase of Various Equipment e. City Hall Improvements/Expansion f. Reconst. of Park Blvd.	11/10/10	1,586,150	79,215 1,205 26,212 339 86,767 185,850				44,278 33,205 25,190 339 11,943 186,000		32,000 4,200			34,937 - 5,222 - 74,824 -		
824-10	Various Capital Improvements b. Purchase of DPW Equipment c. Improvements - Sidewalks & Curbs	11/10/10	110,000	3,491 18,715									3,491 18,715		
841-11	Back Bay Flood Abatement	02/23/11	1,000,000	1,825	830,000			188					1,637	830,000	
860-11	Preliminary Expense - Redevelopment of Bayside Area	07/27/11	500,000	50,889				4,239					46,650	-	
904-12	Acquisition of Fire Equipment	03/14/12	396,000	39,134				13,987					25,147		
906-12	Construction of Boardwalk Ramp	03/14/12	695,000	6,011				5,971					40		

**GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2012		2013 Authorizations		Capital Fund Balance	Deferred Charge to Future Taxation	Expended	Prior Year Encumbrance Cancelled	Transfer	Canceled	Balance Dec. 31, 2013	
				Funded	Unfunded	Capital Improvement Fund	Capital Grant							Funded	Unfunded
917-12	Various Capital Improvements	05/23/12	1,586,150	45,747						2,319				43,428	
	a. Improvements to Rec Bldg/City Hall			21,843						23,021		17,000		15,822	
	b. Improvements to Lifeguard Equip.			8,316						13		(8,000)		303	
	c. Restoration of Lifeguard Boats			9,473						14		(9,000)		459	
	d. Lifeguard Communication Equipment			37,315							986	(32,000)		6,301	
	e. Purchase of Equip. for Court & Police										186				
	f. Purchase of Equip. for Fire Dept & Human Resources			5,477										5,663	
	g. Purchase of Fire Equipment			2,956						5				2,951	
	h. Purchase of Parking Meters			1,599						52				1,547	
	i. Purchase of Computers			7,895						6,339				1,556	
	j. Purchase of Recreation Dept Truck			4,986						31		(4,200)		755	
	k. Restoration of Recreation Fields			618						16				602	
	l. Replacement of Boardwalk Subdeck			20,297						31				20,266	
	m. Purchase & Install Street Signs			1,070						44				1,026	
930-12	Acquisition of Beach Boxes	07/25/12	55,000	13,182						78				13,604	
954-13	Investigation/Remediation - Soil/Groundwater	03/13/13	36,000					34,200		34,311					1,689
959-13	Improvements - Schellenger/Boardwalk	04/10/13	100,000					95,000		95,665					4,335
964-13	Various Improvements	05/08/13	955,400							404,867					16,133
	a. Improvements - Youngs Avenue			1,000				20,000		626				9,374	200,000
	b. Reconstruction of Roads			10,000			400,000	22,700		17,044				6,856	5,000
	c. Acquisition of Parking Meter			1,200				5,000		22				2,400	572
	d. Acquisition - Court Security System			300				30,000		29,100					22,698
	e. Acquisition - Police Security System			1,500				11,800		11,828					66,763
	f. Improvements to Recreation Center			600				42,500		22,002					4,794
	g. Improvements to Maxwell Field			2,200				83,800		21,437					37,942
	h. Acquisition - Equipment			4,400				38,000		35,206					
	i. Acquisition - Info Technology			2,000				74,500		40,458					
	j. Acquisition - Vehicles			3,900											
				\$ 1,319,736	830,650		400,000	657,500		1,525,628	1,172			518,148	1,199,182

See Accompanying Auditor's Report

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

Ord.	Purpose	Date of Original Issue	Date of Issue	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
954-13	Investigation/Remediation - Soil	10/25/2013	10/25/2013	34,200	1.25%	\$ -	34,200		34,200
959-13	Improvements- Schellenger Ave	10/25/2013	10/25/2013	95,000	1.25%	-	95,000		95,000
964-13	Various Capital Improvements	10/25/2013	10/25/2013	528,300	1.25%	-	528,300		528,300
						\$ -	657,500	-	657,500

See Accompanying Auditor's Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
General Improvement Bonds of 2003-A	1/1/2003	7,150,000	01/01/14	4.000%	\$ 1,350,000	800,000		550,000
General Improvement Bonds of 2008	5/1/2008	10,729,000	05/01/14	4.250%	8,199,000	730,000		7,469,000
			05/01/15	4.250%				
			05/01/16	4.250%				
			05/01/17	4.250%				
			05/01/18	4.250%				
			05/01/19	4.250%				
		05/01/20	4.375%					
		05/01/21	4.375%					
Refunding Bonds of 2011	12/28/2011	7,175,000	11/1/2014	3.000%	6,510,000	630,000		5,880,000
			11/1/2015	3.000%				
			11/1/2016	4.000%				
			11/1/2017	4.000%				
			11/1/2018	4.000%				
			11/1/2019	4.000%				
		11/1/2020	4.000%					
		11/1/2021	4.000%					
General Improvement Bonds of 2012	10/26/2012	3,374,000	10/1/2014	2.000%	3,374,000	194,000		3,180,000
			10/1/2015	2.000%				
			10/1/2016	2.000%				
			10/1/2017	2.000%				
			10/1/2018	2.000%				
			10/1/2019	2.000%				
			10/1/2020	2.000%				
			10/1/2021	2.000%				
			10/1/2022	2.000%				
			10/1/2023	2.000%				
					\$ 19,433,000	-	2,354,000	17,079,000

See Accompanying Auditors Report

**GENERAL CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of			
			Loans Outstanding December 31, 2013	Interest Rate	Balance Dec. 31, 2012	Balance Dec. 31, 2013
			Date	Amount	Increased	Decreased
Pacific Ave. Wastewater Ord. 557-02b	1/23/2003	175,000	2014	2,641		
			2015	2,762		
			2016	2,887		
			2017	3,019		
			2018	3,156		
			2019	3,300		
			2020	3,450		
			2021	3,607		
			2022	3,771		
			2023	3,943		
			2024	4,122		
			2025	4,310		
			2026	4,506		
			2027	4,711		
			2028	4,925		
			2029	5,149		
			2030	5,383		
			2031	5,629		
			2032	5,885		
			2033	6,152		
			2034	6,432		
			2035	6,725		
			2036	7,031		
		2037	7,351			
		2038	7,686			
		2039	8,035			
		2040	8,401			
		2041	8,783			
		2042	8,779			
					2,526	152,531

See Accompanying Auditors Report

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2013	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
Multi Parks Improvements Ord. 470-98	10/7/2002	\$ 500,000	5/29/2014	2.00%	\$ 216,754		31,549	185,205
			11/29/2014					
			5/29/2015					
			11/29/2015					
			5/29/2016					
			11/29/2016					
			5/29/2017					
			11/29/2017					
			5/29/2018					
			11/29/2018					
Maxwell Field Park Project Ord. 557-02a	2/20/2003	\$ 289,000	5/25/2014	2.00%	162,148		14,801	147,347
			11/25/2014					
			5/25/2015					
			11/25/2015					
			5/25/2016					
			11/25/2016					
			5/25/2017					
			11/25/2017					
			5/25/2018					
			11/25/2018					
		5/25/2019						
		11/25/2019						

See Accompanying Auditors Report

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2013	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
			4/24/2023					
			10/24/2023					
			4/24/2024					
			10/24/2024					
					\$ 487,221		54,422	432,799

See Accompanying Auditors Report

**GENERAL CAPITAL FUND
SCHEDULE OF TAX APPEAL REFUNDING NOTES**

Ord. Num	Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
				Date	Amount					
716-07	Tax Appeals Refunding	3/8/2008	\$ 1,900,000			\$	383,000		383,000	-
						\$	<u>383,000</u>	<u>-</u>	<u>383,000</u>	<u>-</u>

See Accompanying Auditors Report

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

Balance December 31, 2012		\$ 5,459
Increased by:		
2013 Budget Appropriation		<u>50,000</u>
		55,459
Decreased by:		
Appropriated to Finance Improvement Authorizations	<u>33,900</u>	33,900
Balance December 31, 2013		<u><u>\$ 21,559</u></u>

See Accompanying Auditor's Report

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorization	Notes Issued	Raised in Budget	Balance Dec. 31, 2013
823-10	Various Improvements f. Reconst. of Park Blvd.	\$ 150			150	-
841-11	Back Bay Flood Abatement Program	830,000				830,000
930-12	Acquisition of Beach Boxes	500			500	-
954-13	Investigation and Remediation of Soil	-	34,200	34,200		-
964-13	Various Improvements	-	528,300	528,300		-
959-13	Improvements at Schellenger Ave.	-	95,000	95,000		-
		<u>\$ 830,650</u>	<u>657,500</u>	<u>657,500</u>	<u>650</u>	<u>830,000</u>

**WATER OPERATING FUND
SCHEDULE OF CASH - TREASURER**

	Operating	Capital
Balance December 31, 2012	\$ 2,646,233	2,122,308
Increased By:		
Water Rent Collected	6,714,049	
Miscellaneous Revenue	79,641	
Escrow Deposit	8,497	
Loan Proceeds		687,000
Budget Appropriations		
Capital Improvement Fund		500,000
Due to State of New Jersey - NJ Water Tax	10,788	
	6,812,975	1,187,000
	9,459,208	3,309,308
Decreased By:		
Current Appropriations	6,374,888	
Appropriation Reserves	667,391	
Escrow Deposits	8,834	
Due to State of New Jersey - NJ Water Tax	9,690	
Improvement Authorization		1,402,385
	7,060,803	1,402,385
Balance December 31, 2013	\$ 2,398,405	1,906,923

SEE ACCOMPANYING AUDITORS' REPORT

**WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2012	Receipts -----		Disbursements -----		Transfers ---- From To	Balance Dec. 31, 2013
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous		
Fund Balance	\$ 270,220						270,220
Capital Improvement Fund	90,761	500,000				500,000	90,761
Reserve for Preliminary Expenses	10,000						10,000
Contracts Payable	526,006					1,348,389	1,348,389
<u>Improvement Authorizations:</u>							
<u>Ordinance</u>							
<u>Number</u>							
633-05						1,290	-
645/647-05				926		926	-
667-06	(8,395)						(8,395)
688-07	(41,715)						(41,715)
702-07							
	38,668			1,740		1,325	44,999
(a) Water Main Replacement	(42,581)						(42,581)
(b) Replacement Recharge Well	11,443					1,894	11,443
Various Improvements & Acquisitions	16,135					5,852	21,987
717-08	26,465			19		4,665	26,985
763-09							
786-10							
830-10							
Various Water Improvements	145,000						145,000
(a) Acquisition of West Wildwood water utility	965,264			146,680		454,015	525,429
(b) Replacement of water mains						11,234	-
(c) Replacement of Recharge Well						16,792	6
Various Improvements & Acquisitions	397,237			307,703		134,894	31,029
902-12	(282,200)		687,000	861,349		506,024	(726,410)
923-12				83,968		216,256	(300,224)
953-13							500,000
Water Systems Upgrade - WW Crest							
963-13						500,000	
Various Improvements							
	\$ 2,122,308	500,000	687,000	1,402,385	-	2,374,395	1,906,923

See Accompanying Auditor's Report

**WATER OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2012		\$ 175,874
Increased by:		
Utility Rents Levied	<u>6,767,181</u>	<u>6,767,181</u>
		6,943,055
Decreased by:		
Collections	6,714,049	
Overpayments	4,439	
Transferred to lien	840	
Adjustments	<u>49,085</u>	
		<u>6,768,413</u>
Balance December 31, 2013		<u><u>\$ 174,642</u></u>

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**WATER OPERATING FUND
SCHEDULE OF WATER UTILITY LIENS**

Balance December 31, 2012		\$	-
Increased by:			
Transferred from Water Rents	840		
Penalties and Costs	<u>7</u>		
			847
Balance December 31, 2013		<u>\$</u>	<u>847</u>

**WATER OPERATING FUND
SCHEDULE OF WATER RENT OVERPAYMENTS**

Balance December 31, 2012		\$ 38,853
Increase by:		
Overpayments created		34,414
Decreased by:		
Overpayments applied	<u>38,853</u>	38,853
Balance December 31, 2013		<u><u>\$ 34,414</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES**

	BALANCE Dec. 31, 2012	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDED
Operating:					
Salaries and Wages	\$ 16,405	16,405		16,405	
Other Expenses	293,294	293,294	138,844	154,450	
Insurance	60,281	60,281	60,281	-	
Capital Improvements					
Capital Outlay	532,702	532,702	473,500	59,202	
	<u>\$ 902,682</u>	<u>902,682</u>	<u>672,625</u>	<u>230,057</u>	<u>-</u>
			5,234	Accounts Payable	
			<u>667,391</u>	Disbursed	
			<u>672,625</u>		

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
AND NOTES - ANALYSIS OF BALANCE -
DECEMBER 31, 2013**

Balance December 31, 2012	\$ 118,809
Increased by:	
Accrued interest charged to 2013 budget appropriation - Interest on bonds and notes	562,741
	681,550
Decreased by:	
Disbursements	565,038
Balance December 31, 2013	\$ 116,512

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2013

Description	Principal Outstanding Dec. 31, 2013	Interest Rate	From	To	# of Days	Amount
Bonds	965,000	Various	9/15/13	12/31/13	107	11,762
Bonds	8,063,000	Various	11/1/13	12/31/13	60	59,581
Bonds	1,095,000	Various	11/1/13	12/31/13	60	4,383
Bonds	2,870,000	Various	10/1/13	12/31/13	91	17,187
NJEIT Bonds	450,000	Various	8/1/2013	12/31/13	152	8,100
USDA Loan	763,108	4.125%	8/28/13	12/31/13	125	10,748
USDA Loan	410,000	2.125%	7/12/13	12/31/13	172	4,096
USDA Loan	277,000	2.375%	11/26/13	12/31/13	35	655
						\$ 116,512

**WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL**

ACCOUNT	BALANCE Dec. 31, 2012	ADDITIONS BY BUDGET CAPITAL OUTLAY	TRANSFERRED FROM UNCOMPLETED	BY ORDINANCE	BALANCE Dec. 31, 2013
Combined Improvements	\$ 35,387,025		1,246,500		36,633,525
	<u>\$35,387,025</u>	<u>-</u>	<u>1,246,500</u>	<u>-</u>	<u>36,633,525</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012	2013 Authorizations		Costs to Fixed Capital	Balance Dec. 31, 2013
					Deferred Reserve for Amortization	Deferred Charge To Future Revenues		
647-05	Water Main Replacement	07/13/05	1,307,700	\$ 1,246,500			1,246,500	-
702-07	Various Water Improvements	12/12/07	5,000,000	5,000,000				5,000,000
717-08	Various Improvements & Acquisitions	02/13/08	500,000	500,000				500,000
763-09	Various Improvements	06/09/09	500,000	500,000				500,000
786-10	Various Improvements	03/24/10	500,000	500,000				500,000
830-10	Various Water Improvements	11/10/10	5,000,000	5,000,000				5,000,000
842-11	Various Improvements & Acquisitions	03/09/11	500,000	500,000				500,000
902-12	Various Improvements	03/14/12	500,000	500,000				500,000
923-12	Various Improvements	05/09/12	2,602,000	2,602,000				2,602,000
963-13	Various Improvements	05/08/13	500,000		500,000			500,000
953-13	Water System Upgrades	02/13/13	2,575,000			2,575,000		2,575,000
				<u>\$ 16,348,500</u>	<u>500,000</u>	<u>2,575,000</u>	<u>1,246,500</u>	<u>18,177,000</u>
								<u>-</u>

See Accompanying Auditor's Report

**WATER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012		Expended	Cancelled Encumbrances	Transfer/ (Cancelled)	Balance Dec. 31, 2013	
				Funded	Unfunded				Funded	Unfunded
702-07	Various Water Improvements (a) Water Main Replacement	12/12/07	5,000,000				6,331		6,331	
763-09	Various Improvements & Acquisitions	06/09/09	500,000				5,852		5,852	
786-10	Various Improvements	03/24/10	500,000	19		19	539		539	
830-10	Various Water Improvements (b) Replacement of water mains	11/10/10	5,000,000	1,110,264	1,990,000	439,835			670,429	1,990,000
842-11	Various Improvements & Acquisitions	03/09/11	500,000				6		6	
902-12	Various Improvements	03/14/12	500,000	397,237		366,208			31,029	
923-12	Various Improvements	05/09/12	2,602,000			1,131,209				1,188,591
953-13	Water System Upgrades - Wildwood Crest	02/13/13	2,575,000			300,225				2,274,775
963-13	Various Improvements	5/8/2013	500,000		500,000				500,000	
				<u>\$1,507,520</u>	<u>4,309,800</u>	<u>2,237,496</u>	<u>12,728</u>	<u>-</u>	<u>1,214,186</u>	<u>5,453,366</u>

2013 Authorizations

Capital Improvement Fund

Deferred Charge to Future Revenue

**WATER UTILITY CAPITAL FUND
STATEMENT OF WATER SERIAL BONDS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2013	DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2012	INCREASED DECREASED	BALANCE DEC. 31, 2013
Water Bonds of 2003	01/01/03	1,770,000				3.700%	\$ 195,000	195,000	-
Refunding Bonds 2004-B	01/01/04	3,490,000	315,000	09/15/14		4.000%	1,280,000	315,000	965,000
			320,000	09/15/15		4.000%			
			330,000	09/15/16		4.250%			
Water Bonds, Series 2008	05/01/08	9,903,000	425,000	05/01/14		4.250%	8,473,000	410,000	8,063,000
			440,000	05/01/15		4.250%			
			450,000	05/01/16		4.250%			
			470,000	05/01/17		4.250%			
			485,000	05/01/18		4.250%			
			505,000	05/01/19		4.250%			
			515,000	05/01/20		4.375%			
			535,000	05/01/21		4.375%			
			555,000	05/01/22		4.500%			
			570,000	05/01/23		4.500%			
			585,000	05/01/24		4.500%			
		600,000	05/01/25		4.500%				
		620,000	05/01/26		4.625%				
		650,000	05/01/27		4.625%				
		658,000	05/01/28		4.700%				
Water Bonds, Series 2011B	12/14/11	1,350,000	125,000	11/01/14		2.000%	1,220,000	125,000	1,095,000
			130,000	11/01/15		2.000%			
			130,000	11/01/16		2.000%			
			135,000	11/01/17		2.000%			
			135,000	11/01/18		2.000%			
			145,000	11/01/19		3.000%			
		145,000	11/01/20		3.000%				
		150,000	11/01/21		3.000%				

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN BONDS**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
NJEIT 2005A Trust Loan	11/10/05	625,000	08/01/14	30,000	5.000%	\$ 480,000	450,000
			08/01/15	30,000	4.000%		
			08/01/16	30,000	4.000%		
			08/01/17	35,000	4.000%		
			08/01/18	35,000	4.250%		
			08/01/19	35,000	4.250%		
			08/01/20	40,000	4.500%		
			08/01/21	40,000	4.375%		
			08/01/22	40,000	4.375%		
			08/01/25	45,000	4.375%		
NJEIT 2005A Fund Loan	11/10/05	621,500	02/01/14	6,330	0.000%	414,437	381,307
			08/01/14	25,825			
			02/01/05	5,842			
			08/01/15	25,337			
			02/01/16	5,452			
			08/01/16	24,947			
			02/01/17	5,063			
			08/01/17	27,807			
			02/01/18	4,608			
			08/01/18	27,352			
02/01/19	4,124						
08/01/19	26,868						
02/01/20	3,641						
08/01/20	29,634						
02/01/21	3,056						
08/01/21	29,049						
02/01/22	2,488						
08/01/22	28,481						

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN BONDS**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2013		INT. RATE	BALANCE DEC. 31, 2012	INCREASED DECREASED	BALANCE DEC. 31, 2013
			DATE	AMOUNT				
NJ/EIT 2005A Fund Loan (continued)								
			02/01/23	1,919				
			08/01/23	31,161				
			02/01/24	1,279				
			08/01/24	30,522				
			02/01/25	640				
			08/01/25	29,882				
						\$ 894,437	-	63,130
								831,307

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**WATER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING DECEMBER 31, 2013	INT. RATE	BALANCE DEC. 31, 2012	INCREASED	DECREASED	BALANCE DEC. 31, 2013
Rio Grande II	02/28/07	824,726	5,450	4.125%	\$ 773,681	10,573		763,108
			5,562					
			5,677					
			5,793					
			5,912					
			6,034					
			6,158					
			6,285					
			6,414					
			6,546					
			6,681					
			6,818					
			6,958					
			7,101					
			7,247					
			7,397					
			7,549					
			7,704					
			7,862					
			8,024					
			8,189					
			8,358					
			8,530					
			8,705					
			8,884					
			9,067					
			9,253					
			9,444					
			9,638					
			9,836					

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**WATER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DECEMBER 31, 2013 DATE	AMOUNT			
Rio Grande II (continued)			02/28/29	10,038			
			08/28/29	10,245			
			02/28/30	10,456			
			08/28/30	10,671			
			02/28/31	10,890			
			08/28/31	11,114			
			02/28/32	11,343			
			08/28/32	11,576			
			02/28/33	11,814			
			08/28/33	12,057			
			02/28/34	12,305			
			08/28/34	12,558			
			02/28/35	12,816			
			08/28/35	13,080			
			02/28/36	13,349			
			08/28/36	13,624			
			02/28/37	13,904			
			08/28/37	14,190			
			02/28/38	14,482			
			08/28/38	14,780			
			02/28/39	15,084			
			08/28/39	15,394			
			02/28/40	15,710			
			08/28/40	16,034			
			02/28/41	16,363			
			08/28/41	16,700			
		02/28/42	17,043				
		08/28/42	17,394				
		02/28/43	17,752				
		08/28/43	18,117				
		02/28/44	18,490				
		08/28/44	18,870				
		02/28/45	19,258				
		08/28/45	19,654				
		02/28/46	20,058				
		08/28/46	20,471				

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**WATER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
Rio Grande II (continued)			02/28/47	\$ 12,350			
26th Avenue	07/12/13	410,000	01/12/14	3,279	2.125%	410,000	410,000
			07/12/14	3,314			
			01/12/15	3,349			
			07/12/15	3,384			
			01/12/16	3,420			
			07/12/16	3,457			
			01/12/17	3,493			
			07/12/17	3,531			
			01/12/18	3,568			
			07/12/18	3,606			
			01/12/19	3,644			
			07/12/19	3,683			
			01/12/20	3,722			
			07/12/20	3,762			
			01/12/21	3,802			
			07/12/21	3,842			
			01/12/22	3,883			
07/12/22	3,924						
01/12/23	3,966						
07/12/23	4,008						
01/12/24	4,050						
07/12/24	4,094						
01/12/25	4,137						
07/12/25	4,181						
01/12/26	4,225						
07/12/26	4,270						
01/12/27	4,316						
07/12/27	4,362						
01/12/28	4,408						
07/12/28	4,455						
01/12/29	4,502						
07/12/29	4,550						
01/12/30	4,598						
07/12/30	4,647						
01/12/31	4,696						
07/12/31	4,746						

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**WATER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DECEMBER 31, 2013 DATE	AMOUNT			
			01/12/32	\$ 4,797			
			07/12/32	4,848			
			01/12/33	4,899			
			07/12/33	4,951			
			01/12/34	5,004			
			07/12/34	5,057			
			01/12/35	5,111			
			07/12/35	5,165			
			01/12/36	5,220			
			07/12/36	5,275			
			01/12/37	5,332			
			07/12/37	5,388			
			01/12/38	5,445			
			07/12/38	5,503			
			01/12/39	5,562			
			07/12/39	5,621			
			01/12/40	5,681			
			07/12/40	5,741			
			01/12/41	5,802			
			07/12/41	5,864			
			01/12/42	5,926			
			07/12/42	5,989			
			01/12/43	6,052			
			07/12/43	6,117			
			01/12/44	6,182			
			07/12/44	6,247			
			01/12/45	6,314			
			07/12/45	6,381			
			01/12/46	6,449			
			07/12/46	6,517			
			01/12/47	6,586			
			07/12/47	6,656			
			01/12/48	6,727			
			07/12/48	6,799			
			01/12/49	6,871			
			07/12/49	6,944			
			01/12/50	7,018			
			07/12/50	7,092			

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**WATER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
26th Street		277,000	11/26/13		2.375%	277,000	277,000
			01/12/51	\$ 7,168			
			07/12/51	7,244			
			01/12/52	7,321			
			07/12/52	7,398			
			01/12/53	7,477			
			07/12/53	7,385			
			05/26/14	2,096			
			11/26/14	2,121			
			05/26/15	2,146			
			11/26/15	2,171			
			05/26/16	2,197			
			11/26/16	2,223			
			05/26/17	2,249			
			11/26/17	2,276			
			05/26/18	2,303			
			11/26/18	2,331			
			05/26/19	2,358			
			11/26/19	2,386			
			05/26/20	2,415			
			11/26/20	2,443			
			05/26/21	2,472			
			11/26/21	2,502			
		05/26/22	2,531				
		11/26/22	2,561				
		05/26/23	2,592				
		11/26/23	2,623				
		05/26/24	2,654				
		11/26/24	2,685				
		05/26/25	2,717				
		11/26/25	2,749				
		05/26/26	2,782				
		11/26/26	2,815				
		05/26/27	2,848				
		11/26/27	2,882				
		05/26/28	2,917				
		11/26/28	2,951				
		05/26/29	2,986				

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DECEMBER 31, 2013	AMOUNT			
			11/26/29	\$ 3,022			
			05/26/30	3,058			
			11/26/30	3,094			
			05/26/31	3,131			
			11/26/31	3,168			
			05/26/32	3,205			
			11/26/32	3,243			
			05/26/33	3,282			
			11/26/33	3,321			
			05/26/34	3,360			
			11/26/34	3,400			
			05/26/35	3,441			
			11/26/35	3,482			
			05/26/36	3,523			
			11/26/36	3,565			
			05/26/37	3,607			
			11/26/37	3,650			
			05/26/38	3,693			
			11/26/38	3,737			
			05/26/39	3,781			
			11/26/39	3,826			
			05/26/40	3,872			
			11/26/40	3,918			
			05/26/41	3,964			
			11/26/41	4,011			
			05/26/42	4,059			
			11/26/42	4,107			
			05/26/43	4,156			
			11/26/43	4,205			
			05/26/44	4,255			
			11/26/44	4,306			
			05/26/45	4,357			
			11/26/45	4,409			
			05/26/46	4,461			
			11/26/46	4,514			
			05/26/47	4,568			
			11/26/47	4,622			
			05/26/48	4,677			

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2013		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
		11/26/48	\$	4,732			
		05/26/49		4,788			
		11/26/49		4,845			
		05/26/50		4,903			
		11/26/50		4,961			
		05/26/51		5,020			
		11/26/51		5,080			
		05/26/52		5,140			
		11/26/52		5,201			
		05/26/53		5,263			
		11/26/53		5,035			
						\$ 773,681	687,000
							10,573
							<u>1,450,108</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION**

Balance December 31, 2012		\$ 28,797,408
Increased by:		
Serial Bonds Payable	1,185,000	
NJEIT Trust Bonds Payable	63,130	
USDA Loan Payable	10,573	
	<hr/>	<hr/>
		1,258,703
Balance December 31, 2013		<u><u>\$ 30,056,111</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2012	Fixed Capital Authorized	To Reserve for Amortization	Canceled	Balance Dec. 31, 2013
717-08	Various Improvements	2/13/08	\$ 500,000				500,000
763-09	Various Improvements	6/9/09	500,000				500,000
786-10	Various Improvements	3/24/10	500,000				500,000
842-11	Various Improvements	3/9/11	500,000				500,000
902-12	Various Improvements	3/14/12	500,000				500,000
963-13	Various Improvements	5/8/13	-	500,000			500,000
			<u>\$ 2,500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND
SCHEDULE OF UTILITY CAPITAL IMPROVEMENT FUND**

Balance December 31, 2012		\$ 90,761
Increase by:		
2013 Budget Appropriation	_____	-

		90,761
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	_____	-

Balance December 31, 2013		<u>\$ 90,761</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE Dec. 31, 2012	2013 AUTHORIZATIONS	Loans Issued	BAN's Issued	Cancelled	BALANCE Dec. 31, 2013
830-10	Various Improvements	\$ 1,990,000					1,990,000
923-12	Various Improvements	2,602,000		687,000			1,915,000
953-13	Various Improvements		2,575,000				2,575,000
		<u>\$ 4,592,000</u>	<u>2,575,000</u>	<u>687,000</u>	<u>-</u>	<u>-</u>	<u>6,480,000</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER**

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	\$ 192,343	230,245
Increased By:		
Sewer Rent Collected	4,000,170	
Sewer Additional Rents	533,408	
Miscellaneous Revenue	52,628	
Interest on Investments	2,015	
Due from the Current Fund	133,765	
Overpayments	9,622	
Due from the Sewer Capital Fund	143,567	81,110
Reserve for Insurance Proceeds		
Grants Receivable		
Premium on Bond Sale		1,064,000
Notes		
	<u>4,903,808</u>	<u>1,145,110</u>
	5,096,151	1,375,355
Decreased By:		
Current Appropriations	4,605,583	
Appropriation Reserves	41,418	
Due to Current Fund	133,754	
Due to Sewer Capital Fund	143,567	
Improvement Authorization		906,725
	<u>4,924,322</u>	<u>906,725</u>
Balance December 31, 2013	<u>\$ 171,829</u>	<u>468,630</u>

SEE ACCOMPANYING AUDITORS' REPORT

**SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2012	Budget Appropriation	Receipts ----- Miscellaneous	Disbursements ----- Improvement Authorizations	Miscellaneous	----- Transfers ----- From	To	Balance Dec. 31, 2013
Fund Balance	\$ 78,313							78,313
Capital Improvement Fund	43,507							43,507
Contracts Payable	267,855					267,855	3,543,046	3,543,046
Grants Receivable	(789,110)		81,110			1,484,000		(2,192,000)
<u>Improvement Authorizations:</u>								
<u>Ordinance</u>								
<u>Number</u>								
623-04 Various Improvements	20							20
633-05 Sewer System Improvements	467							467
704-07 Various Sewer Improvements	42,179			73,198			31,019	-
776-09 Sewer Phase IIB Project	-			7,912			7,912	-
845-11 Sewer Phase IIB Project	43,108			105,586			62,478	-
901-12 Miscellaneous Sewer IIIA	476,000		1,064,000	606,082		741,438	166,446	358,926
914-12 Sewer Capital Improvements	67,906			7,913		42,443		17,550
976-13 Miscellaneous Sewer IV				106,034		2,759,165	1,484,000	(1,381,199)
	<u>\$ 230,245</u>	<u>-</u>	<u>1,145,110</u>	<u>906,725</u>	<u>-</u>	<u>5,294,901</u>	<u>5,294,901</u>	<u>468,630</u>

See Accompanying Auditor's Report

**SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2012		\$ 78,321
Increased by:		
Utility Rents Levied	<u>4,636,727</u>	<u>4,636,727</u>
		4,715,048
Decreased by:		
Collections	4,565,049	
Overpayments	50,851	
Transferred to liens	124	
Adjustments	<u>31,054</u>	<u>4,647,078</u>
Balance December 31, 2013		<u><u>\$ 67,970</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER UTILITY LIENS**

Balance December 31, 2012		\$ -
Increased by:		
Transferred from Sewer Rents	124	
Penalties and Costs	4	
		128
		128
Decreased by:		
Collections	-	
		-
Balance December 31, 2013		\$ 128

**SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER AND SEWER RENT OVERPAYMENTS**

Balance December 31, 2012		\$ 60,473
Increase by:		
Overpayments created		9,622
Decreased by:		
Overpayments applied	\$ <u>60,473</u>	60,473
		<hr/>
Balance December 31, 2013		<u><u>\$ 9,622</u></u>

**SEWER UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES**

	BALANCE Dec. 31, 2012	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDED
Operating:					
Other Expenses	\$ 45,041	45,041	23,203	21,838	
Insurance	20,770	20,770	20,770	-	
	<u>\$ 65,811</u>	<u>65,811</u>	<u>43,973</u>	<u>21,838</u>	<u>-</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
AND NOTES - ANALYSIS OF BALANCE -
DECEMBER 31, 2013**

Balance December 31, 2012		\$ 55,583
Increased by:		
Accrued interest charged to 2013 budget appropriation - Interest on bonds		271,399
		326,982
Decreased by:		
Disbursements		266,652
Balance December 31, 2013		\$ 60,330

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2013

Description	Principal Outstanding Dec. 31, 2013	Interest Rate	From	To	# of Days	Amount
Bonds	869,000	Various	11/1/13	12/31/13	60	\$ 6,497
Bonds	1,045,000	Various	10/1/13	12/31/13	91	6,142
USDA Loans	258,640	4.125%	8/28/13	12/31/13	125	3,643
USDA Loans	1,327,779	4.225%	8/28/13	12/31/13	125	18,702
USDA Loans	1,372,331	4.500%	12/5/13	12/31/13	26	4,581
USDA Loans	1,672,115	2.681%	12/3/13	12/31/13	28	5,495
USDA Loans	1,102,052	2.500%	7/15/13	12/31/13	169	12,832
Bond Anticipation Note	1,064,000	1.250%	10/25/13	12/31/13	67	2,438
						\$ 60,330

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL**

ACCOUNT	BALANCE Dec. 31, 2012	ADDITIONS BY BUDGET CAPITAL OUTLAY	TRANSFERRED FROM UNCOMPLETED	BALANCE Dec. 31, 2013
Combined Improvements	\$ 10,629,197		4,250,000	14,879,197
	<u>\$ 10,629,197</u>	<u>-</u>	<u>4,250,000</u>	<u>14,879,197</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012	2013 Authorizations		Costs to Fixed Capital	Balance Dec. 31, 2013
					Deferred Reserve for Amortization	Deferred Charge to Future Taxation		
704-07	Various Sewer System Imp.	07/11/07	\$ 2,342,000	\$ 2,342,000			2,342,000	-
776-09	Sewer Plant IIIB Project	12/22/09	1,908,000	1,908,000			1,908,000	-
845-11	Sewer Plant IIIB Project	04/13/11	200,000	200,000				200,000
901-12	Miscellaneous Sewer IIIA	03/14/12	1,772,000	1,772,000				1,772,000
914-12	Sewer Capital Improvements	04/18/12	147,000	147,000				147,000
976-13	Miscellaneous Sewer 4	08/14/13	3,720,000	-	1,484,000	2,236,000		3,720,000
				\$ 6,369,000	\$ 1,484,000	\$ 2,236,000	\$ 4,250,000	\$ 5,839,000

**SEWER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012		Capital Improvement Fund / Other	Deferred Charge to Future Revenue	Expended	Encumbrances Canceled	Canceled	Balance Dec. 31, 2013	
				Funded	Unfunded						Funded	Unfunded
704-07	Various Sewer System Improvements	07/11/07	2,342,000 \$	42,179				42,179			-	-
845-11	Sewer Phase IIIB Project	04/13/11	200,000	43,108				43,108			-	-
901-12	Miscellaneous Sewer IIIA	03/14/12	1,772,000	476,000	1,064,000			1,181,074				358,926
914-12	Sewer Capital Improvements	04/18/12	147,000	67,906				50,356			17,550	
976-13	Miscellaneous Sewer 4	08/14/13	3,720,000	-		1,484,000	2,236,000	2,865,199				854,801
			\$	629,193	1,064,000	1,484,000	2,236,000	4,181,916			17,550	1,213,727

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**SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Purpose	Date of Original Issue	Date of Issue	Date of Maturity	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
901-12 Miscellaneous Sewer 4	10/25/2013	10/25/2013	4/25/2014	1,064,000	1.25%	-	1,064,000		1,064,000
					\$	-	1,064,000	-	1,064,000

See Accompanying Auditor's Report

**SEWER UTILITY CAPITAL FUND
STATEMENT OF SEWER SERIAL BONDS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2012	INCREASED DECREASED	BALANCE DEC. 31, 2013
			DATE	AMOUNT				
Sewer Bonds, Series 2008	05/01/08	1,079,000	05/01/14	45,000	4.250%	\$ 914,000	45,000	869,000
			05/01/15	45,000	4.250%			
			05/01/16	50,000	4.250%			
			05/01/17	50,000	4.250%			
			05/01/18	50,000	4.250%			
			05/01/19	55,000	4.250%			
			05/01/20	55,000	4.375%			
			05/01/21	55,000	4.375%			
			05/01/22	60,000	4.500%			
			05/01/23	60,000	4.500%			
Sewer Bonds, Series 2012	10/26/12	1,112,000	10/01/14	65,000	2.000%	1,112,000	67,000	1,045,000
			10/01/15	65,000	2.000%			
			10/01/16	65,000	2.000%			
			10/01/17	65,000	2.000%			
			10/01/18	70,000	2.000%			
			10/01/19	70,000	2.000%			
			10/01/20	75,000	2.000%			
			10/01/21	75,000	2.000%			
			10/01/22	75,000	2.000%			
			10/01/23	80,000	2.000%			
		10/01/24	85,000	3.000%				
		10/01/25	85,000	3.000%				
		10/01/26	85,000	3.000%				
		10/01/27	85,000	3.000%				
						\$ 2,026,000	-	1,914,000

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**SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2012	INCREASED DECREASED	BALANCE DEC. 31, 2013
			DATE	AMOUNT				
Rio Grande II	02/28/07	279,524	02/28/14	1,847	4.125%	\$ 262,222	3,583	258,639
			08/24/14	1,885				
			02/28/15	1,924				
			08/28/15	1,964				
			02/28/16	2,004				
			08/28/16	2,045				
			02/28/17	2,087				
			08/28/17	2,130				
			02/28/18	2,174				
			08/28/18	2,219				
			02/28/19	2,264				
			08/28/19	2,311				
			02/28/20	2,358				
			08/28/20	2,407				
			02/28/21	2,456				
			08/28/21	2,507				
			02/28/22	2,558				
			08/28/22	2,611				
			02/28/23	2,665				
			08/28/23	2,720				
			02/28/24	2,776				
			08/28/24	2,833				
			02/28/25	2,891				
			08/28/25	2,950				
			02/28/26	3,011				
			08/28/26	3,073				
			02/28/27	3,136				
			08/28/27	3,201				
			02/28/28	3,267				
			08/28/28	3,334				
			02/28/29	3,402				
			08/28/29	3,472				
			02/28/30	3,544				
			08/28/30	3,617				
			02/28/31	3,691				
			08/28/31	3,767				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			OUTSTANDING DECEMBER 31, 2013	AMOUNT			
Rio Grande II Continued			02/28/32	\$ 3,844	4.125%		
			08/28/32	3,923			
			02/28/33	4,004			
			08/28/33	4,086			
			02/28/34	4,171			
			08/28/34	4,256			
			02/28/35	4,344			
			08/28/35	4,433			
			02/28/36	4,524			
			08/28/36	4,617			
			02/28/37	4,712			
			08/28/37	4,809			
			02/28/38	4,908			
			08/28/38	5,009			
			02/28/39	5,112			
			08/28/39	5,217			
			02/28/40	5,325			
			08/28/40	5,434			
			02/28/41	5,546			
			08/28/41	5,660			
			02/28/42	5,777			
			08/28/42	5,895			
			02/28/43	6,017			
			08/28/43	6,140			
			02/28/44	6,267			
			08/28/44	6,396			
			02/28/45	6,527			
			08/28/45	6,661			
			02/28/46	6,798			
			08/28/46	6,938			
			02/28/47	4,186			

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**SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
Miscellaneous Sewer I	02/28/07	1,435,000	02/28/14	9,484	4.250%	1,346,177	1,327,780
			08/24/14	9,679			
			02/28/15	9,878			
			08/28/15	10,081			
			02/28/16	10,288			
			08/28/16	10,500			
			02/28/17	10,716			
			08/28/17	10,936			
			02/28/18	11,161			
			08/28/18	11,391			
			02/28/19	11,625			
			08/28/19	11,864			
			02/28/20	12,108			
			08/28/20	12,357			
			02/28/21	12,611			
			08/28/21	12,871			
			02/28/22	13,136			
			08/28/22	13,406			
			02/28/23	13,681			
			08/28/23	13,963			
		02/28/24	14,250				
		08/28/24	14,543				
		02/28/25	14,842				
		08/28/25	15,148				
		02/28/26	15,459				
		08/28/26	15,777				
		02/28/27	16,102				
		08/28/27	16,433				
		02/28/28	16,771				
		08/28/28	17,116				
		02/28/29	17,468				
		08/28/29	17,827				
		02/28/30	18,194				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
Miscellaneous Sewer I Continued			08/28/30	\$ 18,568	4.250%		
			02/28/31	18,950			
			08/28/31	19,340			
			02/28/32	19,737			
			08/28/32	20,143			
			02/28/33	20,558			
			08/28/33	20,981			
			02/28/34	21,412			
			08/28/34	21,853			
			02/28/35	22,302			
			08/28/35	22,761			
			02/28/36	23,229			
			08/28/36	23,707			
			02/28/37	24,194			
			08/28/37	24,692			
			02/28/38	25,200			
			08/28/38	25,718			
			02/28/39	26,247			
			08/28/39	26,787			
			02/28/40	27,338			
			08/28/40	27,900			
			02/28/41	28,474			
			08/28/41	29,060			
			02/28/42	29,657			
			08/28/42	30,267			
			02/28/43	30,890			
			08/28/43	31,525			
		02/28/44	32,174				
		08/28/44	32,836				
		02/28/45	33,511				
		08/28/45	34,200				
		02/28/46	34,904				
		08/28/46	35,622				
		02/28/47	21,380				

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**SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
Park & Maple Wastewater	12/05/08	1,445,500	06/05/14	8,252	4.500%	1,388,295	1,372,331
			12/05/14	8,438			15,964
			06/05/15	8,628			
			12/05/15	8,822			
			06/05/16	9,021			
			12/05/16	9,224			
			06/05/17	9,431			
			12/05/17	9,643			
			06/05/18	9,860			
			12/05/18	10,082			
			06/05/19	10,309			
			12/05/19	10,541			
			06/05/20	10,778			
			12/05/20	11,021			
			06/05/21	11,269			
			12/05/21	11,522			
			06/05/22	11,782			
			12/05/22	12,047			
			06/05/23	12,318			
			12/05/23	12,595			
		06/05/24	12,878				
		12/05/24	13,168				
		06/05/25	13,464				
		12/05/25	13,767				
		06/05/26	14,077				
		12/05/26	14,394				
		06/05/27	14,718				
		12/05/27	15,049				
		06/05/28	15,387				
		12/05/28	15,733				
		06/05/29	16,087				
		12/05/29	16,449				
		06/05/30	16,820				
		12/05/30	17,198				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
Park & Maple Wastewater Continued			06/05/31	\$ 17,585	4.500%		
			12/05/31	17,981			
			06/05/32	18,385			
			12/05/32	18,799			
			06/05/33	19,222			
			12/05/33	19,654			
			06/05/34	20,097			
			12/05/34	20,549			
			06/05/35	21,011			
			12/05/35	21,484			
			06/05/36	21,967			
			12/05/36	22,461			
			06/05/37	22,966			
			12/05/37	23,484			
			06/05/38	24,012			
			12/05/38	24,552			
			06/05/39	25,105			
			12/05/39	25,669			
			06/05/40	26,247			
			12/05/40	26,838			
		06/05/41	27,441				
		12/05/41	28,059				
		06/05/42	28,690				
		12/05/42	29,336				
		06/05/43	29,996				
		12/05/43	30,670				
		06/05/44	31,361				
		12/05/44	32,066				
		06/05/45	32,788				
		12/05/45	33,526				
		06/05/46	34,280				
		12/05/46	35,051				
		06/05/47	35,840				
		12/05/47	36,646				
		06/05/48	37,471				
		12/05/48	36,269				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
Various Sewer Improvements	06/03/10	1,737,000	06/03/14	10,050	4.125%	1,691,609	1,672,114
			12/03/14	10,257			19,495
			06/03/15	10,468			
			12/03/15	10,684			
			06/03/16	10,905			
			12/03/16	11,130			
			06/03/17	11,359			
			12/03/17	11,593			
			06/03/18	11,833			
			12/03/18	12,077			
			06/03/19	12,326			
			12/03/19	12,580			
			06/03/20	12,839			
			12/03/20	13,104			
			06/03/21	13,374			
			12/03/21	13,650			
			06/03/22	13,932			
			12/03/22	14,219			
			06/03/23	14,512			
			12/03/23	14,812			
		06/03/24	15,117				
		12/03/24	15,429				
		06/03/25	15,747				
		12/03/25	16,072				
		06/03/26	16,404				
		12/03/26	16,742				
		06/03/27	17,087				
		12/03/27	17,440				
		06/03/28	17,799				
		12/03/28	18,166				
		06/03/29	\$				
		12/03/29	18,541				
			18,924				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
Various Sewer Improvements Continued			06/03/30	19,314	4.125%		
			12/03/30	19,712			
			06/03/31	20,119			
			12/03/31	20,534			
			06/03/32	20,957			
			12/03/32	21,389			
			06/03/33	21,831			
			12/03/33	22,281			
			06/03/34	22,740			
			12/03/34	23,209			
			06/03/35	23,688			
			12/03/35	24,177			
			06/03/36	24,675			
			12/03/36	25,184			
			06/03/37	25,704			
			12/03/37	26,234			
			06/03/38	26,775			
			12/03/38	27,327			
			06/03/39	27,891			
			12/03/39	28,466			
			06/03/40	29,053			
			12/03/40	29,652			
			06/03/41	30,264			
			12/03/41	30,888			
			06/03/42	31,525			
			12/03/42	32,175			
			06/03/43	32,839			
			12/03/43	33,516			
		06/03/44	34,208				
		12/03/44	34,913				
		06/03/45	35,633				
		12/03/45	36,368				
		06/03/46	37,118				
		12/03/46	37,884				
		06/03/47	38,665				
		12/03/47	39,463				
		06/03/48	40,277				
		12/03/48	41,107				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
Various Sewer Improvements Continued			06/03/49	\$ 41,955	4.125%		
			12/03/49	42,820			
			06/03/50	40,410			
Phase III Wastewater	7/15/11	1,136,000	01/15/14	8,661	2.500%	1,119,275	1,102,052
			07/15/14	8,995			
			01/15/15	8,884			
			07/15/15	9,217			
			01/15/16	9,112			
			07/15/16	9,371			
			01/15/17	9,345			
			07/15/17	9,676			
			01/15/18	9,584			
			07/15/18	9,915			
			01/15/19	9,830			
			07/15/19	10,159			
			01/15/20	10,082			
			07/15/20	10,343			
			01/15/21	10,339			
			07/15/21	10,667			
			01/15/22	10,604			
			07/15/22	10,930			
			01/15/23	10,876			
			07/15/23	11,201			
		01/15/24	11,154				
		07/15/24	11,417				
		01/15/25	11,438				
		07/15/25	11,761				
		01/15/26	11,731				
		07/15/26	12,052				
		01/15/27	12,030				
		07/15/27	12,351				
		01/15/28	12,338				
		07/15/28	12,602				
		01/15/29	12,652				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
			DATE	AMOUNT			
Phase III Wastewater Continued			07/15/29	12,970	2.500%		
			01/15/30	12,975			
			07/15/30	13,292			
			01/15/31	13,306			
			07/15/31	13,622			
			01/15/32	13,645			
			07/15/32	13,912			
			01/15/33	13,993			
			07/15/33	14,306			
			01/15/34	14,349			
			07/15/34	14,661			
			01/15/35	14,715			
			07/15/35	15,025			
			01/15/36	15,090			
			07/15/36	15,359			
			01/15/37	15,473			
			07/15/37	15,781			
			01/15/38	15,867			
			07/15/38	16,173			
			01/15/39	16,271			
			07/15/39	16,575			
			01/15/40	16,685			
			07/15/40	16,957			
			01/15/41	17,109			
		07/15/41	17,410				
		01/15/42	17,544				
		07/15/42	17,843				
		01/15/43	17,990				
		07/15/43	18,287				
		01/15/44	18,447				
		07/15/44	18,722				
		01/15/45	18,916				
		07/15/45	19,209				
		01/15/46	19,396				
		07/15/46	19,688				
		01/15/47	19,889				
		07/15/47	20,179				
		01/15/48	20,394				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION**

Balance December 31, 2012		\$ 5,999,106
Increased by:		
Transfer from Deferred Reserve for Amortization	1,377,000	
Serial Bonds Payable	112,000	
USDA Loan Payable	74,662	
	<hr/>	<hr/>
		1,563,662
Balance December 31, 2013		<u><u>\$ 7,562,768</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2012	Fixed Capital Authorized	To Reserve for Amortization	Canceled	Balance Dec. 31, 2013
704-07	Various Sewer System Improvements	07/11/07	\$ 605,000		605,000		-
776-09	Sewer Phase IIIB Project	12/22/09	772,000		772,000		-
845-11	Sewer Phase IIIB Project	04/13/11	10,000				10,000
901-12	Miscellaneous Sewer III A	03/14/12	708,000				708,000
914-12	Sewer Capital Improvements	04/18/12	7,000				7,000
976-13	Sewer Capital Improvements	08/14/13	-	1,484,000			1,484,000
			<u>\$ 2,102,000</u>	<u>1,484,000</u>	<u>1,377,000</u>	<u>-</u>	<u>2,209,000</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF UTILITY CAPITAL IMPROVEMENT FUND**

Balance December 31, 2012		\$ 43,507
Increase by:		
2013 Budget Appropriation	<u>-</u>	<u>-</u>
		43,507
Decreased by:		
Appropriated to Finance Improvement Authorizations	<u>-</u>	<u>-</u>
Balance December 31, 2013		<u>\$ 43,507</u>

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE Dec. 31, 2012	2013 AUTHORIZATIONS	Notes Issued	Cancelled	BALANCE Dec. 31, 2013
901-12	Miscellaneous Sewer 3 A	\$ 1,064,000		1,064,000		-
976-13	Sewer Capital Improvements	-	2,236,000			2,236,000
		<u>\$ 1,064,000</u>	<u>2,236,000</u>	<u>1,064,000</u>	<u>-</u>	<u>2,236,000</u>

SEE ACCOMPANYING AUDITOR'S REPORT

CITY OF WILDWOOD

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

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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 or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement."

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

Our examination of expenditures did not reveal payments in excess of \$36,000 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

The minutes indicate that bids were requested by public advertising for the following items:

- Vehicles
- Sewer System Repairs
- Water System Repairs
- ADA Improvements
- Road Construction

Contracts and Agreements Requiring Solicitation of Quotations

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is \$5,400 or more."

Our examination of expenditures did not reveal purchases made in excess of \$5,400 without obtaining quotes as required by statute.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 9, 2013, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"NOW, THEREFORE, BE IT RESOLVED, effective January 1, 2013 all taxes and assessments which are delinquent on or subsequent to January 1, 2013 shall bear

interest at the rate of 8 percent per annum on the first \$1,500 of delinquency and 18 percent per annum on any amount in excess of \$1,500.”

It appears from an examination of the collector’s records that interest on delinquent taxes was collected in accordance with the foregoing resolution. However, this resolution should be adopted each year.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 17, 2013 and was complete, except for bankruptcies not sold.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2012	14
2012	8
2011	36
2010	12
2009	14

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Verification of Delinquent Taxes and Other Charges

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

<u>Type:</u>	<u>Number Mailed</u>
Payment of 2014 and 2013 Taxes	10
Payment of 2014 and 2013 Water Utility Bills	10
Payment of 2014 and 2013 Sewer Utility Bills	10
Delinquent Taxes & Utilities	6
Municipal Court	10

As of the date of this audit report, all verifications have not been returned. No problems were noted with the verifications that have been returned related to property taxes, utilities or municipal court.

Deposit of Municipal Funds

N.J.S. 40A:5-15 states, "All municipal funds shall be deposited within 48 hours upon receipt."

Our examination has revealed that municipal funds were all deposited within the mandated time.

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>Percentage of Collections</u>
2013	31,138,282	30,660,649	98.47%
2012	30,958,552	30,585,657	98.80%
2011	30,238,924	29,951,948	99.05%
2010	32,910,150	32,586,645	99.02%
2009	34,041,233	33,756,895	99.16%

Comparative Schedule of Tax Rate Information

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	1.971	1.936	1.895	1.834	1.828
Apportionment of Tax Rate:					
Municipal	1.103	1.088	1.088	1.089	1.110
County	0.235	0.237	0.212	0.219	0.208
School	0.633	0.611	0.595	0.526	0.510
Assessed Valuation	1,541,551,466	1,571,191,163	1,573,574,454	1,778,832,252	1,838,006,789

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>of Tax Levy</u>
2013	98,360	39	98,399	0.32%
2012	82,744	5,438	88,182	0.28%
2011	139,495	53,807	193,302	0.64%
2010	88,103	60,993	149,096	0.45%
2009	66,789	54,211	121,000	0.36%

Other Financial Statement Findings

NONE

STATUS OF PRIOR RECOMMENDATIONS

Finding 2012-2

The City did not obtain the OPEB actuarial calculation as required by GASB 45.

Current Status – This finding has been cleared in 2013.

RECOMMENDATIONS

None

Should any questions arise, please do not hesitate to call me.

Very truly yours,

Glen J. Ortman, CPA

Glen J. Ortman, CPA,
Registered Municipal Accountant
No. 427

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.

August 27, 2014