

CITY OF WILDWOOD

CAPE MAY COUNTY

NEW JERSEY

AUDIT REPORT

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

CITY OF WILDWOOD

TABLE OF CONTENTS

	Exhibit	Page
PART 1		
Independent Auditor's Report		1-4
CURRENT FUND		
Comparative Balance Sheet - Regulatory Basis	A	5-6
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1	7-8
Statement of Revenues - Regulatory Basis	A-2	9-12
Statement of Expenditures - Regulatory Basis	A-3	13-21
TRUST FUND		
Comparative Balance Sheet - Regulatory Basis	B	22
CAPITAL FUND		
Comparative Balance Sheet - Regulatory Basis	C	23
Schedule of Fund Balance - Regulatory Basis	C-1	24
WATER UTILITY FUND		
Comparative Balance Sheet - Regulatory Basis	D	25-26
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1	27
Statement of Capital Fund Balance - Statutory Basis	D-2	28
Statement of Revenues - Regulatory Basis	D-3	29
Statement of Expenditures - Regulatory Basis	D-4	30
SEWER UTILITY FUND		
Comparative Balance Sheet - Regulatory Basis	E	31-32
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	E-1	33
Statement of Capital Fund Balance - Statutory Basis	E-2	34
Statement of Revenues - Regulatory Basis	E-3	35
Statement of Expenditures - Regulatory Basis	E-4	36
GENERAL FIXED ASSET GROUP OF ACCOUNTS		
Statement of General Fixed Assets - Regulatory Basis	G	37
NOTES TO FINANCIAL STATEMENTS		
		38-65

CITY OF WILDWOOD

TABLE OF CONTENTS

	Exhibit	Page
SUPPLEMENTARY DATA		
Independent Auditor's Report - Government Audit Standards		66-67
Independent Auditor's Report - OMB Circular A-133 and New Jersey OMB 04-04		68-70
Schedule of Expenditures of Federal Awards		71
Schedule of Expenditures of State Financial Assistance		72
Notes to Schedule of Expenditures of Federal and State Awards		73
Audit Findings and Questioned Costs		
Part I - Summary of Auditors Results		74-75
Part II - Schedule of Financial Statement Findings		76
Part III - Schedule of Federal and State Awards		76
Part IV - Status on Prior Year Findings		76
CURRENT FUND		
Schedule of Cash - Treasurer	A-4	77
Schedule of Cash - Collector	A-5	78
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	79
Schedule of Tax Title Liens	A-7	80
Schedule of Revenue Accounts Receivable	A-8	81
Schedule of Prior Year Appropriation Reserves	A-9	82-83
Schedule of Local District School Tax	A-10	84
Schedule of Federal and State Grants Receivable	A-11	85
Schedule of Reserve for State Grants - Appropriated	A-12	86-87
Schedule of Reserve for State Grants - Unappropriated	A-13	88
TRUST FUNDS		
Schedule of Cash - Treasurer	B-1	89
Schedule of Reserve for Dog Fund Expenditures	B-2	90
Schedule of Amount Due to Current Fund - Dog License Fund	B-3	91
Schedule of Amount Due to State of New Jersey	B-4	92
Schedule of Miscellaneous Reserves	B-5	93

CITY OF WILDWOOD

TABLE OF CONTENTS

	Exhibit	Page
CAPITAL FUNDS		
Analysis of Cash	C-2	94-96
Schedule of Grants Receivable	C-3	97
Statement of Deferred Charges to Future Taxation -		
Funded	C-4	98
Unfunded	C-5	99
Schedule of Improvement Authorizations	C-6	100-101
Schedule of Bond Anticipation Notes	C-7	102
Schedule of General Serial Bonds Payable	C-8	103
Schedule of USRDA Loans Payable	C-9	104-107
Schedule of Green Trust Loan Payable	C-10	108-109
Schedule of Capital Improvement Fund	C-11	110
Schedule of Bonds and Notes Authorized But Not Issued	C-12	111
WATER UTILITY FUND		
Schedule of Cash - Treasurer	D-5	112
Analysis of Cash	D-6	113
Schedule of Consumer Accounts Receivable	D-7	114
Schedule of Consumer Liens Receivable	D-8	115
Schedule of Water Rent Overpayments	D-9	116
Schedule of Appropriation Reserves	D-10	117
Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	D-11	118
Schedule of Fixed Capital	D-12	119
Schedule of Fixed Capital Authorized and Uncompleted	D-13	120
Schedule of Improvement Authorizations	D-14	121
Schedule of Serial Bonds Payable	D-15	122-123
Schedule of NJ Environmental Infrastructure Trust Loan Bonds	D-16	124-125
Schedule USRDA Loans Payable	D-17	126-132
Schedule of Reserve for Amortization	D-18	133
Schedule of Deferred Reserve for Amortization	D-19	134
Schedule of Utility Capital Improvement Fund	D-20	135
Schedule of Bonds and Notes Authorized but not Issued	D-21	136

CITY OF WILDWOOD

TABLE OF CONTENTS

	Exhibit	Page
SEWER UTILITY FUND		
Schedule of Cash - Treasurer	E-5	137
Analysis of Cash	E-6	138
Schedule of Consumer Accounts Receivable	E-7	139
Schedule of Consumer Liens Receivable	E-8	140
Schedule of Sewer Rent Overpayments	E-9	141
Schedule of Appropriation Reserves	E-10	142
Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	E-11	143
Schedule of Fixed Capital	E-12	144
Schedule of Fixed Capital Authorized and Uncompleted	E-13	145
Schedule of Improvement Authorizations	E-14	146
Schedule of Bond Anticipation Notes Payable	E-15	147
Schedule of Serial Bonds Payable	E-16	148
Schedule USRDA Loans Payable	E-17	149-159
Schedule of Reserve for Amortization	E-18	160
Schedule of Deferred Reserve for Amortization	E-19	161
Schedule of Utility Capital Improvement Fund	E-20	162
Schedule of Bonds and Notes Authorized But Not Issued	E-21	163
PART II		
General Comments		164-167
Other Financial Statement Findings		168
Status of Prior Recommendations		169
Recommendations		170

CITY OF WILDWOOD

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014

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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, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the 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, 2014 and 2013, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the

Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 May 22, 2015 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.

Michael S. Garcia, CPA

Michael S. Garcia, CPA,
Registered Municipal Accountant
No. 472

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

May 22, 2015

EXHIBIT A - CURRENT FUND

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

	2014	2013
<u>Assets</u>		
Regular Fund:		
Cash:		
Treasurer	\$ 4,635,237.49	\$ 3,611,862.40
Collector	15,952.36	4,222.90
Change Fund	925.00	925.00
Due from the State of New Jersey:		
Veterans' and Senior Citizens' Deductions	9,469.85	10,840.39
	4,661,584.70	3,627,850.69
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	14,365.11	39.10
Tax Title Liens Receivable	110,836.35	98,360.17
Demolition Liens Receivable	-	68,614.01
Hazard Liens Receivable	4,800.15	-
Property Acquired / Assessed Valuation	620,100.00	620,100.00
Revenue Accounts Receivable	21,907.36	20,689.25
Deposits	3,200.00	-
NJSEA Mortgage Receivable	2,449,314.00	2,449,314.00
NJSEA Payment in Lieu of Tax Receivable	150,000.00	120,000.00
	3,374,522.97	3,377,116.53
Deferred Charges		
Special Emergency Authorizations	419,400.00	587,600.00
Emergency Authorizations	-	134,538.29
	419,400.00	722,138.29
	8,455,507.67	7,727,105.51
Federal and State Grant Fund:		
Cash	172,873.53	214,523.67
Federal and State Grants Receivable	718,540.15	434,773.64
	891,413.68	649,297.31
	\$ 9,346,921.35	\$ 8,376,402.82

The Accompanying Notes are an Integral Part of these Financial Statements

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

	2014	2013
<u>Liabilities, Reserves and Fund Balance</u>		
Regular Fund:		
Appropriation Reserves	\$ 722,905.34	146,123.07
Encumbrances & Accounts Payable	376,516.85	815,247.52
Refunds Payable	5,329.45	2,829.23
Prepaid Taxes	819,642.56	753,171.29
Tax Overpayments	5,181.93	3,168.76
Special Emergency Notes Payable	419,400.00	587,600.00
Due County for Added and Omitted Taxes	2,375.50	6,420.15
Reserve for:		
Master Plan	1,959.70	1,959.70
Tax Map	32,182.47	6,835.90
Auctioneer/Auction Sale	240.17	240.17
Land Sale Escrow	120,234.80	80,000.00
Tax Appeals	175,998.24	74,998.24
Codification of Ordinance	24,872.13	24,872.13
Performance Deposit	172,563.77	220,269.59
Human Services	670.00	770.00
GWTD Authority Fee	8,532.70	699.00
Reassessment	29,216.04	79,815.09
Insurance Proceeds	52,048.74	134,538.29
Boardwalk Viewers	270.38	-
	2,970,140.77	2,939,558.13
Reserves for Receivables	3,374,522.97	3,377,116.53
Fund Balance	2,110,843.93	1,410,430.85
	8,455,507.67	7,727,105.51
Federal and State Grant Fund:		
Reserve for Encumbrances	167,582.78	248,062.55
Reserve for State Grants:		
Unappropriated Reserves	81,121.29	24,772.58
Appropriated Reserves	642,709.61	376,462.18
	891,413.68	649,297.31
	\$ 9,346,921.35	8,376,402.82

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,**

	2014	2013
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 975,950.00	\$ 1,002,000.00
Miscellaneous Revenues Anticipated	6,997,116.71	5,878,236.08
Receipts from Delinquent Taxes	35,729.40	19,094.09
Receipts from Current Taxes	32,428,646.32	30,630,648.40
Nonbudget Revenues	349,671.59	602,829.31
Other Credits to Income:		
Unexpended Balance of		
Appropriation Reserves	149,044.84	194,947.79
Statutory Excess-Animal Control Fund	444.00	204.00
Accounts Payable Cancelled	483.02	2,185.93
	40,937,085.88	38,330,145.60
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	10,311,348.27	9,222,134.56
Other Expenses	8,173,550.07	7,969,075.00
Deferred Charges and		
Statutory Expenditures	2,023,643.19	2,090,149.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	768,630.12	96,600.00
Other Expenses	119,606.08	515,335.00
Capital Improvements	100,000.00	50,000.00
Debt Service	2,860,161.19	3,506,920.00
Deferred Charges	302,738.29	208,850.00
County Taxes Payable	3,619,823.36	3,604,755.00
County Share of Added and Omitted Taxes	2,375.50	6,420.15
Local District School Tax	10,352,208.00	9,743,947.00
Special District Tax	580,000.00	550,000.00
Prior Year Revenue Refunded	38,658.19	9,631.25
Prior Year Rounding	0.03	-
Canceled Grants	6,080.54	-
Prior Year Veterans' and Senior Citizens' Deductions	1,900.00	-
	39,260,722.83	37,573,816.96

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,**

	2014	2013
Excess/(Deficit) in Revenues	\$ 1,676,363.05	\$ 756,328.64
Adjustments to Income Before Fund Balance - Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year	-	134,538.29
Statutory Excess to Fund Balance	1,676,363.05	890,866.93
Fund Balance January 1	1,410,430.88	1,521,563.95
Total	3,086,793.93	2,412,430.88
Decreased by:		
Utilization as Anticipated Revenue	975,950.00	1,002,000.00
Fund Balance December 31	\$ 2,110,843.93	\$ 1,410,430.88

**CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS**

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 975,950.00	\$ -	\$ 975,950.00	-
	975,950.00	-	975,950.00	-
<u>Miscellaneous Revenues:</u>				
Licenses-Alcoholic Beverages	91,000.00		111,413.00	20,413.00
Licenses-Other	394,000.00		374,025.35	(19,974.65)
Fees and Permits	522,000.00		477,197.83	(44,802.17)
Municipal Court	540,000.00		591,777.16	51,777.16
Interest and Costs on Taxes	91,000.00		110,631.00	19,631.00
Parking Meters	635,000.00		708,887.15	73,887.15
Interest on Investments	19,000.00		23,442.91	4,442.91
Public Property Rental	432,000.00		449,307.70	17,307.70
TV Cable Franchise Fee	40,575.94		40,575.94	-
In Lieu of Taxes	104,000.00		102,143.82	(1,856.18)
Ambulance Rescue Squad	325,000.00		398,195.81	73,195.81
Fees - Tram Car	92,700.00		95,863.06	3,163.06
1.85% Room Tax	217,000.00		266,149.13	49,149.13
GWTDA Administrative Reimbursement	30,000.00		30,000.00	-
Energy Receipts Tax (P.L. 1997, Ch 162&167)	1,005,571.00		1,005,571.00	-
Interlocal Agreements:				
Dispatch Services	35,000.00		35,000.00	-
Municipal Court	17,500.00		17,500.00	-
Ambulance Service	15,000.00		15,000.00	-
Cops in School-WBOE	60,000.00		60,000.00	-
Tax Assessor	57,200.00		57,302.13	102.13
Uniform Fire Safety Act	56,910.11		48,480.60	(8,429.51)
Indirect Cost Allocation from Water Utility	430,742.17		430,742.17	-
Wildwood Water Utility - Rio Grande Avenue	10,862.00		10,862.00	-
Proceeds from Sale of Municipal Assets	25,000.00		25,000.00	-
Reserve for Payment of Bonds	20,124.00		20,124.00	-
Water Utility Fund Balance	208,100.00		208,100.00	-
Reserve for Insurance Proceeds	134,538.29		134,538.29	-
Municipal Event Support from GWTIDA	63,876.03		63,876.03	-
ACM JIF Safety Reimbursement	2,500.00		2,500.00	-
Lease of Municipal Property	36,000.00		36,000.00	-
Lease of Wharfage	14,000.00		14,100.00	100.00
Reimbursement for Cost of Class II Officers	25,000.00		26,659.96	1,659.96

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)
Miscellaneous Revenues (continued):				
Beach Services Revenue	\$ 156,500.00	\$	227,989.50	\$ 71,489.50
Reimbursement - Waste Disposal & Recycling Contract	62,500.00		62,500.00	-
General Capital Fund Balance	53,000.00		53,000.00	-
Cape May County Recycling Rebate	32,000.00		32,038.97	38.97
Refund of Land Purchase Deposit	11,500.00		11,580.00	80.00
Additional Revenues Offset With Appropriations:				
Drunk Driving Enforcement Fund	5,954.33		5,954.33	-
Clean Communities	24,198.12		24,198.12	-
Alcohol Education and Rehabilitation Fund	472.64		472.64	-
Recycling Tonnage	19,347.63		19,347.63	-
WBID Community Policing	-	20,000.00	20,000.00	-
Body Armor Grant	3,924.95		3,924.95	-
COPS in Shops	7,500.00		7,500.00	-
COPS Hiring Recovery Program	-	432,232.00	432,232.00	-
GWTIDA - Municipal Event Support	-	100,000.00	100,000.00	-
Bulletproof Vest Partnership - 2012	1,950.00		1,950.00	-
Bulletproof Vest Partnership - 2013	3,462.53		3,462.53	-
Total Miscellaneous	6,133,509.74	552,232.00	6,997,116.71	311,374.97
Receipts from Delinquent Taxes	19,000.00		35,729.40	16,729.40
Subtotal General Revenues	7,128,459.74	552,232.00	8,008,796.11	328,104.37
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	18,052,321.56		18,053,699.27	1,377.71
Budget Totals	25,180,781.30	552,232.00	26,062,495.38	329,482.08
Nonbudget Revenues	25,180,781.30	552,232.00	26,412,610.97	350,115.59
	\$	\$	\$	\$
	25,180,781.30	552,232.00	26,412,610.97	679,597.67

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	\$	32,529,646.32
Less: Reserve for Tax Appeals Pending		<u>(101,000.00)</u>
Net Revenue from Collections		32,428,646.32
Allocated to:		
School, County and Other Taxes		<u>14,554,406.86</u>
Balance for Support of Municipal Budget Revenues		17,874,239.46
Add:		
Appropriation: "Reserve for Uncollected Taxes"		<u>179,459.81</u>
Amount for Support of Municipal Budget Appropriations		<u><u>18,053,699.27</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections		750.00
Tax Title Lien Collections		<u>34,979.40</u>
	\$	<u><u>35,729.40</u></u>

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

Analysis of Realized Revenue: (Continued)

Miscellaneous Revenue Not Anticipated:

Fees for Returning Shopping Carts	\$	1,610.00
Photo Copies		212.93
Gasoline Services		66,659.94
Insurance Claims		37,267.73
Police (Off Duty) Administration Costs		7,421.00
Police-Miscellaneous		2,743.80
Senior Citizen and Veterans Administrative Fee		1,018.00
Restitution		4,120.00
Lot Cleaning		11,676.75
Statutory Excess - Animal Control Fund		444.00
Fire (Special Assignment) Administrative Fee		11,753.50
FEMA Reimbursement		23,435.90
Recycling Fees		11,938.05
Sale of Municipal Property		52,544.09
Health Insurance Reimbursement		9,482.57
Lease - Fire Truck		15,000.00
Demolition, Other Lien		46,218.17
Miscellaneous		46,569.16
		350,115.59
		\$ 350,115.59

The Accompanying Notes are an Integral Part of these Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS**

	APPROPRIATIONS		EXPENDITURES			OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED			
OPERATIONS WITHIN "CAPS"							
GENERAL GOVERNMENT:							
Commissioner of Public Affairs and Public Safety							
Salaries and Wages	\$ 39,600.00	\$ 36,470.00	\$ 35,051.72	\$	\$ 0.00	\$ 1,418.28	
Other Expenses	3,000.00	3,000.00	1,060.83			1,939.17	
Prosecutor							
Salaries and Wages	18,500.00	18,500.00	18,338.53	0.00		161.47	
Department of Law - Director's Office							
Salaries and Wages	176,750.00	170,940.00	140,000.00			30,940.00	
Other Expenses	125,300.00	125,300.00	64,072.88	11,227.12		50,000.00	
Police							
Salaries and Wages	3,845,200.00	3,783,200.00	3,509,799.71	82,396.54		191,003.75	
Seasonal Salaries and Wages	550,200.00	550,200.00	530,681.84	0.00		19,518.16	
Other Expenses	125,000.00	125,000.00	123,160.71	1,839.29		-	
Purchase of Vehicles	32,000.00	8,000.00	-			8,000.00	
Lifeguards							
Salaries and Wages	418,000.00	419,670.08	419,670.08			-	
Other Expenses	27,750.00	27,750.00	27,189.40	95.25		465.35	
Office of Emergency Management							
Salaries and Wages	5,000.00	5,000.00	4,999.99	0.01			
Other Expenses	4,300.00	4,300.00	4,252.31	47.69			
Traffic Marking							
Salaries and Wages	158,100.00	159,730.00	159,725.51	4.49			
Other Expenses	61,100.00	67,600.00	66,227.66	1,372.34			
Municipal Fire Fighting							
Salaries and Wages	1,560,100.00	1,639,910.00	1,596,684.60	38,901.68		4,323.72	
Other Expenses	106,600.00	107,349.52	103,572.65	3,776.87		-	
Volunteer Fire Fighting							
Other Expenses	10,000.00	10,000.00	9,050.00			950.00	
Parking							
Salaries and Wages	22,100.00	12,400.00	10,389.50	10.50		2,000.00	
Other Expenses	40,000.00	40,000.00	18,901.64	2,078.37		19,019.99	

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	\$ 254,100.00	\$ 183,300.00	\$ 178,973.40	\$ 4,326.60	\$	
Salaries and Wages				437.66		
Other Expenses	6,000.00	5,250.48	4,812.82			
Animal Control						
Other Expenses	35,000.00	35,011.00	34,921.00	90.00		
Municipal Court						
Salaries and Wages	266,700.00	266,928.06	257,139.06			9,789.00
Other Expenses	30,500.00	30,500.00	26,409.25	1,000.00		3,090.75
Public Defender						
Other Expenses	7,900.00	7,900.00	7,900.00			
DEPARTMENT OF REVENUE AND FINANCE:						
Commissioner of Revenue and Finance						
Salaries and Wages	39,600.00	39,600.00	30,690.85	9.15		8,900.00
Other Expenses	3,000.00	3,000.00	399.71			2,600.29
Municipal Administrator						
Salaries and Wages	33,800.00	33,800.00	33,589.99	210.01		-
Other Expenses	29,400.00	29,400.00	13,582.68	14,919.72		897.60
Collection of Taxes						
Other Expenses	1.00	1.00				1.00
City Clerk						
Salaries and Wages	184,600.00	189,600.00	183,914.65	5,685.35		2,555.00
Other Expenses	24,300.00	24,300.00	22,939.13	1,360.87		
Elections						
Other Expenses	4,200.00	4,200.00	1,645.00			
Accounts and Control						
Salaries and Wages	249,000.00	249,000.00	238,172.56	827.44		10,000.00
Other Expenses	34,300.00	34,300.00	32,718.85	1,581.15		-
Audit Service						
Other Expenses	70,000.00	70,000.00	70,000.00			

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		
OPERATIONS WITHIN "CAPS":						
GENERAL GOVERNMENT:						
Tax Assessment						
Salaries and Wages	\$ 100,100.00	\$ 100,100.00	\$ 79,185.58	\$ 14,714.42	\$	\$ 6,200.00
Other Expenses	27,400.00	27,400.00	13,425.86			13,974.14
Revenue Collection						
Salaries and Wages	126,000.00	126,000.00	117,780.61	219.39		8,000.00
Other Expenses	18,100.00	18,100.00	7,735.81	5,364.19		5,000.00
Beach Services						
Salaries and Wages	76,800.00	66,800.00	55,150.66	11,649.34		
Other Expenses	14,950.00	24,950.00	23,025.18	1,924.82		
Purchasing						
Salaries and Wages	110,400.00	110,994.70	110,994.70			
Other Expenses	23,800.00	23,800.00	22,765.56	1,034.44		
Redevelopment Agency						
Other Expenses	55,500.00	55,500.00	24,003.75			31,496.25
Economic Development						
Other Expenses	93,000.00	66,485.42	40,000.00			26,485.42
Insurance						
General Liability	352,800.00	373,300.00	342,394.81	30,815.88		89.31
Worker's Compensation Insurance	971,700.00	971,700.00	971,395.80		0.00	304.20
Employee Group Health	3,506,171.00	3,506,171.00	2,985,287.41	303,153.20		217,730.39
Employee Group Opt-out Payments	2,080.00	2,080.00	-			2,080.00
Surety Bonds	50.00	50.00	50.00			
Human Resources						
Salaries and Wages	164,100.00	164,519.88	163,019.88	6,346.16		1,500.00
Other Expenses	21,000.00	21,000.00	9,653.84			5,000.00
Relocation Assistance						
Other Expenses	5,000.00	5,000.00	500.00			4,500.00

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		
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
DEPARTMENT OF PUBLIC WORKS, PARKS & PROPERTY:						
Commissioner of Public Works						
Salaries and Wages	\$ 59,800.00	\$ 64,230.95	\$ 64,230.95	\$	\$	\$ 926.00
Other Expenses	3,500.00	3,500.00	2,574.00			
Director						
Salaries and Wages	128,600.00	129,269.34	129,269.34			
Other Expenses	32,100.00	33,600.00	32,770.49	829.51		
Engineering Fees						
Other Expenses	81,000.00	80,974.63	54,974.63	0.00		26,000.00
Building Maintenance						
Salaries and Wages	183,700.00	189,644.05	189,644.05			
Other Expenses	90,600.00	90,600.00	89,387.69	1,212.31		
Boardwalk and Facility Construction						
Salaries and Wages	198,300.00	196,210.00	196,209.15	0.85		
Other Expenses	19,700.00	18,200.00	16,955.02	1,244.98		
Special Events						
Other Expenses	49,600.00	48,210.38	47,363.78	846.60		
Parks						
Salaries and Wages	57,800.00	49,202.17	49,202.17			
Other Expenses	45,500.00	28,500.00	28,500.00			
Recreation						
Salaries and Wages	286,400.00	285,904.13	266,904.13			19,000.00
Other Expenses	36,000.00	36,000.00	35,812.48	187.52		
Street Maintenance						
Salaries and Wages	761,800.00	710,970.44	694,970.44			16,000.00
Other Expenses	31,360.00	33,360.00	31,195.32	2,164.68		
Snow Removal						
Other Expenses	10,000.00	11,600.00	11,600.00			

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		
OPERATIONS WITHIN "CAPS":						
GENERAL GOVERNMENT:						
Environmental Maintenance						
Salaries and Wages	\$ 328,800.00	\$ 360,953.30	\$ 355,953.30	\$	\$	\$ 5,000.00
Other Expenses	21,400.00	21,400.00	21,292.60	107.40		
Fleet Maintenance						
Salaries and Wages	113,100.00	113,042.83	111,042.83			2,000.00
Other Expenses	144,000.00	163,434.81	156,438.25	6,996.56		
Sanitation/Trash						
Other Expenses	516,400.00	511,965.19	511,085.00	880.19		
Landfill Tipping Fees						
Other Expenses	370,000.00	370,000.00	370,000.00			
Land Use Administration						
Salaries and Wages	59,700.00	59,420.33	58,420.33			1,000.00
Other Expenses	15,000.00	15,000.00	14,201.54			798.46
Property Inspectors						
Salaries and Wages	121,200.00	120,592.39	117,592.39			3,000.00
Other Expenses	5,100.00	5,100.00	4,005.68	1,094.32		
UNIFORM CONSTRUCTION CODE:						
State Uniform Construction Code						
Other Expenses	50,000.00	80,000.00	48,634.00			31,366.00
UNCLASSIFIED:						
Terminal Leave - Salaries and Wages						
Gasoline	45,000.00	45,000.00	45,000.00			
Water Service	290,000.00	302,000.00	300,177.58	1,822.42		
Street Lighting	120,000.00	120,000.00	120,000.00			
Electricity	330,000.00	392,000.00	317,938.76	16,061.24		58,000.00
Natural Gas	200,000.00	224,000.00	191,390.27	15,613.73		16,996.00
Telephone	100,000.00	81,000.00	71,223.11	9,776.89		
Sewer Service	89,000.00	96,000.00	82,675.34	13,324.66		
Postage	60,000.00	60,000.00	42,796.00			17,204.00
	38,400.00	38,400.00	36,875.96	0.00		1,524.04

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>						
Total Operations Within "CAPS"	\$ 19,362,812.00	\$ 19,373,646.08	\$ 17,865,314.54	\$ 619,583.80	\$ 0.00	\$ 888,747.74
Contingent		-				
Total Operations Incl. Contingent Within "CAPS"	19,362,812.00	19,373,646.08	17,865,314.54	619,583.80	0.00	888,747.74
Detail:						
Salaries and Wages	10,745,030.00	10,653,182.65	10,152,392.50	158,955.77	0.00	341,834.38
Other Expenses	8,617,782.00	8,720,463.43	7,712,922.04	460,628.03	0.00	546,913.36
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u> :						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	440,800.00	440,800.00	440,716.74	0.00		83.26
Defined Contribution Retirement Plan	10,000.00	10,000.00	9,212.28			787.72
Social Security System (O.A.S.I.)	529,000.00	515,165.92	496,759.90	18,406.02		
Police and Fire Retirement System	1,023,266.00	1,023,266.00	1,019,248.25			4,017.75
Unemployment Comp Ins.	36,300.00	39,300.00	38,109.73	1,190.27		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	2,039,366.00	2,028,531.92	2,004,046.90	19,596.29	-	4,888.73
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	21,402,178.00	21,402,178.00	19,869,361.44	639,180.09	0.00	893,636.47

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		
OPERATIONS EXCLUDED FROM "CAPS":						
Insurance	\$	\$	\$	\$	\$	\$
Employee Group Health	82,929.00	82,929.00	-	82,929.00		
Interlocal Municipal Service Agreements:						
Dispatch Services - West Wildwood	35,000.00	35,000.00	35,000.00			
Municipal Court - West Wildwood	17,500.00	17,500.00	17,500.00			
Ambulance Service - West Wildwood	15,000.00	15,000.00	15,000.00			
Cops in School - WBOE	60,000.00	60,000.00	60,000.00			
Tax Assessor - West Wildwood	57,200.00	57,200.00	56,403.75	796.25		-
Public and Private Programs Offset by Revenues:						
Municipal Alliance Program						
Local Share	1,565.00	1,565.00	1,565.00			
Recycling Tonnage	19,347.63	19,347.63	19,347.63			
Body Armor Replacement Program	3,924.95	3,924.95	3,924.95			
Drunk Driving Enforcement Grant	5,954.33	5,954.33	5,954.33			
Matching Funds for Grants	1.00	1.00	1.00			1.00
COPS in Shops - Summer Shore Initiative	7,500.00	7,500.00	7,500.00			
WBID Grant	-	20,000.00	20,000.00			
Clean Communities Program	24,198.12	24,198.12	24,198.12			
Alcohol, Education, Rehabilitation Program	472.64	472.64	472.64			
GTWIDA Municipal Event Support	-	100,000.00	100,000.00			
Bulletproof Vest Partnership - 2012	1,950.00	1,950.00	1,950.00			
Bulletproof Vest Partnership - 2013	3,462.53	3,462.53	3,462.53			
COPS Hiring Recovery Program	-	432,232.00	432,232.00			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	336,005.20	888,237.20	804,510.95	83,725.25	-	1.00
Detail:						
Salaries and Wages	216,398.12	768,630.12	767,833.87	796.25	-	-
Other Expenses	119,607.08	119,607.08	36,677.08	82,929.00	-	-

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	
\$	100,000.00	\$ 100,000.00	\$ 100,000.00	\$	\$	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>						
Capital Improvement Fund						
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	100,000.00	100,000.00	100,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":</u>						
Payment of Bond Principal	2,160,000.00	2,160,000.00	2,160,000.00			93.74
Interest on Bonds	600,500.00	600,500.00	600,406.26			79.48
Interest on Notes	15,600.00	15,600.00	15,520.52			
Green Trust Loan Payment						
Loan Repayments for Principal and Interest	63,900.00	63,900.00	63,896.41			3.59
USDA/Rural Development Program						
Loan Repayments for Principal and Interest	20,400.00	20,400.00	20,338.00			62.00
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	2,860,400.00	2,860,400.00	2,860,161.19	-	-	238.81

The Accompanying Notes are an Integral Part of these Financial Statements

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

	APPROPRIATIONS		EXPENDITURES		OVER	UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	EXPENDED	BALANCE CANCELED
<u>DEFERRED CHARGES EXCLUDED FROM "CAPS"</u>						
Emergency Authorizations	\$ 134,538.29	\$ 134,538.29	\$ 134,538.29	\$ -	\$ -	
Special Emergency Authorization - 5 Years	168,200.00	168,200.00	168,200.00	-		
	302,738.29	302,738.29	302,738.29	-	-	-
<u>TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"</u>						
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	3,599,143.49	4,151,375.49	4,067,410.43	83,725.25	-	239.81
SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	25,001,321.49	25,553,553.49	23,936,771.87	722,905.34	0.00	893,876.28
	179,459.81	179,459.81	179,459.81			
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 25,180,781.30	\$ 25,733,013.30	\$ 24,116,231.68	\$ 722,905.34	\$ 0.00	\$ 893,876.28
Budget	\$ 25,180,781.30					
N.J.S.A. 40A: 4-87	552,232.00					
Emergency Appropriation	-					
	\$ 25,733,013.30					
Deferred Charges			PAID OR			
Encumbrances Payable			CHARGED			
Federal and State Grants			\$ 302,738.29			
Reserve for Uncollected Taxes			347,498.99			
Reimbursed			620,607.20			
Disbursed			179,459.81			
			(156,480.03)			
			22,822,407.42			
			\$ 24,116,231.68			

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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>2014</u>	<u>2013</u>
Animal Control Fund		
Cash	\$ 576.00	564.00
	<u>576.00</u>	<u>564.00</u>
Other Funds:		
Cash	2,495,335.69	2,706,406.45
Change Fund	200.00	200.00
Due from Federal - Payroll	-	42.35
Due from State - Payroll	-	1.64
Due from Employees - Payroll	-	82.76
	<u>2,495,535.69</u>	<u>2,706,733.20</u>
	<u>2,496,111.69</u>	<u>2,707,297.20</u>
 <u>Liabilities, Reserves, and Fund Balance</u>		
Dog License Fund:		
Reserve for Dog Fund	576.00	564.00
	<u>576.00</u>	<u>564.00</u>
Other Funds:		
Deposits for Redemption of Tax Sale Certificates	42,904.68	106,600.76
Premiums Received at Tax Sale	1,004,000.00	1,048,000.00
Due to State - Surcharge Fees	1,740.00	2,569.00
Due to Employees	2,098.54	-
Reserves:		
Tourism Development Commission	42,090.49	53,753.85
DEDR	-	150.00
Historical Society	-	50.00
Accumulated Absences	99,948.25	55,076.28
Snow Removal	11,636.15	10,130.09
Beach Patrol Donations	1,042.23	489.23
Memorial Benches	16,249.40	34,849.40
Recreation Expenditures	13,587.18	21,677.09
Special Events	17,822.77	13,997.77
Parking Offense Adjudication Act	13,201.18	19,058.80
Fire Penalty - Compensatory	33,365.64	64,887.10
Fire Penalty - Dedicated	35,089.65	41,684.29
UCC Fees	15,511.68	18,927.63
Police Forfeiture	104,713.85	92,302.97
Revolving Loan Fund	110,731.99	110,290.01
Self Insurance	92,345.18	68,313.89
Payroll	166,567.53	256,953.30
Lifeguard Pension	539,752.23	535,987.37
Developers Escrow	131,137.07	150,984.37
	<u>2,495,535.69</u>	<u>2,706,733.20</u>
	<u>\$ 2,496,111.69</u>	<u>2,707,297.20</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,**

	2014	2013
<u>Assets</u>		
Cash	\$ 2,272,358.68	735,456.24
Grants Receivable	763,883.24	711,413.24
Deferred Charges to Future Taxation:		
Funded	15,626,188.47	17,847,458.39
Unfunded	4,088,900.00	1,487,500.00
	22,751,330.39	20,781,827.87
 <u>Liabilities, Reserves and Fund Balance</u>		
Improvement Authorizations:		
Funded	386,294.43	518,146.92
Unfunded	2,313,688.39	1,199,183.25
Bond Anticipation Notes	3,258,900.00	657,500.00
General Serial Bonds Payable	14,919,000.00	17,079,000.00
USRDA Loans Payable	329,905.85	335,659.12
Green Trust Loan Payable	377,282.62	432,799.27
Contracts Payable	1,071,766.92	464,607.02
Capital Improvement Fund	1,959.00	21,559.00
Reserve for Payment of Bonds & Notes	88,265.89	20,124.00
Fund Balance	4,267.29	53,249.29
	\$ 22,751,330.39	20,781,827.87

There were Bonds and Notes Authorized But Not Issued at December 31, 2014 and 2013 of \$830,000 and \$830,000 respectively.

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>12/31/2014</u>	<u>12/31/2013</u>
Balance at the beginning of the year	\$ 53,249.29	53,189.29
Increased by:		
Premium on Bond/Note Sale	3,978.00	60.00
Funded Improvement Authorizations Cancelled	40.00	-
	<u>4,018.00</u>	<u>53,249.29</u>
Decreased by:		
Appropriated in Current Fund Budget	<u>53,000.00</u>	-
	53,000.00	-
	<u>53,000.00</u>	<u>53,000.00</u>
Balance at the end of the year	\$ <u><u>4,267.29</u></u>	<u><u>53,249.29</u></u>

EXHIBIT D - WATER UTILITY

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

	2014	2013
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 2,417,879.68	\$ 2,398,405.95
Change Fund	200.00	200.00
	2,418,079.68	2,398,605.95
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	360,541.35	174,641.55
Utility Liens Receivable	-	846.60
Inventory	316,327.30	248,399.79
	676,868.65	423,887.94
 Total of Operating Fund	 3,094,948.33	 2,822,493.89
Capital Fund:		
Cash and Investment	308,573.81	1,906,920.45
Due from NJEIT	1,697,658.00	-
Fixed Capital:		
Completed	37,633,525.46	36,633,525.46
Authorized and Uncompleted	17,632,110.00	18,177,000.00
	57,271,867.27	56,717,445.91
 Total of Capital Fund	 57,271,867.27	 56,717,445.91
 Total Assets	 \$ 60,366,815.60	 \$ 59,539,939.80

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

	2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 381,628.20	\$ 164,856.44
Encumbrances & Accounts Payable	303,600.91	398,787.26
Accrued Interest on Bonds and Notes	108,432.14	116,511.66
Water Overpayments	32,546.48	34,414.33
Escrow Deposits	7,425.54	8,216.48
Due to the State of New Jersey	23,230.35	4,223.56
	856,863.62	727,009.73
 Reserve for Receivables	 676,868.65	 423,887.94
Fund Balance	1,561,216.06	1,671,596.22
Total of Operating Fund	3,094,948.33	2,822,493.89
 Capital Fund:		
Improvement Authorizations:		
Funded	712,249.50	1,214,185.01
Unfunded	2,448,343.31	5,453,366.28
Contracts Payable	2,409,768.63	1,348,388.79
Serial Bonds Payable	11,988,000.00	12,993,000.00
NJ Environmental Infrastructure Trust Bonds	3,269,152.82	831,307.13
USDA Loan Payable	1,428,287.76	1,450,108.36
Reserve for Amortization	31,145,084.88	30,056,109.97
Deferred Reserve for Amortization	3,500,000.00	3,000,000.00
Reserve for Preliminary Expenses	10,000.00	10,000.00
Capital Improvement Fund	90,760.85	90,760.85
Fund Balance	270,219.52	270,219.52
	57,271,867.27	56,717,445.91
Total of Capital Fund	57,271,867.27	56,717,445.91
 Total Liabilities, Reserves and Fund Balance	\$ 60,366,815.60	\$ 59,539,939.80

There were Bonds and Notes Authorized But Not Issued at December 31, 2014 and 2013 of \$3,935,110 and \$6,480,000 respectively.

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

	<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ 318,000.00	\$ 250,000.00
Water Rents	6,616,516.74	6,718,487.78
Miscellaneous	32,521.49	79,641.69
Other Credits to Income:		
Cancellation of Prior Year Payable		5,200.00
Unexpended Balance of Appropriation Reserves	195,406.81	230,056.67
Total Income	<u>7,162,445.04</u>	<u>7,283,386.14</u>
<u>Expenditures</u>		
Operating		
Salaries and Wages	1,643,192.91	1,587,593.76
Other Expenses	1,750,434.73	1,598,117.86
Capital Improvements	1,008,300.00	1,008,328.83
Debt Service	1,626,397.75	1,821,442.62
Deferred Charges and Statutory Expenditures	712,899.81	709,432.31
Surplus (General Budget)	208,100.00	205,700.00
Refund of Prior Year Revenue	5,500.00	1,028.06
Total Expenditures	<u>6,954,825.20</u>	<u>6,931,643.44</u>
Excess of Revenues	207,619.84	351,742.70
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute deferred charges to budget of succeeding year	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	207,619.84	351,742.70
Fund Balance January 1	1,671,596.22	1,569,853.52
Decreased by:		
Utilization as Anticipated Revenue	318,000.00	250,000.00
Fund Balance December 31	<u>\$ 1,561,216.06</u>	<u>\$ 1,671,596.22</u>

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, 2014</u>	<u>December 31, 2013</u>
Balance at the beginning of the year	\$ 270,219.52	\$ 270,219.52
Increased by:		
Premium on bond sale	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Balance December 31, 2014	\$ <u><u>270,219.52</u></u>	\$ <u><u>270,219.52</u></u>

**WATER OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus Anticipated	\$ 318,000.00	\$ 318,000.00	\$ -
Anticipated Revenue:			
Water Rents	6,718,000.00	6,616,516.74	(101,483.26)
Miscellaneous	79,000.00	32,521.49	(46,478.51)
	<u>\$ 7,115,000.00</u>	<u>\$ 6,967,038.23</u>	<u>\$ (147,961.77)</u>

Analysis of Realized Revenue

Water Rents

Consumer Accounts Receivable	D-7	\$ 6,615,670.14
Water Utility Lien Collections	D-8	<u>846.60</u>
		<u>\$ 6,616,516.74</u>

Miscellaneous

Interest on Investments	\$ 11,666.01
Miscellaneous	<u>20,855.48</u>
	<u>\$ 32,521.49</u>

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

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER - EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
OPERATING							
Salaries and Wages	\$ 1,657,900.00	\$ 1,657,717.79	\$ 1,638,659.52	\$ 55,693.18	\$ 2,989.39	\$ 16,068.88	\$ -
Other Expenses	1,068,371.83	1,068,371.83	799,282.38		206,921.27	6,475.00	
Terminal Leave - Salaries and Wages	1,544.00	1,544.00	1,544.00		-		
Insurance	727,200.00	728,218.51	624,891.32		63,646.58	39,680.61	
	<u>3,455,015.83</u>	<u>3,455,852.13</u>	<u>3,064,377.22</u>	<u>55,693.18</u>	<u>273,557.24</u>	<u>62,224.49</u>	<u>-</u>
CAPITAL IMPROVEMENTS							
Capital Improvement Fund	500,000.00	500,000.00	500,000.00		-		
Capital Outlay	508,300.00	508,300.00	157,869.71	242,359.33	108,070.96		
	<u>1,008,300.00</u>	<u>1,008,300.00</u>	<u>657,869.71</u>	<u>242,359.33</u>	<u>108,070.96</u>	<u>-</u>	<u>-</u>
DEBT SERVICE							
Payment of Bond Principal	1,157,600.00	1,157,600.00	1,088,974.91			68,625.09	
Interest on Bonds	567,200.00	567,200.00	537,422.84			29,777.16	
	<u>1,724,800.00</u>	<u>1,724,800.00</u>	<u>1,626,397.75</u>	<u>-</u>	<u>-</u>	<u>98,402.25</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES							
Deferred Charges							
City of Wildwood - Indirect Costs	430,742.17	430,742.17	430,742.17				
City of Wildwood - Rio Grande Phase 1	10,862.00	10,862.00	10,862.00				
Contribution to:							
Public Employee Retirement System	144,480.00	144,480.00	144,472.00			8.00	
Social Security System (O.A.S.I.)	127,000.00	125,963.70	120,963.70			5,000.00	
Unemployment Compensation	5,700.00	5,900.00	5,859.94		0.00	40.06	
Surplus (General Budget)	208,100.00	208,100.00	208,100.00				
	<u>926,884.17</u>	<u>926,047.87</u>	<u>920,999.81</u>	<u>-</u>	<u>0.00</u>	<u>5,048.06</u>	<u>-</u>
	<u>\$ 7,115,000.00</u>	<u>\$ 7,115,000.00</u>	<u>\$ 6,269,644.49</u>	<u>\$ 298,052.51</u>	<u>\$ 381,628.20</u>	<u>\$ 165,674.80</u>	<u>\$ -</u>
	Original	7,115,000.00					
		<u>7,115,000.00</u>					
Accrued interest on Bonds 12/31/13			\$ (116,511.66)				
Accrued interest on Bonds 12/31/14			108,432.14				
Disbursed			6,277,724.01				
			<u>\$ 6,269,644.49</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,**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	583,853.30	171,830.26
	<u>583,853.30</u>	<u>171,830.26</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	34,871.46	67,969.55
Utility Liens Receivable	225.00	128.40
	<u>35,096.46</u>	<u>68,097.95</u>
Deferred Charges:		
Emergency Authorizations	-	28,633.33
	<u>-</u>	<u>28,633.33</u>
 Total of Operating Fund	 <u>618,949.76</u>	 <u>268,561.54</u>
Capital Fund:		
Cash and Investment	1,706,947.74	468,630.96
Grants Receivable	2,105,388.00	2,192,000.00
Fixed Capital:		
Completed	14,879,196.25	14,879,196.25
Authorized and Uncompleted	6,256,600.00	5,839,000.00
 Total of Capital Fund	 <u>24,948,131.99</u>	 <u>23,378,827.21</u>
 Total Assets	 <u><u>25,567,081.75</u></u>	 <u><u>23,647,388.75</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements

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

	2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Liabilities:		
Appropriation Reserves	31,657.00	1,400.00
Encumbrances Payable	57,691.70	25,241.88
Accounts Payable	1,495.45	2,554.54
Refunds Payable	1.05	-
Accrued Interest on Bonds and Notes	67,190.46	60,330.33
Overpayments	73,469.55	9,622.13
Reserve for Insurance Proceeds	-	28,633.33
	231,505.21	127,782.21
Reserve for Receivables	35,096.46	68,097.95
Fund Balance	352,348.09	72,681.38
Total of Operating Fund	618,949.76	268,561.54
Capital Fund:		
Improvement Authorizations:		
Funded	344,983.35	17,550.45
Unfunded	708,822.88	1,213,726.79
Contracts Payable	2,797,993.46	3,543,045.59
Bond Anticipation Notes	2,486,000.00	1,064,000.00
Serial Bonds Payable	1,804,000.00	1,914,000.00
USDA Loan Payable	6,711,548.24	5,732,917.20
Reserve for Amortization	7,757,648.01	7,562,766.37
Reserve for Deferred Amortization	2,229,600.00	2,209,000.00
Capital Improvement Fund	22,907.38	43,507.38
Fund Balance	84,628.67	78,313.43
Total of Capital Fund	24,948,131.99	23,378,827.21
Total Liabilities, Reserves and Fund Balance	25,567,081.75	23,647,388.75

There were Bonds and Notes Authorized But Not Issued at December 31, 2014 and 2013 of \$147,000 and \$2,236,000 respectively

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

	2014	2013
<u>Revenue and Other Income Realized</u>		
Sewer Rents	\$ 4,970,121.95	\$ 4,615,899.51
Interest on Investments	2,581.83	2,015.24
Miscellaneous	35,944.25	52,628.32
Reserve - Insurance Proceeds	28,633.33	-
Other Credit to Income- Unexpended Balance of Appropriation Reserves	3,778.10	-
Total Income	5,041,059.46	4,670,543.07
<u>Expenditures</u>		
Operating		
Salaries and Wages	325,984.88	312,334.01
Other Expenses	3,874,059.12	3,811,953.22
Debt Service	477,916.49	458,061.19
Deferred Charges and Statutory Expenditures	83,432.26	54,623.79
Total Expenditures	4,761,392.75	4,636,972.21
Excess in Revenues	279,666.71	33,570.86
Adjustments to Income before Fund Balance:		
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year	-	28,633.33
Statutory Excess to Fund Balance	279,666.71	62,204.19
Fund Balance January 1	72,681.38	10,477.19
Decreased by:		
Utilization as Anticipated Revenue	-	-
Fund Balance December 31	\$ 352,348.09	\$ 72,681.38

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, 2014</u>	<u>December 31, 2013</u>
Balance December 31, 2013	\$ 78,313.43	\$ 78,313.43
Increased by:		
Cancelled Prior Year Improvement Authorization	487.32	
Premium on Note sale	<u>5,827.92</u>	<u> </u>
Balance December 31, 2014	<u>\$ 84,628.67</u>	<u>\$ 78,313.43</u>

**SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>ANTICIPATED REVENUE</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Anticipated Revenue:			
Sewer Rents	\$ 4,615,000.00	\$ 4,661,792.33	\$ 46,792.33
Sewer Rents - Additional Rents	308,329.62	308,329.62	-
Miscellaneous	21,000.00	35,944.25	14,944.25
Reserve - Insurance Proceeds	28,633.33	28,633.33	-
Interest on Deposits	900.00	2,581.83	1,681.83
	<u>\$ 4,973,862.95</u>	<u>\$ 5,037,281.36</u>	<u>\$ 63,418.41</u>

Analysis of Realized Revenue

Sewer Rents

Consumer Accounts Receivable	\$ 4,969,893.55
Sewer Utility Lien Collections	228.40
Less:	
Additional Rents	<u>(308,329.62)</u>
	<u>\$ 4,661,792.33</u>

Miscellaneous

Interest on Delinquent Rents	\$ 29,009.59
Miscellaneous	6,934.66
	<u>\$ 35,944.25</u>

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

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER - EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
OPERATING							
Salaries and Wages	\$ 450,587.00	\$ 448,787.00	\$ 325,984.88	\$ -	\$ -	\$ 122,802.12	\$ -
Other Expenses	191,581.62	192,945.62	80,519.38	57,691.70	17,612.36	37,122.18	-
Insurance	180,300.00	180,300.00	153,751.04	-	14,044.64	12,504.32	-
C/MC/MJA	3,557,000.00	3,557,000.00	3,550,440.00	-	-	6,560.00	-
	<u>4,379,468.62</u>	<u>4,379,032.62</u>	<u>4,110,695.30</u>	<u>57,691.70</u>	<u>31,657.00</u>	<u>178,988.62</u>	<u>-</u>
CAPITAL IMPROVEMENTS							
Capital Outlay	1.00	1.00	-	-	-	1.00	-
	<u>1.00</u>	<u>1.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.00</u>	<u>-</u>
DEBT SERVICE							
Payment of Bond Principal	195,000.00	195,436.00	195,368.96	-	-	67.04	-
Interest on Bonds	293,400.00	293,400.00	279,318.77	-	-	14,081.23	-
Interest on Notes	12,600.00	12,600.00	3,228.76	-	-	9,371.24	-
	<u>501,000.00</u>	<u>501,436.00</u>	<u>477,916.49</u>	<u>-</u>	<u>-</u>	<u>23,519.51</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES							
Emergency Authorizations	28,633.33	28,633.33	28,633.33	-	-	-	-
Contribution to: Public Employee Retirement System	29,560.00	29,560.00	29,558.00	-	-	2.00	-
Social Security System (O.A.S.I.)	34,000.00	33,900.00	23,990.88	-	-	9,909.12	-
Unemployment Compensation	1,200.00	1,300.00	1,250.05	-	-	49.95	-
	<u>93,393.33</u>	<u>93,393.33</u>	<u>83,432.26</u>	<u>-</u>	<u>-</u>	<u>9,961.07</u>	<u>-</u>
	<u>\$ 4,973,862.95</u>	<u>\$ 4,973,862.95</u>	<u>\$ 4,672,044.05</u>	<u>\$ 57,691.70</u>	<u>\$ 31,657.00</u>	<u>\$ 212,470.20</u>	<u>\$ -</u>
Accrued interest on Bonds 12/31/14		\$ 67,190.46					
Accrued interest on Bonds 12/31/13		(60,330.33)					
Emergency Authorization (2013)		28,633.33					
Disbursed		4,636,550.59					
		<u>\$ 4,672,044.05</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>2014</u>	<u>2013</u>
General Fixed Assets:		
Land	\$ 24,903,100	24,903,100
Land Improvements	5,283,404	5,283,404
Buildings and Building Improvements	23,836,166	23,765,709
Machinery and Equipment	10,407,711	9,760,271
	<u>64,430,381</u>	<u>63,712,484</u>
Total General Fixed Assets	<u>64,430,381</u>	<u>63,712,484</u>
Investment in General Fixed Assets	\$ <u>64,430,381</u>	<u>63,712,484</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, 2014 AND 2013**

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, 2014 AND 2013**

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, 2014 AND 2013**

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, 2014 AND 2013**

The following schedule is a summarization of the changes in general fixed assets for the most recent calendar years ended December 31, 2014 and 2013.

	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>
	Balance as of 12/31/13	Additions	Disposals	Balance as of 12/31/14
Land	\$ 24,903,100			24,903,100
Land Improvements	5,283,404			5,283,404
Buildings and Building Improvements	23,765,709	70,457		23,836,166
Machinery and Equipment	9,760,271	1,148,195	(500,755)	10,407,711
	<u>\$ 63,712,484</u>	<u>1,218,652</u>	<u>(500,755)</u>	<u>64,430,381</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, 2014 AND 2013**

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. 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 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 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

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

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 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$179,460 and \$108,616. To balance the budget, the City is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$975,950 and \$1,002,000.

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 2014 and 2013 calendar years:

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

Budget Category	2014	2013
Current Fund		
Municipal Fire Fighting		
Salaries & Wages	79,810	81,836
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)
Police		
Salaries & Wages	(62,000)	-
Recreation		
Other Expenses	-	28,349
State Fire Prevention Code		
Salaries & Wages	(70,800)	-
Environmental Maintenance		
Salaries & Wages	32,153	35,400
Building Maintenance		
Other Expenses	-	30,000
Street Maintenance		
Salaries & Wages	(50,830)	-
State Uniform Construction Code		
Other Expenses	30,000	-
Economic Development		
Other Expenses	(26,515)	-
Tax Assessment		
Other Expenses	-	(61,000)
Unclassified:		
Street Lighting	62,000	-
Budget Category	2014	2013
Water Utility Fund		
Salaries and Wages	-	(94,000)
Other Expenses	-	94,000

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

Budget Category	2014	2013
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 2014 and 2013, they were as follows:

	2014	2013
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
COPS Hiring Recovery Program	432,232	-
WBID Community Policing	20,000	-
	<u>\$ 552,232</u>	<u>200,006</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. 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, 2014 was \$170,400, \$198,000 and \$51,000 respectively. During 2013 the City also approved an emergency appropriation in the amount of \$134,538. This amount was included in the 2014 budget.

Note 3: INVESTMENTS

As of December 31, 2014 and 2013, 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, 2014 AND 2013**

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, 2014 and 2013, \$2,020,890 and \$1,926,226 of the City's bank balance of \$14,655,272 and \$12,311,725, respectively were exposed to custodial credit risk.

Note 5: LONG TERM DEBT

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

	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

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

	Balance as of 12/31/13	Additions	Reductions	Balance as of 12/31/14	Due in One Year
General	\$ 17,847,457		2,221,269	15,626,188	1,857,640
Water Utility	15,274,415	2,500,000	1,088,974	16,685,441	1,113,700
Sewer Utility	7,646,916	1,064,000	195,368	8,515,548	206,486
Comp Absences	1,683,863	2,577,986	1,459,956	2,801,893	
Total	\$ 42,452,651	6,141,986	4,965,567	43,629,070	3,177,826

Paid by Current Fund:

\$7,150,000 General Improvement Bond dated 01/01/03 payable in annual installments through 01/01/2014. \$550,000 of principal was paid on 01/01/14. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2014 was \$0.

\$10,729,000 General Improvement Bond dated 05/01/2008 payable in annual installments through 05/01/2021. \$770,000 of principal was paid on 05/01/14. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2014 was \$6,699,000.

\$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. \$650,000 of principal was paid on 11/01/14. The balance remaining as of December 31, 2014 was \$5,230,000.

\$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, 2014 was \$2,990,000.

\$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 \$32,183 of principal was paid during 2014. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2014 was \$153,021.

\$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 \$15,099 of principal was paid during 2014. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2014 was \$132,247.

\$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 \$8,234 of principal was paid during 2014. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2014 was \$92,015.

\$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 \$2,641 of principal was

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

paid during 2014. Interest is payable at 4.50% per annum. The balance remaining as of December 31, 2014 was \$149,890.

\$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 \$3,112 of principal was paid during 2014. Interest is payable at 4.25% per annum. The balance remaining as of December 31, 2014 was \$180,015.

Paid by Water Utility Fund:

\$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 09/15/14. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2014 was \$650,000.

\$9,903,000 Water Bond dated 05/01/08 payable in annual installments through 05/01/2028. \$425,000 of principal was paid on 05/01/14. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2014 was \$7,638,000.

\$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 11/1/14. The balance remaining as of December 31, 2014 was \$970,000.

\$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, 2014 was \$2,730,000.

\$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. \$11,012 of principal was paid during 2014. Interest is payable at 4.125% per annum. The balance remaining as of December 31, 2014 was \$752,096.

\$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. \$6,592 of principal was paid during 2014. Interest is payable at 2.125% per annum. The balance remaining as of December 31, 2014 was \$403,408.

\$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. \$4,216 of principal was paid during 2014. Interest is payable at 2.375% per annum. The balance remaining as of December 31, 2014 was \$272,784.

\$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 08/01/14. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2013 was \$420,000.

\$621,500 N.J. Environmental Fund Loan Bond dated 11/10/2007 payable in annual installments through 08/01/2025 bearing no interest. \$32,154 of principal was paid on 08/01/14. The balance remaining as of December 31, 2014 was \$349,153.

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

\$2,500,000 N.J. Environmental Fund interim loan. The note will be paid off when the final bonds are issued by the State of New Jersey. The loan has no interest requirements.

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 05/01/14. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2014 was \$824,000.

\$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, 2014 was \$980,000.

\$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. \$3,732 of principal was paid during 2014. Interest is payable at 4.125% per annum. The balance remaining as of December 31, 2014 was \$254,908.

\$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. \$19,162 of principal was paid during 2014. Interest is payable at 4.25% per annum. The balance remaining as of December 31, 2014 was \$1,308,617.

\$1,445,500 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. \$16,691 of principal was paid during 2014. Interest is payable at 4.5% per annum. The balance remaining as of December 31, 2014 was \$1,355,640.

\$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 2014, the City made principal payments of \$20,307. The rebate amount received in 2014 was \$24,069. The balance remaining as of December 31, 2014 was \$1,651,808.

\$1,136,000 USDA/Rural Development Loan dated 7/15/2011 payable in semiannual installments of \$22,550 through 7/15/2051. \$17,656 of principal was paid during 2014. The payment includes principal and interest. Interest is payable at 2.5% per annum. The balance remaining as of December 31, 2014 was \$1,084,396.

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

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
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	2,100,000	247,281	830,000	316,282	125,000	44,891
2020-2024	5,229,000	266,816	4,175,000	1,117,818	680,000	165,109
2025-2029	-	-	3,338,000	289,110	539,000	42,462
	<u>\$ 14,919,000</u>	<u>2,241,647</u>	<u>11,988,000</u>	<u>3,291,233</u>	<u>1,804,000</u>	<u>466,994</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
2015	6,007	14,331	22,520	45,812	96,486	222,340
2016	6,272	14,066	23,243	45,089	99,934	219,198
2017	6,549	13,789	23,992	44,340	103,666	215,790
2018	6,838	13,500	24,768	43,564	107,465	212,325
2019	7,140	13,198	25,570	42,762	111,411	208,728
2010-2024	40,713	60,977	140,919	200,741	621,674	984,783
2025-2029	50,527	51,163	165,714	175,946	746,080	871,554
2030-2034	62,710	38,980	195,290	146,370	896,709	734,632
2035-2039	77,833	23,857	230,629	111,031	1,079,410	568,742
2040-2044	65,317	5,897	272,927	68,733	1,302,252	366,520
2045-2049	-	-	204,008	23,380	1,239,906	135,091
2050-2054	-	-	98,708	5,453	306,555	14,621
	<u>\$ 329,906</u>	<u>249,758</u>	<u>1,428,288</u>	<u>953,221</u>	<u>6,711,548</u>	<u>4,754,324</u>

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

Schedule of Annual Debt Service for Principal and Interest for Green Trust Loans:

<u>Year</u>	<u>General Capital</u>	
	<u>Principal</u>	<u>Interest</u>
2015	56,633	7,264
2016	57,771	6,126
2017	58,932	4,965
2018	60,117	3,780
2019	43,461	2,572
2020-2024	100,368	4,534
	<u>\$ 377,282</u>	<u>29,241</u>

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

<u>Year</u>	<u>Water</u>	
	<u>Principal</u>	<u>Interest</u>
2015	61,180	17,981
2016	60,400	16,781
2017	67,869	15,581
2018	66,959	14,181
2019	65,993	12,694
2020-2024	371,230	38,113
2025	75,522	1,969
Interim Loan	2,500,000	0
	<u>\$ 3,269,153</u>	<u>117,300</u>

As of December 31, 2014 and 2013, 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, 2014 AND 2013**

<u>Summary of Municipal Debt</u>	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued:</u>			
<u>General:</u>			
Bonds & Notes Issued	\$ 18,177,900	17,736,500	19,816,000
Green Trust Loans	377,282	432,799	487,221
USRDA Loans	329,906	335,659	341,169
<u>Water and Sewer:</u>			
Bonds & Notes Issued	16,278,000	15,971,000	16,204,000
USRDA Loans	8,139,836	7,183,024	6,581,259
NJ Environmental Loan	3,269,153	831,309	894,436
Total Debt Issued	<u>46,572,077</u>	<u>42,490,291</u>	<u>44,324,085</u>
 <u>Authorized but not issued:</u>			
<u>General:</u>			
Bonds & Notes	830,000	830,000	830,650
<u>Water and Sewer:</u>			
Bonds & Notes	<u>4,082,110</u>	<u>8,716,000</u>	<u>5,656,000</u>
 Bonds & Notes Authorized But Not Issued			
	<u>4,912,110</u>	<u>9,546,000</u>	<u>6,486,650</u>
 Net Bonds & Notes Issued and Authorized But Not Issued			
	<u>51,484,187</u>	<u>52,036,291</u>	<u>50,810,735</u>
 <u>Deductions:</u>			
Reserve for Payment of Bonds/Notes	66,010	20,124	118,662
Self-liquidating Debt	31,769,099	32,701,333	27,120,868
Total Deductions	<u>31,835,109</u>	<u>32,721,457</u>	<u>27,239,530</u>
 Net Debt			
	<u>\$ 19,649,078</u>	<u>19,314,834</u>	<u>23,571,205</u>

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

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 1.345%.

	Gross Debt	Deductions	Net Debt
Self-Liquidating Purpose	\$ 31,769,099	31,769,099	-
General Debt	19,715,088	66,010	19,649,078
	\$ 51,484,187	31,835,109	19,649,078

Net Debt \$19,649,078 / Equalized Valuation Basis per NJSA 40A:2-2 as amended, \$1,460,482,845= 1.345%.

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)	\$	51,116,900
Net Debt		19,649,078
Remaining Borrowing Power	\$	31,467,822

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
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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		\$ 7,156,945
Deductions:		
Operating and Maintenance Costs	\$ 4,095,665	
Debt Service per Water Fund	<u>1,626,398</u>	
Total Deductions		<u>5,722,063</u>
Excess in Revenues		<u><u>\$ 1,434,882</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		\$ 5,041,059
Deductions		
Operating and Maintenance Costs	\$ 4,283,476	
Debt Service per Sewer Fund	<u>477,916</u>	
Total Deductions		<u>4,761,392</u>
Excess in Revenues		<u><u>\$ 279,667</u></u>

Note 6: NOTES

Bond Anticipation, Special Emergency Notes and Emergency Notes

The City has outstanding at December 31, 2014 and 2013, bond anticipation notes in the amount of \$6,164,300 and \$2,309,100, respectively. The December 31, 2014 amount payable to Oppenheimer & Co. is \$3,928,300 and the amount payable to TD Securities LLC is \$2,236,000. Of the December 31, 2014 amount payable to Oppenheimer & Co., \$3,928,300 bears an interest rate

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

of 1.00% and will mature on October 23, 2015. Of this note \$419,400 is a Special Emergency in the Current Fund. The note with TD Securities LLC bears an interest rate of 1.25% and matures on May 29, 2015.

Short term notes as of December 31, 2014 and 2013 consisted of the following:

	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

	Balance as of 12/31/13	Additions	Reductions	Balance as of 12/31/14
General	\$ 657,500	2,601,400		3,258,900
Sewer Utility	1,064,000	2,486,000	1,064,000	2,486,000
Special Emergency	587,600		168,200	419,400
Total	\$ 2,309,100	5,087,400	1,232,200	6,164,300

Note 7: FUND BALANCES APPROPRIATED

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

Current Fund	\$1,848,950
Water Utility	1,161,484

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

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, 2014, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2014	2015 Budget Appropriation	Balance to Succeeding Year
Current fund:			
Special Emergency Authorization	\$ 419,400	168,200	251,200
	\$ 419,400	168,200	251,200

The appropriations in the 2015 Budget are not less than that required by statute.

Note 9: SCHOOL TAXES

Local District School Tax in the amounts of \$10,352,208 and \$9,743,947 have been raised for the 2014 and 2013 calendar year, respectively and \$10,352,208 and \$9,743,947 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 12/31/13
Prepaid Taxes	\$ 819,643	753,171
Cash Liability for Taxes Collected in Advance	\$ 819,643	753,171

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 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>.

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

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 6.78% thru June 30, 2014 and 6.92% from July 1, 2014 to December 31, 2014 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 12% of covered payroll and for PFRS a rate of 25% of covered payroll. The City's contributions to PERS for the years ending December 31, 2014, 2013 and 2012 were \$624,450, \$682,860 and \$629,379 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, 2014, 2013 and 2012 were \$1,023,266, \$1,133,272 and \$1,107,515 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
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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, 2014 AND 2013**

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, 2014, 2013 and 2012 were \$0, \$0 and \$0, respectively. The City's trust for the Lifeguard Pension at December 31, 2013 was \$539,752. Currently there are only three individuals receiving benefits. The benefits paid by the trust for the years ended December 31, 2014, 2013 and 2012 were \$15,041, \$15,041 and \$15,216, 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, 2014 AND 2013**

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

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

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 performance of usual or available duties.
Accidental Disability Retirement	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 2014 and 2013 the City paid the SHBP \$1,095,637 and \$1,127,523, 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, 2013 \$0

The FYE 2014 Annual Required Contribution (ARC) is \$95,972 (assuming no prefunding of obligations).

Benefit payments for the year ended December 31, 2014 were \$43,297.

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

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

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.

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 21.8% 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, 2014, 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	12/31/17	All uniformed firefighters.

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

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.

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, 2014 and 2013, the City estimates this liability to approximate \$2,801,892 and \$1,683,863, 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 \$100,000.

Note 17: ECONOMIC DEPENDENCY

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

Note 18: LEASE OBLIGATIONS

At December 31, 2014, 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>
2015	\$ 24,215
2016	<u>16,153</u>
	<u>\$ 40,368</u>

Rental payments under operating leases for the year 2014 were \$24,282.

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

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, 2014, 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, 2014 AND 2013**

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 2013 and 2014 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 2014 was \$449,308.

Note 23: SUBSEQUENT EVENTS

The City has evaluated subsequent events through May 22, 2015, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY INFORMATION

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& 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

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, 2014, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated May 22, 2015, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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.

Michael S. Garcia, CPA

Michael S. Garcia, CPA,
Registered Municipal Accountant
No. 472

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

May 22, 2015



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

The Honorable Mayor and
Members of the Board of Commissioners
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, 2014. 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, 2014.

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.

Michael S. Garcia, CPA

Michael S. Garcia, CPA,
Registered Municipal Accountant
No. 472

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

May 22, 2015

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA # Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/2013	Receipts or Revenue Recognized	Disbursements/Expenditures	Prior Year Encumbrances Cancelled	Cancellation	Balance 12/31/2014	Cumulative Expenditures
FEDERAL:										
Federal Emergency Management Assistance										
Assistance to Firefighters	97.044	01/27/12 01/26/13	351,554.00	30.00		9,269.04		30.00	-	351,524.00
Equipment Reimbursement	97.036	10/28/12 12/13/14	65,900.00	9,486.04		9,269.04			187.00	65,713.00
Total Federal Emergency Management Assistance				9,486.04	-	9,269.04	-	30.00	187.00	
Department of Agriculture										
Sewer Improvements - 3A	10.760	05/12/09 open	708,000.00	358,926.21		32,689.99			326,236.22	381,763.78
Sewer Improvements - 4	10.760	05/12/09 open	1,484,000.00	1,484,000.00					1,484,000.00	-
Total Department of Agriculture				1,842,926.21	-	32,689.99	-	-	1,810,236.22	
Department of Justice										
ARRA - COPS Hiring Grant - 2009	16.710	01/01/09 12/31/11	819,120.00	32,197.64		32,197.64			-	819,120.00
ARRA - COPS Hiring Grant - 2012	16.710	01/01/12 12/31/15	432,232.00	-	432,232.00				432,232.00	-
COPS in Shops - 2013	16.710	05/23/13 09/15/13	1,500.00	-	1,500.00	1,500.00			-	1,500.00
COPS in Shops - 2014	16.710	05/23/13 09/15/13	6,000.00	-	6,000.00	5,629.38			370.62	5,629.38
Total Department of Justice				32,197.64	439,732.00	39,327.02	-	-	432,602.62	
Department of Law and Public Safety										
Bulletproof Vest Partnership - 2012		01/01/13 open	1,950.00	-	1,950.00	1,950.00			-	1,950.00
Bulletproof Vest Partnership - 2013		01/01/14 open	3,462.53	-	3,462.53	3,081.00			381.53	3,081.00
Total Department of Law and Public Safety				-	5,412.53	5,031.00	-	-	381.53	
Housing and Urban Development										
Youngs Avenue Reconstruction	14.228	07/01/13 12/31/14	400,000.00	24,008.04	400,000.00	24,008.04			-	400,000.00
Youngs Avenue Restroom	14.228	07/01/14 12/31/15	400,000.00	-	-	392,000.00			8,000.00	392,000.00
Total Housing and Urban Development				24,008.04	400,000.00	416,008.04	-	-	8,000.00	
Total Federal Assistance				\$ 1,908,617.93	845,144.53	502,325.09	-	30.00	2,251,407.37	

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/2013	Receipts or Revenue Recognized	Disbursements/ Expenditures	Prior Year Encumbrances Cancelled	Cancelled	Balance 12/31/2014	Cumulative Expenditures
STATE OF NEW JERSEY										
Department of Community Affairs										
Clean Communities - 2012	4800-765-042-4900-6020	01/01/12 12/31/12	21,979.00	5,820.49	5,820.49	-	-	-	97.47	21,979.00
Clean Communities - 2013	4800-765-042-4900-6020	01/01/13 12/31/13	25,806.00	25,806.00	25,708.53	-	-	-	24,198.12	25,708.53
Clean Communities - 2014	4800-765-042-4900-6020	01/01/14 12/31/14	24,198.12	24,198.12	24,198.12	-	-	-	-	-
Department of Human Services										
Safe and Secure	100-066-1020-232-6210	01/29/13 01/28/14	90,000.00	90,000.00	-	90,000.00	-	-	-	-
Department of Environmental Protection										
Recycling Tonnage Grant - 2010	1900-752-042-4900-001-6020	01/01/10 12/31/10	13,181.74	198.95	198.95	-	-	-	-	13,181.74
Recycling Tonnage Grant - 2011	1900-752-042-4900-001-6020	01/01/11 12/31/11	13,609.32	7,309.06	7,309.06	-	-	-	-	13,609.32
Recycling Tonnage Grant - 2012	1900-752-042-4900-001-6020	01/01/12 12/31/12	5,477.09	1,360.49	1,360.49	-	-	-	-	5,477.09
Recycling Tonnage Grant - 2013	1900-752-042-4900-001-6020	01/01/13 12/31/13	18,656.97	18,656.97	17,804.31	-	-	-	852.66	17,804.31
Recycling Tonnage Grant - 2014	1900-752-042-4900-001-6020	01/01/14 12/31/14	19,347.63	19,347.63	19,347.63	-	-	-	-	19,347.63
Department of Transportation										
Pacific Avenue	6320-480-60139X-61	05/20/09 open	350,000.00	75,927.04	-	(22,427.46)	-	-	98,354.50	251,645.50
Park Boulevard Phase I	6320-480-60139X-61	01/20/10 open	186,000.00	184,147.50	184,147.50	-	-	-	-	186,000.00
Park Boulevard Phase III	6320-480-60139X-61	01/01/12 open	180,000.00	142,699.00	142,699.00	-	-	-	142,699.00	373,010.00
Davis Avenue	6320-480-60139X-61	01/01/12 open	175,000.00	175,000.00	175,000.00	-	-	-	-	175,000.00
Department of Law and Public Safety										
Alcohol Education and Rehabilitation - 2008	9735-760-098-Y900-001-6020	01/01/08 12/31/08	2,249.00	-	-	-	-	-	-	2,249.00
Alcohol Education and Rehabilitation - 2009	9735-760-098-Y900-001-6020	01/01/09 12/31/09	2,366.89	2,330.92	2,330.92	-	-	-	530.92	1,835.97
Alcohol Education and Rehabilitation - 2010	9735-760-098-Y900-001-6020	01/01/10 12/31/10	1,307.10	1,307.10	1,307.10	-	-	-	1,307.10	-
Alcohol Education and Rehabilitation - 2011	9735-760-098-Y900-001-6020	01/01/11 12/31/11	1,348.37	1,348.37	1,348.37	-	-	-	1,348.37	-
Alcohol Education and Rehabilitation - 2012	9735-760-098-Y900-001-6020	01/01/12 12/31/12	1,241.15	1,241.15	1,241.15	-	-	-	1,241.15	-
Alcohol Education and Rehabilitation - 2013	9735-760-098-Y900-001-6020	01/01/13 12/31/13	949.94	949.94	949.94	-	-	-	949.94	-
Alcohol Education and Rehabilitation - 2014	9735-760-098-Y900-001-6020	01/01/14 12/31/14	472.64	472.64	472.64	-	-	-	472.64	-
Drunk Driving Enforcement Fund - 2009	6400-100-078-6409	01/01/09 12/31/09	10,627.86	10,627.86	10,627.86	-	-	-	7,603.54	10,627.86
Drunk Driving Enforcement Fund - 2010	6400-100-078-6409	01/01/10 12/31/10	9,323.46	9,323.46	9,323.46	-	-	-	7,434.07	1,719.92
Drunk Driving Enforcement Fund - 2011	6400-100-078-6409	01/01/11 12/31/11	7,434.07	7,434.07	7,434.07	-	-	-	7,434.07	-
Drunk Driving Enforcement Fund - 2012	6400-100-078-6409	01/01/12 12/31/12	5,954.33	5,954.33	5,954.33	-	-	-	5,954.33	-
Drunk Driving Enforcement Fund - 2013	6400-100-078-6409	01/01/13 12/31/13	4,459.81	4,184.65	4,184.65	-	-	-	2,208.65	2,251.16
Body Armor Replacement - 2008	718-066-1020-001-6120	01/01/08 12/31/08	1,623.22	1,623.22	1,623.22	-	-	-	2,208.65	1,623.22
Body Armor Replacement - 2009	718-066-1020-001-6120	01/01/09 12/31/09	3,890.42	3,890.42	3,890.42	-	-	-	482.64	3,407.78
Body Armor Replacement - 2010	718-066-1020-001-6120	01/01/10 12/31/10	3,141.43	3,141.43	3,141.43	-	-	-	3,141.43	-
Body Armor Replacement - 2011	718-066-1020-001-6120	01/01/11 12/31/11	3,302.10	3,302.10	3,302.10	-	-	-	3,302.10	-
Body Armor Replacement - 2013	718-066-1020-001-6120	01/01/13 12/31/13	3,302.10	3,302.10	3,302.10	-	-	-	3,302.10	-
Body Armor Replacement - 2014	718-066-1020-001-6120	01/01/14 12/31/14	3,924.95	3,924.95	3,924.95	-	-	-	3,924.95	-
Total State Assistance			\$ 593,133.66	228,897.67	448,355.21	(22,427.46)	90,000.00	306,103.58		

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, 2014**

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	\$ 502,325	448,355
Add :		
County / Local Funding		121,525
Less:		
Capital/Utility Funding	(448,698)	(359,147)
	\$ 53,627	210,733

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

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/Youngs Avenue Restroom</u> _____
_____	_____
_____	_____
_____	_____
_____	_____

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

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

State Awards

Not Applicable

Internal Control over major programs:

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

Type of auditor's report issued on compliance major programs _____

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 04-04 _____ yes _____ no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

\$ _____

Auditee qualified as low-risk auditee? _____ yes _____ 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

NONE

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Treasurer	Federal and State Grant
Balance December 31, 2013	\$ 3,611,862.40	\$ 214,523.67
Increased by Receipts:		
Tax Collector	\$ 32,678,469.07	
Miscellaneous Revenue Anticipated	6,089,286.25	
Miscellaneous Revenue Not Anticipated	350,115.59	
Due from State - Sr. Citizens and Veterans	52,900.00	
Appropriation Refunds	156,480.03	
Appropriation Reserve Refunds	12,634.93	
Reserve for Land Sale Deposit	40,234.80	
Reserve for GWTD Authority Fee	7,833.70	
Reserve for Insurance Proceeds	52,048.74	
Reserve for Boardwalk Viewers	270.38	
Cape May County Recycling Rebate	34,320.38	
Refund of Land Purchase Deposit	11,580.00	
Federal and State Grants Receivable		\$ 215,987.57
Federal and State Grants Canceled		6,080.54
Federal and State Grants Unappropriated		81,121.29
	39,486,173.87	303,189.40
	43,098,036.27	517,713.07
Decreased by Disbursements:		
2014 Appropriations	22,822,407.42	
2013 Appropriation Reserves	793,486.24	
Accounts Payable	2,456.58	
Payment of Special Emergency Note	168,200.00	
Reserve for Tax Map	4,653.43	
Reserve for Maintenance Guarantee	47,705.82	
Reserve for Human Services	100.00	
Reserve for Reassessment	20,599.05	
Prior Year Revenue Returned	38,658.19	
Due to Grant Fund	6,080.54	
County Taxes Payable	3,619,823.36	
Due County for Added and Omitted Taxes	6,420.15	
Local District School Tax	10,352,208.00	
Special District Tax	580,000.00	
Federal and State Grant Expenditures		344,839.54
	38,462,798.78	344,839.54
	\$ 4,635,237.49	\$ 172,873.53
Balance December 31, 2014		

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF CASH - COLLECTOR**

Balance December 31, 2013	\$	4,222.90
Increased by Receipts:		
Taxes Receivable	\$	31,724,945.57
Tax Title Liens		34,979.40
Interest and Cost on Taxes		110,631.00
2015 Prepaid Taxes		<u>819,642.56</u>
		32,690,198.53
		<u>32,694,421.43</u>
Decreased by Disbursements:		
Payment to Treasurer		<u>32,678,469.07</u>
Balance December 31, 2014	\$	<u><u>15,952.36</u></u>

See Accompanying Auditor's Report

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

Year	Balance Dec. 31, 2013	2014 Levy	Collections		Over- Payments Created(Applied)	(Transfers)/ Canceled	Transferred To Tax Title Liens	Balance Dec. 31, 2014
			2013	2014				
2013	\$ 39.10	\$ 750.00	\$ 750.00	\$ 750.00	\$ -	\$ 39.10	\$ -	
	39.10	-	-	750.00	-	39.10	-	
2014	-	32,649,207.95	753,171.29	31,776,475.03	-	79,475.10	14,365.11	
	39.10	32,649,207.95	753,171.29	31,777,225.03	-	79,514.20	14,365.11	

Taxes Receivable
Senior Citizens and Veterans

\$ 31,724,945.57
52,279.46
\$ 31,777,225.03

Analysis of 2014 Property Tax Levy
Tax Yield:
General Property Tax
Added Taxes (54:4-63.1 et. seq.)

\$ 32,649,207.95
20,889.55
\$ 32,670,097.50

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.)
Total County Taxes
Special District Tax

\$ 3,052,138.07
422,325.33
145,359.96
2,375.50
3,622,198.86
580,000.00

Local Tax for Municipal Purposes
Add: Additional Tax Levied

18,052,321.56
63,369.08
18,115,690.64
\$ 32,670,097.50

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2013		\$	98,360.17
Increased by:			
Transfers from Taxes			
Receivable	\$	46,610.97	
Interest and Costs Accrued by:			
Sale of December 16, 2014		844.61	
			47,455.58
			145,815.75
Decreased by:			
Collected		34,979.40	
			34,979.40
Balance December 31, 2014		\$	110,836.35

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued In 2014	Collected	Balance Dec. 31, 2014
Miscellaneous Revenue Anticipated:				
Licenses-Alcoholic Beverages	\$	\$ 111,413.00	\$ 111,413.00	\$ -
Licenses-Other		374,025.35	374,025.35	-
Fees and Permits		477,197.83	477,197.83	-
Municipal Court	20,689.25	592,995.27	591,777.16	21,907.36
Interest and Costs on Taxes		110,631.00	110,631.00	-
Parking Meters		708,887.15	708,887.15	-
Interest on Investments		23,442.91	23,442.91	-
Public Property Rental		449,307.70	449,307.70	-
TV Cable Franchise Fee		40,575.94	40,575.94	-
In Lieu of Taxes		102,143.82	102,143.82	-
Ambulance Rescue Squad		398,195.81	398,195.81	-
Fees - Tram Car		95,863.06	95,863.06	-
1.85% Room Tax		266,149.13	266,149.13	-
GWTDA Administrative Reimbursement		30,000.00	30,000.00	-
Energy Receipts Tax (P.L. 1997, Ch 162&167)		1,005,571.00	1,005,571.00	-
Interlocal Service Agreement - Dispatch Services		35,000.00	35,000.00	-
Interlocal Service Agreement - Municipal Court		17,500.00	17,500.00	-
Interlocal Service Agreement - Ambulance Service		15,000.00	15,000.00	-
Interlocal Service Agreement - Cops in School - WBOE		60,000.00	60,000.00	-
Interlocal Service Agreement - Tax Assessor		57,302.13	57,302.13	-
Uniform Fire Safety Act		48,480.60	48,480.60	-
Indirect Cost Allocation from Water Utility		430,742.17	430,742.17	-
Wildwood Water Utility - Rio Grande Avenue		10,862.00	10,862.00	-
Proceeds from Sale of Municipal Assets		25,000.00	25,000.00	-
Reserve for Payment of Bonds		20,124.00	20,124.00	-
Water Utility Surplus		208,100.00	208,100.00	-
Reserve for Insurance Proceeds		134,538.29	134,538.29	-
Municipal Event Support from GWTIDA		63,876.03	63,876.03	-
ACM JIF Safety Reimbursement		2,500.00	2,500.00	-
Lease of Municipal Property		36,000.00	36,000.00	-
Lease of Wharfage		14,100.00	14,100.00	-
Reimbursement for Cost of Class II Officers		26,659.96	26,659.96	-
Beach Services Revenue		227,989.50	227,989.50	-
Reimbursement - Waste Disposal & Recycling Contract		62,500.00	62,500.00	-
General Capital Fund Surplus		53,000.00	53,000.00	-
Miscellaneous Revenue Not Anticipated:		350,115.59	350,115.59	-
	\$ 20,689.25	\$ 6,685,789.24	\$ 6,684,571.13	\$ 21,907.36

Treasurer	\$ 6,439,401.84
Prior Year Receipts	134,538.29
Interest and Costs on Taxes	110,631.00
	<u>\$ 6,684,571.13</u>

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

	<u>Balance Dec. 31, 2013</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	\$ 941.36	\$ 941.36	\$ 941.36		\$ -
Department of Law - Director's Office					
Other Expenses	38,444.84	38,229.84	19,328.31		18,901.53
Police					
Salaries and Wages	15,200.00	15,415.00	12,133.50		3,281.50
Other Expenses	29,682.93	29,682.93	29,585.42		97.51
Purchase of Vehicles	30,083.00	30,083.00	30,083.00		-
Police Seasonal					
Salaries and Wages	0.17	0.17	-		0.17
Lifeguards					
Other Expenses	2,836.72	3,303.50	3,043.50		260.00
Emergency Management					
Other Expenses	2,425.27	2,425.27	2,405.27		20.00
Traffic Marking					
Other Expenses	5,879.80	5,879.80	5,141.80		738.00
Municipal Fire Fighting					
Salaries and Wages	4,500.00	4,500.00	2,155.00		2,345.00
Other Expenses	41,017.75	41,017.75	22,713.50		18,304.25
Parking					
Other Expenses	660.25	660.25	-		660.25
State Fire Prevention Code					
Other Expenses	1,600.00	1,600.00	1,600.00		-
Municipal Court					
Other Expenses	2,926.68	2,926.68	1,679.99		1,246.69
Public Defender					
Other Expenses	414.76	414.76	414.76		-
Department of Revenue and Finance:					
Commissioner of Revenue and Finance					
Other Expenses	1,109.49	1,109.49	1,109.49		-
Municipal Administrator					
Other Expenses	1,362.81	1,362.81	655.31		707.50
City Clerk					
Other Expenses	2,147.83	2,147.83	1,781.13		366.70
Accounts and Control					
Other Expenses	8,259.60	8,259.60	4,898.87		3,360.73
Tax Assessment					
Other Expenses	10,000.00	-			-
Revenue Collection					
Other Expenses	3,300.42	3,356.42	3,106.40		250.02
Beach Services					
Other Expenses	134.99	134.99	134.99		-
Purchasing					
Other Expenses	2,344.85	2,321.90	1,881.10		440.80
Redevelopment Agency					
Other Expenses	14,891.70	14,141.70	6,670.00		7,471.70
Economic Development					
Other Expenses	44,375.00	44,375.00	4,837.50		39,537.50
Insurance					
Employee Group Health	344,904.62	340,604.62	332,597.64		8,006.98
Human Resources					
Other Expenses	7,524.48	7,524.48	6,268.71		1,255.77

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013**

	<u>Balance Dec. 31, 2013</u>	<u>Balance After Transfers</u>	<u>Paid</u>	<u>Overexpended</u>	<u>Balance Lapsed</u>
Department of Public Works, Parks & Property					
Commissioner of Public Works					
Other Expenses	\$ 153.50	\$ 215.40	\$ 215.40		\$ -
Director's Office					
Salaries and Wages		-			-
Other Expenses	8,009.24	8,009.24	5,805.00		2,204.24
Engineer Fees					
Other Expenses	346.18	346.18	-		346.18
Building Maintenance					
Other Expenses	23,995.27	23,995.27	23,143.99		851.28
Boardwalk and Facility Construction					
Other Expenses	500.00	500.00	-		500.00
Special Events					
Other Expenses	377.53	377.53	377.53		-
Recreation					
Other Expenses	5,306.67	5,306.67	4,306.67		1,000.00
Street Maintenance					
Other Expenses	3,559.10	3,559.10	2,046.03		1,513.07
Snow Removal					
Other Expenses		15,050.00	15,050.00		-
Environmental Maintenance					
Other Expenses	20.07	20.07	20.07		-
Fleet Maintenance					
Other Expenses	30,521.81	30,521.81	18,788.93		11,732.88
Sanitation/Trash					
Other Expenses	86,186.35	86,186.35	86,054.54		131.81
Landfill Tipping Fees					
Other Expenses	38,050.85	38,050.85	31,488.28		6,562.57
Land Use Administration					
Other Expenses	3,429.38	3,452.33	3,452.33		-
Property Inspectors					
Other Expenses	695.88	695.88	695.88		-
Unclassified:					
Terminal Leave - Salary & Wages	14,500.00	14,500.00	-		14,500.00
Gasoline	14,345.21	14,657.02	14,657.02		-
Water Service	27,678.38	26,430.75	25,855.63		575.12
Street Lighting	33,674.82	31,982.24	31,982.24		-
Electricity	15,857.75	15,857.75	13,982.66		1,875.09
Natural Gas	6,756.65	8,800.37	8,800.37		-
Telephone	14,172.94	14,172.94	14,172.94		-
Postage	408.26	408.26	408.26		-
Statutory Expenditures					
Police and Fireman's Retirement System	5,173.86	5,173.86	5,173.86		-
Totals	\$ <u>950,689.02</u>	\$ <u>950,689.02</u>	\$ <u>801,644.18</u>	\$ <u>-</u>	\$ <u>149,044.84</u>
		Reserved \$ 146,123.07	\$ 793,486.24		
		Encumbered 804,565.95	20,792.87		
		-	(12,634.93)		
		\$ <u>950,689.02</u>	\$ <u>801,644.18</u>		
				Disbursed	
				Accounts Payable	
				Reimbursements	

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

Balance December 31, 2013		
School Tax Payable	\$	-
Increased by:		
Levy-Calendar Year January 1, 2014		
to December 31, 2014		<u>10,352,208.00</u>
		10,352,208.00
Decreased by:		
Payments		<u>10,352,208.00</u>
Balance December 31, 2014		
School Tax Payable		<u><u>-</u></u>
<u>2014 Liability for Local District School Tax</u>		
Tax Paid		10,352,208.00
Tax Payable December 31, 2014		<u>-</u>
		10,352,208.00
Less:		
Tax Payable December 31, 2013		<u>-</u>
Amount Charged to 2014 Operations	\$	<u><u>10,352,208.00</u></u>

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

Grant	Balance Dec. 31, 2013	2014 Budget Appropriation	Expended	Prior Encumbrance Cancelled	Appropriation Cancelled	Balance Dec. 31, 2014
Federal:						
COPS in Shops - Summer Shore Initiative FY 2013	\$	\$ 1,500.00	\$ 1,500.00	\$	\$	\$ -
FY 2014		6,000.00	5,629.38			370.62
COPS Hiring Recovery 2009-2011 2012	32,197.64	432,232.00	32,197.64			432,232.00
FEMA Superstorm Sandy - Equipment Reimbursement	9,456.04		9,269.04			187.00
Bulletproof Vest Partnership 2012		1,950.00	1,950.00			-
2013		3,462.53	3,081.00			381.53
	<u>\$ 376,462.18</u>	<u>\$ 620,607.20</u>	<u>\$ 264,359.77</u>	<u>\$ -</u>	<u>\$ 90,000.00</u>	<u>\$ 642,709.61</u>
		Encumbered	\$ 167,582.78			
		Expended	344,839.54			
		Prior Encumbrance	(248,062.55)			
			<u>264,359.77</u>			

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

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>Received</u>	<u>Transferred to 2014 Budget Appropriations</u>	<u>Balance Dec. 31, 2014</u>
Body Armor Replacement Program	\$ 3,924.95	\$ 3,705.35	\$ 3,924.95	\$ 3,705.35
COPS in Shops	1,500.00		1,500.00	-
Recycling Tonnage Grant	19,347.63	27,415.94	19,347.63	27,415.94
Comcast Grant		50,000.00	-	50,000.00
	<u>\$ 24,772.58</u>	<u>\$ 81,121.29</u>	<u>\$ 24,772.58</u>	<u>\$ 81,121.29</u>

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2013	\$ 564.00	\$ 2,706,406.45
Increased by Receipts:		
Dog License Fees 2014	\$ 456.00	
Due to State of New Jersey	175.20	
Interest Earned	3.61	
Miscellaneous Trust Reserves		\$ 5,587,446.19
Due to the State of NJ Surcharge Fee		7,987.00
Redemption of Tax Liens		1,244,073.87
Premiums Received		713,000.00
Due to Employees		2,098.54
Due from Employees		42.35
Due from State		1.64
Due from Federal		82.76
	<u>634.81</u>	<u>7,554,732.35</u>
	1,198.81	10,261,138.80
Decreased by Disbursements		
Due to Current Fund	447.61	
Due to State of New Jersey	175.20	
Miscellaneous Trust Reserves		5,692,217.16
Due to the State of NJ Surcharge Fee		8,816.00
Redemption of Tax Liens		1,307,769.95
Premiums Returned		757,000.00
	<u>622.81</u>	<u>7,765,803.11</u>
Balance December 31, 2014	\$ <u><u>576.00</u></u>	\$ <u><u>2,495,335.69</u></u>

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

Balance December 31, 2013		\$	564.00
Increased by:			
Dog License Fees Collected	\$	456.00	456.00
			1,020.00
Decreased by:			
Statutory Excess		444.00	
Expenditures under N.J.S. 4:19-15:11		-	444.00
Balance December 31, 2014		\$	576.00

License Fees Collected:

Year	Amount
2012	\$ 318.00
2013	258.00
	\$ 576.00

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

Balance December 31, 2013		\$	-
Increased by:			
Interest	\$	3.61	
Statutory Excess		<u>444.00</u>	
			<u>447.61</u>
			447.61
Decreased by:			
Payment			<u>447.61</u>
Balance December 31, 2014		\$	<u><u>-</u></u>

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

Balance December 31, 2013		\$	-
Increased by:			
2014 State License Fees	\$	<u>175.20</u>	<u>175.20</u>
			175.20
Decreased by:			
Disbursements to the State			<u>175.20</u>
Balance December 31, 2014		\$	<u><u>-</u></u>

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

Reserve	Balance Dec 31, 2013	Increased by		Decreased by		Balance Dec 31, 2014
		Receipts	2014 Budget Appropriation	Disbursements or Canceled		
Tourism Development Commission	53,753.85	96,128.00		107,791.36		42,090.49
DEDR	150.00			150.00		-
Historical Society	50.00			50.00		-
Accumulated Absences	55,076.28		46,544.00	1,672.03		99,948.25
Snow Removal	10,130.09		26,650.00	25,143.94		11,636.15
Beach Patrol Donations	489.23	5,854.92		5,301.92		1,042.23
Memorial Benches	34,849.40	1,400.00		20,000.00		16,249.40
Recreation	21,677.09	25,595.40		33,685.31		13,587.18
Special Events	13,997.77	3,825.00				17,822.77
Parking Offense Adjudication Act	19,058.80	2,530.00		8,387.62		13,201.18
Fire Penalty - Compensatory	64,887.10	11,499.25		43,020.71		33,365.64
Fire Penalty - Dedicated	41,684.29	92,787.21		99,381.85		35,089.65
Off Duty Police Officers	-					-
UCC Fees	18,927.63	213,161.69		265,211.64		15,511.68
Police Forfeiture	92,302.97	12,410.88				104,713.85
Revolving Loan Fund	110,290.01	441.98				110,731.99
Self Insurance	68,313.89	211.45	48,500.00	24,680.16		92,345.18
Payroll	256,953.30	4,870,739.85		4,961,125.62		166,567.53
Lifeguard Pension	535,987.37	18,806.12		15,041.26		539,752.23
Developers Escrow	150,984.37	61,726.44		81,573.74		131,137.07
	<u>1,549,563.44</u>	<u>5,417,118.19</u>	<u>170,328.00</u>	<u>5,692,217.16</u>		<u>1,444,792.47</u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	----- Receipts -----		----- Disbursements -----		Balance Dec. 31, 2014
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	
Contracts Payable	\$ 464,607.02	\$	\$	\$	\$	\$ 1,071,766.92
Reserve for Payment of Bonds	20,124.00		20,124.00		88,265.89	88,265.89
Capital Improvement Fund	21,559.00		100,000.00		119,600.00	1,959.00
Fund Balance	53,249.29		3,978.00		40.00	4,267.29
Grants Receivable	(711,413.24)		522,500.00		575,000.00	(763,883.24)
<u>Improvement Authorizations:</u>						
<u>Ordinance Number</u>						
773-09 Various Improvements						
a Replacement of Boardwalk	65,128.42			13,629.56		46,737.45
d Improvement to Pacific Ave.	76,533.24			8,654.54		98,354.50
e Street lights and Street signs	6,108.98				862.42	5,246.56
798-10 a. Purchase of Equipment	-			9,574.00		662.80
805-10 Acquisition of Timekeeping System	27,954.24					27,954.24
811-10 a. Expansion/Renovation Muni. Bldgs.	1,798.71				1,811.83	-
b. Purchase of Vehicles	6,027.14				4,067.14	1,960.00
823-10/ a. Purchase of DPW Equipment	34,937.07			52,921.77		-
867-11 c. Purchase of DPW Dump Truck	5,222.60			5,222.60		-
e. City Hall Improvements/Expansion	74,822.95			45,964.93		25,147.26
f. Reconstruction of Park Boulevard				184,147.50		-
824-10 b. Purchase of DPW Equipment	3,490.29			2,811.59		678.70
c. Improvements - Sidewalks & Curbs	18,715.00				18,715.00	-
841-11 Back Bay Flood Abatement	1,637.14					1,637.14
860-11 Preliminary Expense - Redevelopment of Bayside Area	46,649.78			12,320.77		50,102.31

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	----- Receipts -----		----- Disbursements -----		Balance Dec. 31, 2014
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	
904-12 Acquisition of Firefighting Equipment	\$ 25,147.31	\$	\$	\$	0.75	\$ -
906-12 Construction of Boardwalk Ramp	40.00			40.00		-
917-12 Various Capital Improvements						
a. Improvements to Rec Bldg/City Hall	43,427.57			527.72		43,427.57
b. Improvements to Lifeguard Equip.	15,822.40					11,542.40
c. Restoration of Lifeguard Boats	302.96					-
d. Lifeguard Communication Equipment	458.40					-
e. Purchase of Equip. for Court & Police	6,300.92					-
f. Purchase of Equip. for Fire Dept & Human Resources	5,663.13			1,495.80		4,167.33
g. Purchase of Fire Equipment	2,950.88					-
h. Purchase of Parking Meters	1,546.90					-
i. Purchase of Computers	1,556.27					-
j. Purchase of Recreation Dept Truck	755.22					-
k. Restoration of Recreation Fields	602.11					602.11
l. Replacement of Boardwalk Subdeck	20,265.52					20,265.52
m. Purchase & Install Street Signs	1,025.55			1,025.55		-
930-12 Acquisition of Beach boxes	13,604.26			2,400.82		11,203.44
954-13 Investigation/Remediation - Soil	1,689.30			15,731.36		1,635.88
959-13 Improvements - Schellenger Ave.	4,335.09			148.91		500.00
964-13 a. Improvements - Youngs Avenue	16,133.26			26,182.30		-
b. Reconstruction of Roads	209,374.11			313.35		205,972.50
c. Acquisition of Parking Meter	6,856.39			10,040.00		-
d. Acquisition - Court Security System	5,277.85			7.68		5,220.17
e. Acquisition - Police Security System	2,399.54			27,784.34		1,538.07
f. Improvements to Recreation Center	572.36			18.45		-
g. Improvements to Maxwell Field	22,698.16			66.64		22,631.52
h. Acquisition - Equipment	66,763.21			21,328.43		66,611.78
i. Acquisition - Info Technology	4,794.22			5,699.58		4,330.12
j. Acquisition - Vehicles	37,941.72			3,205.86		37,824.86

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	----- Receipts -----		----- Disbursements -----		----- Transfers -----		Balance Dec. 31, 2014
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
995-14/ 1013-14								
a. Boardwalk Restroom - Youngs Ave.	\$	\$	\$	\$	\$	\$	\$	\$
b. Reconstruction - Davis Avenue		245,000.00	2,000.00	68,671.79		325,428.21	400,100.00	8,000.00
c. Prelim Investigtn/Remediation-Bkyard		39,500.00		35,184.98		239,336.04	175,000.00	145,478.98
d. Prelim - Landfill Closure		64,500.00		2,155.44		37,397.50	2,000.00	1,947.06
e. Repair - Event Stage		10,000.00		7,796.10		56,790.57	3,300.00	3,213.33
f. Acquisition of Vehicles		281,000.00		692.03			500.00	9,807.97
g. Acquisition of Fire Truck		714,800.00		240,020.13		35,429.35	14,100.00	19,650.52
h. Repairs/Improvements of Buildings		217,000.00		678,397.00		12,214.49	35,800.00	59,988.51
i. Acquisition-ITT Equipment		32,000.00		78,578.21		13,274.97	10,900.00	136,046.82
j. Communication System Upgrade		15,000.00		25,553.94		5,288.96	1,600.00	2,757.10
k. Acquisition of Equipment: 10-Year		46,100.00		12,668.78		2,000.00	800.00	1,131.22
l. Acquisition of Vehicles/Equip.:5-Yr		170,500.00		8,139.97		37,505.10	2,400.00	2,854.93
m. Installation of Sprinkler System		10,000.00		732.97		94,319.94	8,600.00	84,047.09
				7,757.76		500.00		2,742.24
1011-14								
a. Purchase/Major Repair of Equipment		122,100.00		210.90		33,640.00	6,300.00	94,549.10
b. Capital Repair/Improvmt-Muni Bldgs		95,900.00		165.92			5,000.00	100,734.08
c. Remove/Replace Walkways		258,000.00		445.70			13,000.00	270,554.30
d. Acquisition-ITT Equipment <\$5,000@		61,000.00		105.49		3,875.87	3,200.00	60,218.64
e. Repair/Upgrade of Radio Equipment		102,000.00		175.95			5,200.00	107,024.05
f. Acquisition-ITT Equipment >\$5,000@		24,000.00		41.55		23,704.10	1,300.00	1,554.35
g. Acquisition of Police SUVs		91,000.00		157.70		34,114.00	5,000.00	61,728.30
	\$	\$	\$	\$	\$	\$	\$	\$
	735,456.24	-	3,227,878.00	1,617,850.81	73,124.75	2,341,113.09	2,341,113.09	2,272,358.68

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE**

Balance December 31, 2013		\$ 711,413.24
Increased by:		
CDBG - Improvements to Youngs Ave. (Restrooms)	\$ 400,000.00	
NJDOT - Reconstruction of Davis Avenue	<u>175,000.00</u>	575,000.00
Decreased by:		
Receipts:		
NJ DOT - ARRA - Pacific Ave. Streetscape	50,000.00	
NJ DOT - Bikeway (Access Ramp)	72,500.00	
CDBG - Improvements to Youngs Ave. (part)	<u>400,000.00</u>	522,500.00
Cancellations:		
FEMA - 2011 Assistance to Firefighters	<u>30.00</u>	30.00
		<u> </u>
Balance December 31, 2014		\$ <u><u>763,883.24</u></u>

Analysis of Balance

NJ DOT - ARRA - Pacific Ave. Streetscape	\$ 188,883.24	
CDBG - Improvements to Youngs Ave. (Restrooms)	400,000.00	
NJDOT - Reconstruction of Davis Avenue	<u>175,000.00</u>	\$ <u><u>763,883.24</u></u>

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

Balance December 31, 2013		\$ 17,847,458.39
Increased by:		
Bonds Issued		<u>-</u>
Decreased by:		
2014 Budget Appropriations:		
General Serial Bonds	\$ 2,160,000.00	
USRDA Loans	5,753.27	
Green Trust Loans	<u>55,516.65</u>	
		<u>2,221,269.92</u>
Balance December 31, 2014		\$ <u><u>15,626,188.47</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014	Analysis of Balance Dec. 31, 2014		Unexpended Improvement Authorization
						Financed by Notes	Expended	
841-11	Back bay Flood Abatement Program	\$ 830,000.00			830,000.00			830,000.00
954-13	Investigation/Remediation - Soil	34,200.00			34,200.00	34,200.00		
959-13	Improvements at Schellenger Ave.	95,000.00			95,000.00	95,000.00		
964-13	a. Improvements - Youngs Avenue	20,000.00			20,000.00	20,000.00		
	b. Reconstruction of Roads	200,000.00			200,000.00	200,000.00		
	c. Acquisition of Parking Meter	22,700.00			22,700.00	22,700.00		
	d. Acquisition - Court Security System	5,000.00			5,000.00	5,000.00		
	e. Acquisition - Police Security System	30,000.00			30,000.00	30,000.00		
	f. Improvements to Recreation Center	11,800.00			11,800.00	11,800.00		
	g. Improvements to Maxwell Field	42,500.00			42,500.00	42,500.00		
	h. Acquisition - Equipment	83,800.00			83,800.00	83,800.00		
	i. Acquisition - Info Technology	38,000.00			38,000.00	38,000.00		
	j. Acquisition - Vehicles	74,500.00			74,500.00	74,500.00		
995-14/ 1013-14	a. Boardwalk Restroom - Youngs Ave.		2,000.00		2,000.00	2,000.00		
	b. Reconstruction - Davis Avenue		245,000.00		245,000.00	245,000.00		
	c. Prelim Investigtn/Remediation-Bkyard		39,500.00		39,500.00	39,500.00		
	d. Prelim - Landfill Closure		64,500.00		64,500.00	64,500.00		
	e. Repair - Event Stage		10,000.00		10,000.00	10,000.00		
	f. Acquisition of Vehicles		281,000.00		281,000.00	281,000.00		
	g. Acquisition of Fire Truck		714,800.00		714,800.00	714,800.00		
	h. Repairs/Improvements of Buildings		217,000.00		217,000.00	217,000.00		
	i. Acquisition-ITT Equipment		32,000.00		32,000.00	32,000.00		
	j. Communication System Upgrade		15,000.00		15,000.00	15,000.00		
	k. Acquisition of Equipment: 10-Year		46,100.00		46,100.00	46,100.00		
	l. Acquisition of Vehicles/Equip.:5-Yr		170,500.00		170,500.00	170,500.00		
	m. Installation of Sprinkler System		10,000.00		10,000.00	10,000.00		
1011-14	a. Purchase/Major Repair of Equipment		122,100.00		122,100.00	122,100.00		
	b. Capital Repair/Improvmt-Muni Bldgs		95,900.00		95,900.00	95,900.00		
	c. Remove/Relplace Walkways		258,000.00		258,000.00	258,000.00		
	d. Acquisition-ITT Equipment <\$5,000@		61,000.00		61,000.00	61,000.00		
	e. Repair/Upgrade of Radio Equipment		102,000.00		102,000.00	102,000.00		
	f. Acquisition-ITT Equipment >\$5,000@		24,000.00		24,000.00	24,000.00		
	g. Acquisition of Police SUVs		91,000.00		91,000.00	91,000.00		
		\$ 1,487,500.00	2,601,400.00	-	4,088,900.00	3,258,900.00	-	830,000.00

**GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Amount	2013 Authorizations				2014 Authorizations				Prior Year Encumbrance Cancelled	Transfer	Canceled	Balance Dec. 31, 2014	
				Balance Dec. 31, 2013		Capital Improvement Fund	Capital Grant	Capital Fund	Deferred Charge to Future Taxation	Balance Dec. 31, 2014						
				Funded	Unfunded					Funded	Unfunded					
773-09	Various Improvements a. Replacement of Boardwalk d. Improvement to Pacific Ave. e. Street lights and signs	10/06/09	\$ 1,602,000.00	\$ 65,128.42	\$ -	\$ -	\$ -	\$ 6,108.98	\$ -	\$ 6,989.74	\$ (21,821.26)	\$ 11,401.23	\$ 862.42	\$ 46,737.45	\$ 98,394.50	\$ 5,246.56
798-10	Various Improvements a. Purchase of Equipment	04/14/10	327,500.00	-	-	-	-	-	-	662.80	-	-	-	662.80	-	-
805-10	Acquisition of Timekeeping System	06/09/10	168,000.00	27,954.24	-	-	-	-	-	-	-	-	-	27,954.24	-	-
811-10	Various Capital Improvements a. Expansion/Renovation Muni. Bldgs. b. Purchase of Vehicles	08/11/10	762,500.00	1,798.71	6,027.14	-	-	-	-	13.12	3,548.37	1,811.83	518.77	-	1,960.00	-
823-10/ 867-11	Various Capital Improvements a. Purchase of DPW Equipment c. Purchase of DPW Dump Truck e. City Hall Improvements/Expansion	11/10/10	1,586,150.00	34,937.07	5,222.60	74,822.95	-	-	-	10,689.28	5,222.60	24,247.79	-	-	-	25,147.26
824-10	Various Capital Improvements b. Purchase of DPW Equipment c. Improvements - Sidewalks & Curbs	11/10/10	110,000.00	3,490.29	18,715.00	-	-	-	-	2,811.59	18,715.00	-	-	678.70	-	-
841-11	Back Bay Flood Abatement	02/23/11	1,000,000.00	1,637.14	830,000.00	-	-	-	-	-	-	-	-	1,637.14	830,000.00	-
860-11	Preliminary Expense - Redevelopment of Bayside Area	07/27/11	500,000.00	46,649.78	-	-	-	-	-	3,452.53	-	15,252.31	-	50,102.31	-	-
904-12	Acquisition of Fire Equipment	03/14/12	396,000.00	25,147.31	-	-	-	-	-	9,895.00	-	-	-	0.00	-	-
906-12	Construction of Boardwalk Ramp	03/14/12	695,000.00	40.00	-	-	-	-	-	-	-	40.00	-	-	-	-
917-12	Various Capital Improvements a. Improvements to Rec Bldg/City Hall b. Improvements to Lifeguard Equip. c. Restoration of Lifeguard Boats d. Lifeguard Communication Equipment e. Purchase of Equip. for Court & Police f. Purchase of Equip. for Fire Dept & Human Resources g. Purchase of Fire Equipment h. Purchase of Parking Meters i. Purchase of Computers j. Purchase of Recreation Dept Truck k. Restoration of Recreation Fields l. Replacement of Boardwalk Subdeck m. Purchase & Install Street Signs	05/23/12	1,586,150.00	43,427.57	15,822.40	302.96	458.40	6,300.92	-	4,280.00	-	302.96	458.40	43,427.57	11,542.40	-
930-12	Acquisition of Beach Boxes	07/25/12	55,000.00	5,663.13	2,950.88	1,546.90	1,556.27	755.22	602.11	1,495.80	2,950.88	1,546.90	1,556.27	602.11	20,265.52	-
954-13	Investigation/Remediation - Soil/Groundwater	03/13/13	36,000.00	13,604.26	-	-	-	-	-	2,400.82	-	1,025.55	-	11,203.44	-	-
959-13	Improvements - Schellenger/Boardwalk	04/10/13	100,000.00	-	-	-	-	-	-	53.42	148.91	3,686.18	-	-	1,635.88	500.00

**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, 2013	Increased	Decreased	Balance Dec. 31, 2014
954-13	Investigation/Remediation - Soil	10/25/2013	10/24/2014	\$ 34,200.00	1.00%	\$ 34,200.00	\$	\$	\$ 34,200.00
959-13	Improvements- Schellenger Ave	10/25/2013	10/24/2014	95,000.00	1.00%	95,000.00			95,000.00
964-13	Various Capital Improvements	10/25/2013	10/24/2014	528,300.00	1.00%	528,300.00			528,300.00
995-14/ 1013-14	Various Capital Improvements	10/24/2014	10/24/2014	1,847,400.00	1.00%		1,847,400.00		1,847,400.00
1011-14	Various Capital Improvements	10/24/2014	10/24/2014	754,000.00	1.00%		754,000.00		754,000.00
						<u>\$ 657,500.00</u>	<u>\$ 2,601,400.00</u>	<u>\$ -</u>	<u>\$ 3,258,900.00</u>

See Accompanying Auditor's Report

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

Purpose	Date of Issue	Amount of Original Issue	Date	Maturities of Bonds Outstanding December 31, 2014	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
General Improvement Bonds of 2003-A	1/1/2003	\$ 7,150,000.00				\$ 550,000.00	\$	\$ 550,000.00	\$ -
General Improvement Bonds of 2008	5/1/2008	\$ 10,729,000.00	05/01/15	\$ 810,000.00	4.250%	7,469,000.00		770,000.00	6,699,000.00
			05/01/16	860,000.00	4.250%				
			05/01/17	910,000.00	4.250%				
			05/01/18	960,000.00	4.250%				
			05/01/19	1,010,000.00	4.250%				
			05/01/20	1,070,000.00	4.375%				
		05/01/21	1,079,000.00	4.375%					
Refunding Bonds of 2011	12/28/2011	7,175,000.00	11/1/2015	665,000.00	3.000%	5,880,000.00		650,000.00	5,230,000.00
			11/1/2016	685,000.00	4.000%				
			11/1/2017	715,000.00	4.000%				
			11/1/2018	745,000.00	4.000%				
			11/1/2019	775,000.00	4.000%				
			11/1/2020	805,000.00	4.000%				
		11/1/2021	840,000.00	4.000%					
General Improvement Bonds of 2012	10/26/2012	\$ 3,374,000.00	10/1/2015	320,000.00	2.000%	3,180,000.00		190,000.00	2,990,000.00
			10/1/2016	315,000.00	2.000%				
			10/1/2017	305,000.00	2.000%				
			10/1/2018	300,000.00	2.000%				
			10/1/2019	315,000.00	2.000%				
			10/1/2020	325,000.00	2.000%				
		10/1/2021	370,000.00	2.000%					
		10/1/2022	365,000.00	2.000%					
		10/1/2023	375,000.00	2.000%					
						\$ 17,079,000.00	\$ -	\$ 2,160,000.00	\$ 14,919,000.00

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Loans Outstanding December 31, 2014	Loans Outstanding December 31, 2014					
Pacific Ave. Wastewater Ord. 557-02b	1/23/2003	\$ 175,000.00			4.50%	\$ 152,531.85	\$	\$ 2,641.46	\$ 149,890.39
				01/23/15					
				07/23/15	\$ 1,365.46				
				01/23/16	1,396.19				
				07/23/16	1,427.61				
				01/23/17	1,459.72				
				07/23/17	1,492.57				
				01/23/18	1,526.15				
				07/23/18	1,560.49				
				01/23/19	1,595.60				
				07/23/19	1,631.50				
				01/23/20	1,668.21				
				07/23/20	1,705.75				
				01/23/21	1,744.12				
				07/23/21	1,783.37				
				01/23/22	1,823.49				
				07/23/22	1,864.52				
				01/23/23	1,906.47				
				07/23/23	1,949.37				
				01/23/24	1,993.23				
				07/23/24	2,038.08				
				01/23/25	2,083.93				
				07/23/25	2,130.83				
				01/23/26	2,178.76				
				07/23/26	2,227.79				
				01/23/27	2,277.91				
				07/23/27	2,329.17				
				01/23/28	2,381.57				
				07/23/28	2,435.16				
				01/23/29	2,489.95				
			07/23/29	2,545.97					
			01/23/30	2,603.26					
			07/23/30	2,661.83					
				2,721.72					

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Pacific Ave. Wastewater Ord. 557-02b (Continued)			01/23/31	\$ 2,782.96					
			07/23/31	2,845.58					
			01/23/32	2,909.60					
			07/23/32	2,975.07					
			01/23/33	3,042.01					
			07/23/33	3,110.45					
			01/23/34	3,180.44					
			07/23/34	3,252.00					
			01/23/35	3,325.17					
			07/23/35	3,399.98					
			01/23/36	3,476.49					
			07/23/36	3,554.70					
			01/23/37	3,634.69					
			07/23/37	3,716.46					
			01/23/38	3,800.09					
			07/23/38	3,885.59					
			01/23/39	3,973.01					
			07/23/39	4,062.41					
			01/23/40	4,153.81					
			07/23/40	4,247.27					
		01/23/41	4,342.84						
		07/23/41	4,440.55						
		01/23/42	4,540.46						
		07/23/42	4,239.01						
Improvement to Rio Grande Ave. Ord. 577-02			02/01/15	\$ 1,605.67	4.25%	183,127.27		3,111.81	180,015.46
			08/01/15	1,639.79					
			02/01/16	1,674.64					
			08/01/16	1,710.22					
			02/01/17	1,746.57					
			08/01/17	1,783.68					

See Accompanying Auditors Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Loans Outstanding December 31, 2014	Amount					
Improvement to Rio Grande Ave. Ord. 577-02 (Continued)	02/01/18	\$	1,821.58						
	08/01/18		1,860.30						
	02/01/19		1,899.82						
	08/01/19		1,940.19						
	02/01/20		1,981.43						
	08/01/20		2,023.53						
	02/01/21		2,066.53						
	08/01/21		2,110.44						
	02/01/22		2,155.29						
	08/01/22		2,201.09						
	02/01/23		2,247.86						
	08/01/23		2,295.63						
	02/01/24		2,344.41						
	08/01/24		2,394.23						
	02/01/25		2,445.11						
	08/01/25		2,497.07						
	02/01/26		2,550.13						
	08/01/26		2,604.32						
	02/01/27		2,659.66						
	08/01/27		2,716.18						
	02/01/28		2,773.90						
	08/01/28		2,832.84						
	02/01/29		2,893.04						
	08/01/29		2,954.52						
	02/01/30		3,017.30						
	08/01/30		3,081.42						
	02/01/31		3,146.90						
	08/01/31		3,213.77						
	02/01/32		3,282.07						
	08/01/32		3,351.80						
	02/01/33		3,423.04						
	08/01/33		3,495.77						

See Accompanying Auditors Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Improvement to Rio Grande Ave. Ord. 577-02 (Continued)	02/01/34	\$	3,570.06						
	08/01/34		3,645.92						
	02/01/35		3,723.40						
	08/01/35		3,802.52						
	02/01/36		3,883.32						
	08/01/36		3,965.85						
	02/01/37		4,050.12						
	08/01/37		4,136.18						
	02/01/38		4,224.08						
	08/01/38		4,313.84						
	02/01/39		4,405.51						
	08/01/39		4,499.12						
	02/01/40		4,594.73						
	08/01/40		4,692.37						
	02/01/41		4,792.08						
	08/01/41		4,893.92						
02/01/42		4,997.91							
08/01/42		5,104.12							
02/01/43		5,212.57							
08/01/43		5,066.10							
						\$ 335,659.12	-	\$ 5,753.27	\$ 329,905.85

See Accompanying Auditors Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Loans Outstanding December 31, 2014 Amount					
Multi Parks Improvements Ord. 470-98	10/7/2002	\$500,000.00	05/29/15	\$ 16,333.51	2.00%	\$ 185,204.40	\$	\$ 32,183.47	\$ 153,020.93
			11/29/15	16,496.84					
			05/29/16	16,661.82					
			11/29/16	16,828.43					
			05/29/17	16,996.71					
			11/29/17	17,166.69					
			05/29/18	17,338.35					
			11/29/18	17,511.73					
		05/29/19	17,686.85						
Maxwell Field Park Project Ord. 557-02a	2/20/2003	\$289,000.00	05/25/15	\$ 7,663.00	2.00%	147,346.17		15,099.14	132,247.03
			11/25/15	7,739.63					
			05/25/16	7,817.03					
			11/25/16	7,895.20					
			05/25/17	7,974.15					
			11/25/17	8,053.89					
			05/25/18	8,134.43					
			11/25/18	8,215.77					
		05/25/19	8,297.93						
		11/25/19	8,380.91						
		05/25/20	8,464.72						
		11/25/20	8,549.37						
		05/25/21	8,634.86						
		11/25/21	8,721.21						
		05/25/22	8,808.42						
		11/25/22	8,896.51						

See Accompanying Auditors Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Loans Outstanding December 31, 2014 Amount					
Maxwell Field Park Project Ord. 557-02a	1/19/2005	\$ 164,000	04/24/15	\$ 4,178.87	2.00%	\$ 100,248.70	\$	\$ 8,234.04	\$ 92,014.66
			10/24/15	4,220.66					
			04/24/16	4,262.87					
			10/24/16	4,305.50					
			04/24/17	4,348.56					
			10/24/17	4,392.04					
			04/24/18	4,435.96					
			10/24/18	4,480.32					
			04/24/19	4,525.12					
			10/24/19	4,570.37					
			04/24/20	4,616.08					
			10/24/20	4,662.24					
			04/24/21	4,708.86					
			10/24/21	4,755.95					
			04/24/22	4,803.51					
		10/24/22	4,851.54						
		04/24/23	4,900.06						
		10/24/23	4,949.06						
		04/24/24	4,998.55						
		10/24/24	5,048.54						
						\$ 432,799.27	\$ -	\$ 55,516.65	\$ 377,282.62

See Accompanying Auditors Report

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

Balance December 31, 2013		\$ 21,559.00
Increased by:		
2014 Budget Appropriation	\$ 100,000.00	100,000.00
		<u>121,559.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	<u>119,600.00</u>	119,600.00
Balance December 31, 2014		\$ <u><u>1,959.00</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorization	Notes Issued	Raised in Budget	Balance Dec. 31, 2014
841-11	Back Bay Flood Abatement Program	\$ 830,000.00				\$ 830,000.00
995-14	Various Capital Improvements		1,847,400.00	1,847,400.00		-
1011-14	Various Capital Improvements		754,000.00	754,000.00		-
		<u>\$ 830,000.00</u>	<u>\$ 2,601,400.00</u>	<u>\$ 2,601,400.00</u>	<u>-</u>	<u>\$ 830,000.00</u>

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

	Operating	Capital
Balance December 31, 2013	\$ 2,398,405.95	\$ 1,906,920.45
Increased By:		
Water Rent Collected	\$ 6,616,516.74	
Miscellaneous Revenue	32,521.49	
Loan Proceeds		\$ 802,342.00
Budget Appropriations		500,000.00
Capital Improvement Fund	19,006.79	
Due to State of New Jersey - NJ Water Tax	6,668,045.02	1,302,342.00
	9,066,450.97	3,209,262.45
Decreased By:		
Current Appropriations	6,277,724.01	
Appropriation Reserves	362,618.49	
Accounts Payable	70.00	
Overpayments	1,867.85	
Escrow Deposits	790.94	
Refund of Prior Year Reneue	5,500.00	
Improvement Authorization		2,900,688.64
	6,648,571.29	2,900,688.64
Balance December 31, 2014	\$ 2,417,879.68	\$ 308,573.81

SEE ACCOMPANYING AUDITORS' REPORT

**WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	----- Receipts -----		----- Disbursements -----		----- Transfers -----		Balance Dec. 31, 2014
	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Balance Dec. 31, 2013							
\$ 270,219.52	\$ 500,000.00				\$ 500,000.00		\$ 270,219.52
Capital Improvement Fund							90,760.85
Reserve for Preliminary Expenses							10,000.00
Contracts Payable					1,348,388.79	\$ 2,409,768.63	2,409,768.63
Due from NJEIT					1,697,658.00		(1,697,658.00)
Improvement Authorizations:							
<u>Ordinance</u>							
<u>Number</u>							
633-05			\$ 719.50		570.50		1,290.00
667-06							8,396.21
688-07							41,715.00
702-07							
(a) Water Main Replacement			6,330.90		39,993.30		1,325.30
(b) Replacement Recharge Well							42,580.79
717-08			500.00		12,837.00		1,894.00
763-09			5,851.75		16,135.00		
786-10			5,203.92		26,446.00		
830-10/899-12							
(a) Acquisition of West Wildwood water utility					145,000.00		
(b) Replacement of water mains			628,019.64		1,176,339.68		599,015.37
(c) Replacement of Recharge Well			195.52		11,038.50		11,234.02
842-11					4,671.49		16,791.88
902-12					63,063.30		134,893.73
923-12					66,869.38		506,024.30
953-13		\$ 802,342.00	1,382,611.15		1,033,560.20		(806,710.28)
963-13			237,161.22		50,936.28		(140.48)
996-14						500,000.00	211,902.50
							500,000.00
	\$ 500,000.00	\$ 802,342.00	\$ 2,900,688.64	\$ -	\$ 6,193,507.42	\$ 6,193,507.42	\$ 308,573.81

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

Balance December 31, 2013		\$ 174,641.55
Increased by:		
Utility Rents Levied	<u>\$ 6,821,038.19</u>	<u>6,821,038.19</u>
		6,995,679.74
Decreased by:		
Collections	6,615,670.14	
Other	19,468.25	
	<u>6,635,138.39</u>	<u>6,635,138.39</u>
Balance December 31, 2014		<u><u>\$ 360,541.35</u></u>

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

Balance December 31, 2013		\$ 846.60
Decreased by:		
Transfers from Accounts Receivable	\$ -	
Penalties and Costs	-	
	-	-
		846.60
Decreased by:		
Collections	846.60	
	846.60	846.60
Balance December 31, 2014		\$ -

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

Balance December 31, 2013		\$ 34,414.33
Increase by:		
Overpayments created		32,546.48
Decreased by:		
Overpayments applied	<u>\$ 34,414.33</u>	34,414.33
		<hr/>
Balance December 31, 2014		<u><u>\$ 32,546.48</u></u>

**WATER OPERATING FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES**

	BALANCE Dec. 31, 2013	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDED
Operating:					
Other Expenses	\$ 216,075.13	\$ 216,075.13	\$ 61,828.71	\$ 154,246.42	
Insurance	62,676.62	62,676.62	62,676.62	-	
Capital Improvements	279,273.55	279,273.55	238,113.16	41,160.39	
Capital Outlay					
	<u>\$ 558,025.30</u>	<u>\$ 558,025.30</u>	<u>\$ 362,618.49</u>	<u>\$ 195,406.81</u>	<u>\$ -</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
ANALYSIS OF BALANCE
DECEMBER 31, 2014**

Balance December 31, 2013	\$ 116,511.66
Increased by:	
Accrued interest charged to 2014 budget appropriation - Interest on bonds and notes	537,422.84
	653,934.50
Decreased by:	
Disbursements	545,502.36
Balance December 31, 2014	\$ 108,432.14

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2014

Description	Principal Outstanding Dec. 31, 2014	Interest Rate	From	To	# of Days	Amount
Bonds	\$ 650,000.00	Various	9/15/14	12/31/14	108	\$ 8,003.04
Bonds	8,063,000.00	Various	11/1/14	12/31/14	61	57,196.09
Bonds	1,095,000.00	Various	11/1/14	12/31/14	61	4,010.50
Bonds	2,870,000.00	Various	10/1/14	12/31/14	92	16,479.12
NJEIT Bonds	450,000.00	Various	8/1/2014	12/31/14	153	7,475.90
USDA Loan	763,108.00	4.125%	8/28/13	12/31/14	126	10,593.24
USDA Loan	410,000.00	2.125%	7/12/13	12/31/14	173	4,029.97
USDA Loan	277,000.00	2.375%	11/26/13	12/31/14	36	644.28
						\$ 108,432.14

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

ACCOUNT	BALANCE Dec. 31, 2013	ADDITIONS BY BUDGET CAPITAL OUTLAY	TRANSFERRED FROM UNCOMPLETED	BY ORDINANCE	BALANCE Dec. 31, 2014
Combined Improvements	\$ 36,633,525.46		\$ 1,000,000.00		\$ 37,633,525.46
	<u>\$ 36,633,525.46</u>	<u>\$ -</u>	<u>\$ 1,000,000.00</u>	<u>\$ -</u>	<u>\$ 37,633,525.46</u>

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

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2013	2014 Authorizations		Costs to Fixed Capital	Balance Dec. 31, 2014
					Deferred Reserve for Amortization	Deferred Charge To Future Revenues		
702-07	Various Water Improvements	12/12/07	\$ 5,000,000.00	\$ 5,000,000.00				\$ 5,000,000.00
717-08	Various Improvements & Acquisitions	02/13/08	500,000.00	500,000.00				500,000.00
763-09	Various Improvements	06/09/09	500,000.00	500,000.00			500,000.00	-
786-10	Various Improvements	03/24/10	500,000.00	500,000.00			500,000.00	-
830-10	Various Water Improvements	11/10/10	5,000,000.00	5,000,000.00				5,000,000.00
842-11	Various Improvements & Acquisitions	03/09/11	500,000.00	500,000.00				500,000.00
902-12	Various Improvements	03/14/12	500,000.00	500,000.00				500,000.00
923-12	Various Improvements	05/09/12	2,602,000.00	2,602,000.00				2,602,000.00
963-13	Various Improvements	05/08/13	500,000.00	500,000.00				500,000.00
953-13	Water System Upgrades	02/13/13	2,575,000.00	2,575,000.00			44,890.00	2,530,110.00
996-14	Various Improvements	03/12/14	500,000.00	500,000.00				500,000.00
				<u>\$ 18,177,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ -</u>	<u>\$ 1,000,000.00</u>	<u>\$ 17,632,110.00</u>
							<u>\$ 44,890.00</u>	

See Accompanying Auditor's Report

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

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2013		Capital Improvement Fund	Deferred Charge to Future Revenue	Expended	Cancelled Encumbrances	Transfer/ (Cancelled)	Balance Dec. 31, 2014	
				Funded	Unfunded						Funded	Unfunded
702-07	Various Water Improvements (a) Water Main Replacement	12/12/07	\$ 5,000,000.00	\$ 6,330.90			\$ 6,330.90				\$ -	\$ -
763-09	Various Improvements & Acquisitions	06/09/09	500,000.00	5,851.75			5,851.75				-	-
786-10	Various Improvements	03/24/10	500,000.00	539.20			539.20				-	-
830-10	Various Water Improvements (b) Replacement of water mains	11/10/10	5,000,000.00	670,428.02	\$ 1,990,000.00		1,350,343.95				-	1,310,064.07
842-11	Various Improvements & Acquisitions	03/09/11	500,000.00	5.95			5.95				-	-
902-12	Various Improvements	03/14/12	500,000.00	31,029.19			30,682.19				347.00	
923-12	Various Improvements	05/09/12	2,602,000.00		1,188,590.88		80,301.16					1,108,289.72
953-13	Water System Upgrades - Wildwood Crest	02/13/13	2,575,000.00		2,274,775.40		2,199,915.88		\$ 44,890.00		211,902.50	29,969.52
963-13	Various Improvements	05/08/13	500,000.00	500,000.00		\$ 500,000.00	288,097.50				500,000.00	
996-14	Various Improvements	03/12/14	500,000.00									
				<u>\$ 1,214,185.01</u>	<u>\$ 5,453,366.28</u>		<u>\$ 3,962,068.48</u>		<u>\$ -</u>	<u>\$ 44,890.00</u>	<u>\$ 712,249.50</u>	<u>\$ 2,448,343.31</u>

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
			DATE	AMOUNT					
Refunding Bonds 2004-B	01/01/04	\$ 3,490,000.00	09/15/15	\$ 320,000.00	4.000%	\$ 965,000.00	\$ 315,000.00	\$ 650,000.00	
			09/15/16	330,000.00	4.250%				
Water Bonds, Series 2008	05/01/08	\$ 9,903,000.00	05/01/15	440,000.00	4.250%	8,063,000.00	425,000.00	7,638,000.00	
			05/01/16	450,000.00	4.250%				
			05/01/17	470,000.00	4.250%				
			05/01/18	485,000.00	4.250%				
			05/01/19	505,000.00	4.250%				
			05/01/20	515,000.00	4.375%				
			05/01/21	535,000.00	4.375%				
			05/01/22	555,000.00	4.500%				
			05/01/23	570,000.00	4.500%				
			05/01/24	585,000.00	4.500%				
Water Bonds, Series 2011B	12/14/11	\$ 1,350,000.00	11/01/15	130,000.00	2.000%	1,095,000.00	125,000.00	970,000.00	
			11/01/16	130,000.00	2.000%				
			11/01/17	135,000.00	2.000%				
			11/01/18	135,000.00	2.000%				
			11/01/19	145,000.00	3.000%				
			11/01/20	145,000.00	3.000%				
			11/01/21	150,000.00	3.000%				

SEE ACCOMPANYING AUDITOR'S REPORT

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
			DECEMBER 31, 2014 DATE	AMOUNT					
Water Bonds Series 2012	10/11/12	3,010,000	10/01/15	140,000.00	2.000%	2,870,000.00		140,000.00	2,730,000.00
			10/01/16	140,000.00	2.000%				
			10/01/17	165,000.00	2.000%				
			10/01/18	175,000.00	2.000%				
			10/01/19	180,000.00	2.000%				
			10/01/20	195,000.00	2.000%				
			10/01/21	205,000.00	2.000%				
			10/01/22	230,000.00	2.000%				
			10/01/23	240,000.00	2.000%				
			10/01/24	250,000.00	3.000%				
			10/01/25	260,000.00	3.000%				
			10/01/26	270,000.00	3.000%				
			10/01/27	280,000.00	3.000%				
						\$ 12,993,000.00	-	\$ 1,005,000.00	\$ 11,988,000.00

SEE ACCOMPANYING AUDITOR'S REPORT

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURES OF BONDS OUTSTANDING DECEMBER 31, 2014	INT. RATE	BALANCE			
					INCREASED	DECREASED		
			DATE	AMOUNT	DEC. 31, 2013	DEC. 31, 2014		
NJEIT 2005A Trust Loan	11/10/05	\$ 625,000.00	08/01/15	\$ 30,000.00	4.000%	\$ 450,000.00	\$ 420,000.00	
			08/01/16	30,000.00	4.000%			
			08/01/17	35,000.00	4.000%			
			08/01/18	35,000.00	4.250%			
			08/01/19	35,000.00	4.250%			
			08/01/20	40,000.00	4.500%			
			08/01/21	40,000.00	4.375%			
			08/01/22	40,000.00	4.375%			
			08/01/23	45,000.00	4.375%			
			08/01/24	45,000.00	4.375%			
			08/01/25	45,000.00	4.375%			
							\$ 30,000.00	
								\$ 420,000.00
	NJEIT 2005A Fund Loan	11/10/05	\$ 621,500.00	02/01/15	\$ 5,842.36	0.000%	\$ 381,307.13	\$ 349,152.82
			08/01/15	25,337.21				
			02/01/16	5,452.46				
			08/01/16	24,947.31				
			02/01/17	5,062.56				
			08/01/17	27,806.55				
			02/01/18	4,607.68				
			08/01/18	27,351.67				
			02/01/19	4,124.37				
			08/01/19	26,868.36				
			02/01/20	3,641.06				
			08/01/20	29,634.20				
			02/01/21	3,056.22				
			08/01/21	29,049.35				
			02/01/22	2,487.62				
		08/01/22	28,480.75					
		02/01/23	1,919.02					
		08/01/23	31,161.29					
		02/01/24	1,279.34					
		08/01/24	30,521.62					
		02/01/25	639.67					
		08/01/25	29,882.15					

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 DECEMBER 31, 2014		INT. RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
			DATE	AMOUNT					
		\$ 2,500,000.00	INTERIM LOAN		0.000%	-	\$ 2,500,000.00	\$ -	\$ 2,500,000.00
						\$ 831,307.13	\$ 2,500,000.00	\$ 62,154.31	\$ 3,269,152.82

NJEIT 2014

SEE ACCOMPANYING AUDITOR'S REPORT

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	INCREASED DECREASED	BALANCE DEC. 31, 2014
			DATE	AMOUNT				
Rio Grande II	02/28/07	\$ 824,726.00	02/28/15	\$ 5,676.51	4.125%	\$ 763,108.36	\$ 11,012.12	\$ 752,096.24
			08/28/15	5,793.28				
			02/28/16	5,912.43				
			08/28/16	6,034.03				
			02/28/17	6,158.16				
			08/28/17	6,284.81				
			02/28/18	6,414.08				
			08/28/18	6,546.02				
			02/28/19	6,680.65				
			08/28/19	6,818.06				
			02/28/20	6,958.30				
			08/28/20	7,101.43				
			02/28/21	7,247.49				
			08/28/21	7,396.56				
			02/28/22	7,548.69				
			08/28/22	7,703.96				
			02/28/23	7,862.42				
			08/28/23	8,024.14				
			02/28/24	8,189.18				
			08/28/24	8,357.62				
			02/28/25	8,529.53				
			08/28/25	8,704.96				
			02/28/26	8,884.01				
			08/28/26	9,066.74				
			02/28/27	9,253.24				
			08/28/27	9,443.55				
			02/28/28	9,637.80				
			08/28/28	9,836.03				
			02/28/29	10,038.35				
			08/28/29	10,244.81				
			02/28/30	10,455.54				
			08/28/30	10,670.59				
			02/28/31	10,890.07				
			08/28/31	11,114.07				
			02/28/32	11,342.66				
			08/28/32	11,575.96				

SEE ACCOMPANYING AUDITOR'S REPORT

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING			BALANCE DEC. 31, 2013	BALANCE DEC. 31, 2014	
			DATE	DECEMBER 31, 2014	AMOUNT			INT. RATE
Rio Grande II (continued)			02/28/33	\$ 11,814.07				
			08/28/33	12,057.06				
			02/28/34	12,305.06				
			08/28/34	12,558.15				
			02/28/35	12,816.46				
			08/28/35	13,080.07				
			02/28/36	13,349.11				
			08/28/36	13,623.68				
			02/28/37	13,903.90				
			08/28/37	14,189.88				
			02/28/38	14,481.74				
			08/28/38	14,779.61				
			02/28/39	15,083.61				
			08/28/39	15,393.86				
			02/28/40	15,710.48				
			08/28/40	16,033.62				
			02/28/41	16,363.41				
			08/28/41	16,699.98				
			02/28/42	17,043.48				
			08/28/42	17,394.03				
			02/28/43	17,751.80				
			08/28/43	18,116.94				
			02/28/44	18,489.56				
			08/28/44	18,869.88				
			02/28/45	19,257.99				
		08/28/45	19,654.10					
		02/28/46	20,058.36					
		08/28/46	20,470.93					
		02/28/47	12,349.69					
26th Street #34			01/12/15	\$ 3,348.79		2.125%	\$ 410,000.00	
			07/12/15	3,384.37				
			01/12/16	3,420.33				
			07/12/16	3,456.67				
			01/12/17	3,493.40				
		07/12/17	3,530.52					
							\$ 6,592.34	\$ 403,407.66

SEE ACCOMPANYING AUDITOR'S REPORT

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	BALANCE DEC. 31, 2014
			DATE	AMOUNT			
26th Street #34 (continued)	01/12/18		01/12/18	\$ 3,568.03			
	07/12/18		07/12/18	3,605.94			
	01/12/19		01/12/19	3,644.25			
	07/12/19		07/12/19	3,682.97			
	01/12/20		01/12/20	3,722.11			
	07/12/20		07/12/20	3,761.65			
	01/12/21		01/12/21	3,801.62			
	07/12/21		07/12/21	3,842.01			
	01/12/22		01/12/22	3,882.83			
	07/12/22		07/12/22	3,924.09			
	01/12/23		01/12/23	3,965.78			
	07/12/23		07/12/23	4,007.92			
	01/12/24		01/12/24	4,050.50			
	07/12/24		07/12/24	4,093.54			
	01/12/25		01/12/25	4,137.03			
	07/12/25		07/12/25	4,180.99			
	01/12/26		01/12/26	4,225.41			
	07/12/26		07/12/26	4,270.31			
	01/12/27		01/12/27	4,315.68			
	07/12/27		07/12/27	4,361.53			
	01/12/28		01/12/28	4,407.88			
	07/12/28		07/12/28	4,454.71			
	01/12/29		01/12/29	4,502.04			
	07/12/29		07/12/29	4,549.87			
	01/12/30		01/12/30	4,598.22			
	07/12/30		07/12/30	4,647.07			
	01/12/31		01/12/31	4,696.45			
	07/12/31		07/12/31	4,746.35			
	01/12/32		01/12/32	4,796.78			
	07/12/32		07/12/32	4,847.74			
	01/12/33		01/12/33	4,899.25			
	07/12/33		07/12/33	4,951.31			
	01/12/34		01/12/34	5,003.91			
	07/12/34		07/12/34	5,057.08			
	01/12/35		01/12/35	5,110.81			
07/12/35		07/12/35	5,165.11				

SEE ACCOMPANYING AUDITOR'S REPORT

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	BALANCE DEC. 31, 2014
			DATE	AMOUNT			
26th Street #34 (continued)	01/12/36		01/12/36	\$ 5,219.99			
	07/12/36		07/12/36	5,275.46			
	01/12/37		01/12/37	5,331.51			
	07/12/37		07/12/37	5,388.15			
	01/12/38		01/12/38	5,445.40			
	07/12/38		07/12/38	5,503.26			
	01/12/39		01/12/39	5,561.73			
	07/12/39		07/12/39	5,620.83			
	01/12/40		01/12/40	5,680.55			
	07/12/40		07/12/40	5,740.90			
	01/12/41		01/12/41	5,801.90			
	07/12/41		07/12/41	5,863.55			
	01/12/42		01/12/42	5,925.85			
	07/12/42		07/12/42	5,988.81			
	01/12/43		01/12/43	6,052.44			
	07/12/43		07/12/43	6,116.75			
	01/12/44		01/12/44	6,181.74			
	07/12/44		07/12/44	6,247.42			
	01/12/45		01/12/45	6,313.80			
	07/12/45		07/12/45	6,380.88			
	01/12/46		01/12/46	6,448.68			
	07/12/46		07/12/46	6,517.19			
	01/12/47		01/12/47	6,586.44			
	07/12/47		07/12/47	6,656.42			
	01/12/48		01/12/48	6,727.15			
	07/12/48		07/12/48	6,798.62			
01/12/49		01/12/49	6,870.86				
07/12/49		07/12/49	6,943.86				
01/12/50		01/12/50	7,017.64				
07/12/50		07/12/50	7,092.20				
01/12/51		01/12/51	7,167.55				
07/12/51		07/12/51	7,243.71				
01/12/52		01/12/52	7,320.67				
07/12/52		07/12/52	7,398.46				
01/12/53		01/12/53	7,477.07				
07/12/53		07/12/53	7,387.37				

SEE ACCOMPANYING AUDITOR'S REPORT

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	BALANCE DEC. 31, 2014
			DATE	AMOUNT			
26th Street #35	11/26/13	\$ 277,000.00	05/26/15	\$ 2,145.69	2.375%	\$ 277,000.00	\$ 272,783.86
			11/26/15	2,171.17			
			05/26/16	2,196.95			
			11/26/16	2,223.05			
			05/26/17	2,249.44			
			11/26/17	2,276.15			
			05/26/18	2,303.19			
			11/26/18	2,330.53			
			05/26/19	2,358.21			
			11/26/19	2,386.21			
			05/26/20	2,414.55			
			11/26/20	2,443.22			
			05/26/21	2,472.23			
			11/26/21	2,501.60			
			05/26/22	2,531.30			
			11/26/22	2,561.35			
			05/26/23	2,591.78			
			11/26/23	2,622.55			
			05/26/24	2,653.69			
			11/26/24	2,685.21			
		05/26/25	2,717.10				
		11/26/25	2,749.35				
		05/26/26	2,782.01				
		11/26/26	2,815.05				
		05/26/27	2,848.47				
		11/26/27	2,882.30				
		05/26/28	2,916.52				
		11/26/28	2,951.16				
		05/26/29	2,986.21				
		11/26/29	3,021.66				
		05/26/30	3,057.55				
		11/26/30	3,093.86				
		05/26/31	3,130.59				
		11/26/31	3,167.78				
		05/26/32	3,205.38				
		11/26/32	3,243.46				
						4,216.14	

SEE ACCOMPANYING AUDITOR'S REPORT

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	BALANCE DEC. 31, 2014
			DECEMBER 31, 2014 DATE	AMOUNT			
26th Street #35 (continued)			05/26/33	\$ 3,281.97			
			11/26/33	3,320.94			
			05/26/34	3,360.38			
			11/26/34	3,400.28			
			05/26/35	3,440.66			
			11/26/35	3,481.52			
			05/26/36	3,522.86			
			11/26/36	3,564.70			
			05/26/37	3,607.03			
			11/26/37	3,649.86			
			05/26/38	3,693.20			
			11/26/38	3,737.06			
			05/26/39	3,781.44			
			11/26/39	3,826.34			
			05/26/40	3,871.78			
			11/26/40	3,917.76			
			05/26/41	3,964.28			
			11/26/41	4,011.35			
			05/26/42	4,058.99			
			11/26/42	4,107.19			
		05/26/43	4,155.97				
		11/26/43	4,205.31				
		05/26/44	4,255.26				
		11/26/44	4,305.78				
		05/26/45	4,356.92				
		11/26/45	4,408.66				
		05/26/46	4,461.00				
		11/26/46	4,513.99				
		05/26/47	4,567.58				
		11/26/47	4,621.83				
		05/26/48	4,676.71				
		11/26/48	4,732.25				
		05/26/49	4,788.44				
		11/26/49	4,845.30				
		05/26/50	4,902.84				
		11/26/50	4,961.07				

SEE ACCOMPANYING AUDITOR'S REPORT

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	INCREASED DECREASED	BALANCE DEC. 31, 2014
			DECEMBER 31, 2014 DATE	AMOUNT				
26th Street #35 (continued)			05/26/51	\$ 5,019.97				
			11/26/51	5,079.59				
			05/26/52	5,139.91				
			11/26/52	5,200.95				
			05/26/53	5,262.70				
			11/26/53	5,035.72				
						\$ 1,450,108.36	\$ -	\$ 1,428,287.76

SEE ACCOMPANYING AUDITOR'S REPORT

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

Balance December 31, 2013		\$ 30,056,109.97
Increased by:		
Serial Bonds Payable	\$ 1,005,000.00	
NJEIT Trust Bonds Payable	62,154.31	
USDA Loan Payable	21,820.60	
	<hr/>	<hr/>
		1,088,974.91
Balance December 31, 2014		<u><u>\$ 31,145,084.88</u></u>

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

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	Fixed Capital Authorized	To Reserve for Amortization	Canceled	Balance Dec. 31, 2014
717-08	Various Improvements	2/13/08	\$ 500,000.00				\$ 500,000.00
763-09	Various Improvements	6/9/09	500,000.00				500,000.00
786-10	Various Improvements	3/24/10	500,000.00				500,000.00
842-11	Various Improvements	3/9/11	500,000.00				500,000.00
902-12	Various Improvements	3/14/12	500,000.00				500,000.00
963-13	Various Improvements	5/8/13	500,000.00				500,000.00
996-14	Various Improvements	3/12/14		\$ 500,000.00			500,000.00
			<u>\$ 3,000,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,500,000.00</u>

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

Balance December 31, 2013		\$ 90,760.85
Increase by:		
2014 Budget Appropriation	<u>500,000.00</u>	<u>500,000.00</u>
		590,760.85
Decreased by:		
Appropriated to Finance Improvement Authorizations	<u>500,000.00</u>	<u>500,000.00</u>
		<u>90,760.85</u>
Balance December 31, 2014		<u><u>\$ 90,760.85</u></u>

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE Dec. 31, 2013	2014 AUTHORIZATIONS	Loans Issued	BANs Issued	Cancelled	BALANCE Dec. 31, 2014
830-10	Various Improvements	\$ 1,990,000.00					\$ 1,990,000.00
923-12	Various Improvements	1,915,000.00					1,915,000.00
953-13	Various Improvements	2,575,000.00		\$ 2,500,000.00		\$ 44,890.00	30,110.00
		<u>\$ 6,480,000.00</u>	<u>\$ -</u>	<u>\$ 2,500,000.00</u>	<u>\$ -</u>	<u>\$ 44,890.00</u>	<u>\$ 3,935,110.00</u>

SEE ACCOMPANYING AUDITOR'S REPORT

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

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	\$ 171,830.26	\$ 468,630.96
Increased By:		
Sewer Rent Collected	\$ 4,661,792.33	
Sewer Additional Rents	308,329.62	
Miscellaneous Revenue	35,944.25	
Interest on Investments	2,581.83	
Overpayments	63,847.42	
Refunds Payable	1.05	
Grants Receivable		86,612.00
Premium on Note Sale		5,827.92
Notes		2,486,000.00
	<u>5,072,496.50</u>	<u>2,578,439.92</u>
	5,244,326.76	3,047,070.88
Decreased By:		
Current Appropriations	4,636,550.59	
Appropriation Reserves	22,863.78	
Accounts Payable	1,059.09	
Improvement Authorization		1,340,123.14
	<u>4,660,473.46</u>	<u>1,340,123.14</u>
Balance December 31, 2014	\$ <u>583,853.30</u>	\$ <u>1,706,947.74</u>

SEE ACCOMPANYING AUDITORS' REPORT

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

Balance December 31, 2013		\$ 67,969.55
Increased by:		
Utility Rents Levied	<u>\$ 4,936,920.46</u>	<u>4,936,920.46</u>
		5,004,890.01
Decreased by:		
Collections	4,969,893.55	
Transferred to liens	<u>125.00</u>	<u>4,970,018.55</u>
Balance December 31, 2014		<u><u>\$ 34,871.46</u></u>

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

Balance December 31, 2013		\$ 128.40
Increased by:		
Transferred from Sewer Rents	\$ 125.00	
Penalties and Costs	<u>200.00</u>	
		<u>325.00</u>
		453.40
Decreased by:		
Collections	<u>228.40</u>	
		<u>228.40</u>
Balance December 31, 2014		<u><u>\$ 225.00</u></u>

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

Balance December 31, 2013		\$ 9,622.13
Increase by:		
Overpayments created		73,469.55
Decreased by:		
Overpayments applied	\$ <u>9,622.13</u>	9,622.13
		<hr/>
Balance December 31, 2014		<u><u>\$ 73,469.55</u></u>

**SEWER UTILITY OPERATING FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES**

	BALANCE Dec. 31, 2013	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDED
Operating:					
Other Expenses	\$ 12,130.94	\$ 12,130.94	8,545.59	\$ 3,585.35	
Insurance	14,510.94	14,510.94	14,318.19	192.75	
	<u>\$ 26,641.88</u>	<u>\$ 26,641.88</u>	<u>22,863.78</u>	<u>\$ 3,778.10</u>	<u>-</u>
Reserve	\$ 1,400.00		22,863.78	Paid	
Encumbered	25,241.88		-	Accounts Payable	
	<u>\$ 26,641.88</u>		<u>22,863.78</u>		

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
ANALYSIS OF BALANCE
DECEMBER 31, 2014**

Balance December 31, 2013	\$ 60,330.33
Increased by:	
Accrued interest charged to 2014 budget appropriation - Interest on bonds	282,547.53
	342,877.86
Decreased by:	
Disbursements	275,687.40
Balance December 31, 2014	\$ 67,190.46

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2014

Description	Principal Outstanding Dec. 31, 2014	Interest Rate	From	To	# of Days	Amount
Bonds	\$ 824,000.00	Various	11/1/14	12/31/14	61	\$ 6,175.28
Bonds	980,000.00	Various	10/1/14	12/31/14	92	5,813.19
USDA Loans	254,907.70	4.125%	8/28/14	12/31/14	126	3,590.36
USDA Loans	1,308,616.61	4.125%	8/28/14	12/31/14	126	18,431.79
USDA Loans	1,355,640.32	4.500%	12/5/14	12/31/14	27	4,525.01
USDA Loans	1,651,808.32	4.125%	12/3/14	12/31/14	29	5,428.50
USDA Loans	1,084,396.29	2.500%	7/15/14	12/31/14	170	12,626.53
USDA Loans	1,056,179.00	2.500%	10/25/14	12/31/14	68	4,932.71
Bond Anticipation Note	2,236,000.00	1.250%	10/24/14	12/31/14	67	5,201.81
Bond Anticipation Note	250,000.00	1.000%	10/24/14	12/31/14	67	465.28
						\$ 67,190.46

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

ACCOUNT	BALANCE Dec. 31, 2013	ADDITIONS BY BUDGET CAPITAL OUTLAY	TRANSFERRED FROM UNCOMPLETED	BALANCE Dec. 31, 2014
Combined Improvements	\$ 14,879,196.25	\$ -	\$ -	\$ 14,879,196.25
	<u>\$ 14,879,196.25</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,879,196.25</u>

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

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2013	2014 Authorizations		Costs to Fixed Capital	Balance Dec. 31, 2014
					Deferred Reserve for Amortization	Deferred Charge to Future Taxation		
845-11	Sewer Plant IIIB Project	04/13/11	\$ 200,000.00	\$ 200,000.00				\$ 200,000.00
901-12	Miscellaneous Sewer IIIA	03/14/12	1,772,000.00	1,772,000.00				1,772,000.00
914-12	Sewer Capital Improvements	04/18/12	147,000.00	147,000.00				147,000.00
976-13	Miscellaneous Sewer 4	08/14/13	3,720,000.00	3,720,000.00				3,720,000.00
997-14	Sewer Capital Improvements	03/12/14	262,600.00	-	\$ 12,600.00	\$ 250,000.00		262,600.00
1015-14	Sewer System Improvements	11/12/14	155,000.00	-	8,000.00	147,000.00		155,000.00
				<u>\$ 5,839,000.00</u>	<u>\$ 20,600.00</u>	<u>\$ 397,000.00</u>	<u>-</u>	<u>\$ 6,256,600.00</u>

See Accompanying Auditor's Report

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

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2013		2014 Authorizations Capital Improvement Fund / Other	Deferred Charge to Future Revenue	Expended	Encumbrances Canceled	Balance Dec. 31, 2014	
				Funded	Unfunded					Funded	Unfunded
901-12	Miscellaneous Sewer IIIA	03/14/12	\$ 1,772,000.00	\$	\$ 358,926.21		\$	\$ 32,689.99		\$	\$ 326,236.22
914-12/981-13	Sewer Capital Improvements	04/18/12	147,000.00	17,550.45			15,338.71				2,211.74
976-13	Miscellaneous Sewer 4	08/14/13	3,720,000.00		854,800.58		538,842.00				\$ 315,958.58
997-14	Sewer Capital Improvements	03/12/14	262,600.00				427.39				5,472.61
	(a) Major Repairs/Replacement -Bulkheads					\$ 5,900.00	\$ 117,000.00	7,535.70			-
	(b) Major Repairs/Replacement - System					3,400.00	68,000.00	237.22			3,062.78
	(c) Purchase of Vehicles					3,300.00	65,000.00				8,000.00
1015-14	Sewer System Improvements	11/12/14	155,000.00			8,000.00	147,000.00				147,000.00
						<u>\$ 20,600.00</u>	<u>\$ 397,000.00</u>	<u>\$ 595,071.01</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,983.35</u>
						<u>\$ 17,550.45</u>	<u>\$ 1,213,726.79</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 708,822.88</u>

**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, 2013	Increased	Decreased	Balance Dec. 31, 2014
901-12 Miscellaneous Sewer IIIA	10/25/2013	10/25/2013	4/25/2014	\$ 1,064,000.00	1.25%	\$ 1,064,000.00	\$ -	\$ 1,064,000.00	\$ -
976-13 Miscellaneous Sewer 4	10/24/2014	10/24/2014	5/29/2015	2,236,000.00	1.25%		2,236,000.00		2,236,000.00
997-14 Sewer Capital Improvements	10/24/2014	10/24/2014	10/23/2015	250,000.00	1.00%		250,000.00		250,000.00
						<u>\$ 1,064,000.00</u>	<u>\$ 2,486,000.00</u>	<u>\$ 1,064,000.00</u>	<u>\$ 2,486,000.00</u>

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 DECEMBER 31, 2014	INT. RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
Sewer Bonds, Series 2008	05/01/08	1,079,000	45,000	4.250%	\$ 869,000		45,000	824,000
			50,000	4.250%				
			50,000	4.250%				
			50,000	4.250%				
			55,000	4.250%				
			55,000	4.375%				
			55,000	4.375%				
			60,000	4.500%				
			60,000	4.500%				
			60,000	4.500%				
			65,000	4.500%				
			70,000	4.625%				
			75,000	4.625%				
			74,000	4.700%				
Sewer Bonds, Series 2012	10/26/12	1,112,000	65,000	2.000%	1,045,000		65,000	980,000
			65,000	2.000%				
			65,000	2.000%				
			70,000	2.000%				
			70,000	2.000%				
			75,000	2.000%				
			75,000	2.000%				
			80,000	2.000%				
			85,000	3.000%				
			85,000	3.000%				
			85,000	3.000%				
			85,000	3.000%				
			85,000	3.000%				
			85,000	3.000%				
						\$ 1,914,000.00	\$ -	\$ 1,804,000.00

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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, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
			DATE	AMOUNT					
Rio Grande II	02/28/07	\$ 279,524.00	02/28/15	\$ 1,923.94	4.125%	\$ 258,640.02	\$ 3,732.32	\$ 254,907.70	
			08/28/15	1,963.50					
			02/28/16	2,003.89					
			08/28/16	2,045.11					
			02/28/17	2,087.17					
			08/28/17	2,130.11					
			02/28/18	2,173.91					
			08/28/18	2,218.63					
			02/28/19	2,264.27					
			08/28/19	2,310.84					
			02/28/20	2,358.36					
			08/28/20	2,406.88					
			02/28/21	2,456.38					
			08/28/21	2,506.90					
			02/28/22	2,558.47					
			08/28/22	2,611.10					
			02/28/23	2,664.79					
			08/28/23	2,719.61					
			02/28/24	2,775.55					
			08/28/24	2,832.64					
			02/28/25	2,890.90					
			08/28/25	2,950.36					
			02/28/26	3,011.04					
			08/28/26	3,072.98					
			02/28/27	3,136.19					
			08/28/27	3,200.69					
			02/28/28	3,266.52					
			08/28/28	3,333.72					
			02/28/29	3,402.28					
			08/28/29	3,472.26					
			02/28/30	3,543.68					
			08/28/30	3,616.57					
			02/28/31	3,690.96					
			08/28/31	3,766.87					
			02/28/32	3,844.35					
			08/28/32	3,923.43					
			02/28/33	4,004.12					
			08/28/33	4,086.48					
			02/28/34	4,170.54					
			08/28/34	4,256.32					

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
			DATE	AMOUNT					
Rio Grande II Continued					4.125%				
			02/28/35	\$ 4,343.86					
			08/28/35	4,433.21					
			02/28/36	4,524.40					
			08/28/36	4,617.45					
			02/28/37	4,712.43					
			08/28/37	4,809.36					
			02/28/38	4,908.27					
			08/28/38	5,009.24					
			02/28/39	5,112.26					
			08/28/39	5,217.42					
			02/28/40	5,324.73					
			08/28/40	5,434.25					
			02/28/41	5,546.03					
			08/28/41	5,660.10					
			02/28/42	5,776.52					
			08/28/42	5,895.34					
			02/28/43	6,016.59					
			08/28/43	6,140.35					
			02/28/44	6,266.64					
		08/28/44	6,395.54						
		02/28/45	6,527.09						
		08/28/45	6,661.33						
		02/28/46	6,798.36						
		08/28/46	6,938.18						
		02/28/47	4,186.44						
Miscellaneous Sewer I		02/28/07	\$1,435,000.00						
				02/28/15	\$ 9,877.73	4.125%	\$ 1,327,778.85	\$ 19,162.24	\$ 1,308,616.61
				08/28/15	10,080.90				
				02/28/16	10,288.24				
				08/28/16	10,499.86				
				02/28/17	10,715.83				
				08/28/17	10,936.24				
				02/28/18	11,161.17				
				08/28/18	11,390.75				
				02/28/19	11,625.04				
			08/28/19	11,864.14					
			02/28/20	12,108.18					

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, 2013	BALANCE DEC. 31, 2014
			OUTSTANDING DECEMBER 31, 2014	AMOUNT			
Miscellaneous Sewer Continued	08/28/20		\$ 12,357.22		4.125%		
	02/28/21		12,611.39				
	08/28/21		12,870.78				
	02/28/22		13,135.52				
	08/28/22		13,405.70				
	02/28/23		13,681.43				
	08/28/23		13,962.84				
	02/28/24		14,250.04				
	08/28/24		14,543.13				
	02/28/25		14,842.27				
	08/28/25		15,147.55				
	02/28/26		15,459.11				
	08/28/26		15,777.08				
	02/28/27		16,101.59				
	08/28/27		16,432.78				
	02/28/28		16,770.78				
	08/28/28		17,115.72				
	02/28/29		17,467.77				
	08/28/29		17,827.06				
	02/28/30		18,193.73				
	08/28/30		18,567.95				
	02/28/31		18,949.86				
	08/28/31		19,339.63				
	02/28/32		19,737.42				
	08/28/32		20,143.39				
	02/28/33		20,557.71				
	08/28/33		20,980.55				
	02/28/34		21,412.09				
	08/28/34		21,852.50				
	02/28/35		22,301.98				
	08/28/35		22,760.69				
	02/28/36		23,228.85				
	08/28/36		23,706.63				
	02/28/37		24,194.24				
	08/28/37		24,691.88				
	02/28/38		25,199.75				
	08/28/38		25,718.07				
	02/28/39		26,247.06				
	08/28/39		26,786.92				
	02/28/40		27,337.88				

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2013	BALANCE DEC. 31, 2014
			DATE	AMOUNT			
Miscellaneous Sewer Continued			08/28/40	\$ 27,900.19	4.125%		
			02/28/41	28,474.05			
			08/28/41	29,059.71			
			02/28/42	29,657.43			
			08/28/42	30,267.44			
			02/28/43	30,890.00			
			08/28/43	31,525.36			
			02/28/44	32,173.78			
			08/28/44	32,835.55			
			02/28/45	33,510.93			
			08/28/45	34,200.20			
			02/28/46	34,903.65			
			08/28/46	35,621.56			
			02/28/47	21,380.14			
	Park & Maple Wastewater	12/05/08	\$1,445,500.00	06/05/15	\$ 8,628.09	4.500%	\$ 1,372,331.11
			12/05/15	8,822.23			
			06/05/16	9,020.72			
			12/05/16	9,223.69			
			06/05/17	9,431.23			
			12/05/17	9,643.42			
			06/05/18	9,860.41			
			12/05/18	10,082.26			
			06/05/19	10,309.11			
			12/05/19	10,541.07			
			06/05/20	10,778.25			
			12/05/20	11,020.75			
			06/05/21	11,268.72			
			12/05/21	11,522.27			
			06/05/22	11,781.51			
		12/05/22	12,046.61				
		06/05/23	12,317.65				
		12/05/23	12,594.79				
		06/05/24	12,878.18				
		12/05/24	13,167.94				
		06/05/25	13,464.22				
		12/05/25	13,767.16				

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	BALANCE DEC. 31, 2014
			DATE	AMOUNT			
Park & Maple Wastewater Continued	06/05/26		\$ 14,076.93		4.500%		
	12/05/26		14,393.65				
	06/05/27		14,717.52				
	12/05/27		15,048.65				
	06/05/28		15,387.25				
	12/05/28		15,733.47				
	06/05/29		16,087.46				
	12/05/29		16,449.44				
	06/05/30		16,819.55				
	12/05/30		17,197.98				
	06/05/31		17,584.95				
	12/05/31		17,980.60				
	06/05/32		18,385.17				
	12/05/32		18,798.83				
	06/05/33		19,221.81				
	12/05/33		19,654.29				
	06/05/34		20,096.52				
	12/05/34		20,548.69				
	06/05/35		21,011.04				
	12/05/35		21,483.78				
	06/05/36		21,967.17				
	12/05/36		22,461.43				
	06/05/37		22,966.82				
	12/05/37		23,483.56				
	06/05/38		24,011.95				
	12/05/38		24,552.22				
06/05/39		25,104.64					
12/05/39		25,669.49					
06/05/40		26,247.06					
12/05/40		26,837.62					
06/05/41		27,441.46					
12/05/41		28,058.90					
06/05/42		28,690.22					
12/05/42		29,335.75					
06/05/43		29,995.81					
12/05/43		30,670.71					
06/05/44		31,360.80					
12/05/44		32,066.42					
06/05/45		32,787.92					
12/05/45		33,525.64					

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
			DATE	AMOUNT					
Park & Maple Wastewater Continued			06/05/46	\$ 34,279.97	4.500%				
			12/05/46	35,051.27					
			06/05/47	35,839.92					
			12/05/47	36,646.33					
			06/05/48	37,470.86					
			12/05/48	36,268.52					
Various Sewer Improvements	06/03/10	\$ 1,737,000.00	06/03/15	\$ 10,468.46	4.125%	\$ 1,672,114.85		\$ 20,306.53	\$ 1,651,808.32
			12/03/15	10,684.36					
			06/03/16	10,904.73					
			12/03/16	11,129.64					
			06/03/17	11,359.19					
			12/03/17	11,593.48					
			06/03/18	11,832.58					
			12/03/18	12,076.64					
			06/03/19	12,325.71					
			12/03/19	12,579.94					
			06/03/20	12,839.39					
			12/03/20	13,104.21					
			06/03/21	13,374.48					
			12/03/21	13,650.33					
			06/03/22	13,931.87					
			12/03/22	14,219.21					
			06/03/23	14,512.49					
			12/03/23	14,811.80					
			06/03/24	15,117.30					
			12/03/24	15,429.09					
		06/03/25	15,747.32						
		12/03/25	16,072.10						
		06/03/26	16,403.60						
		12/03/26	16,741.91						
		06/03/27	17,087.22						
		12/03/27	17,439.64						
		06/03/28	17,799.34						
		12/03/28	18,166.45						
		06/03/29	18,541.13						
		12/03/29	18,923.54						
		06/03/30	19,313.83						

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2013	BALANCE DEC. 31, 2014
			DATE	AMOUNT			
Various Sewer Improvements Continued	12/03/30		12/03/30	\$ 19,712.19	4.125%		
	06/03/31		06/03/31	20,118.75			
	12/03/31		12/03/31	20,533.70			
	06/03/32		06/03/32	20,957.21			
	12/03/32		12/03/32	21,389.45			
	06/03/33		06/03/33	21,830.60			
	12/03/33		12/03/33	22,280.86			
	06/03/34		06/03/34	22,740.41			
	12/03/34		12/03/34	23,209.43			
	06/03/35		06/03/35	23,688.12			
	12/03/35		12/03/35	24,176.69			
	06/03/36		06/03/36	24,675.33			
	12/03/36		12/03/36	25,184.26			
	06/03/37		06/03/37	25,703.69			
	12/03/37		12/03/37	26,233.82			
	06/03/38		06/03/38	26,774.90			
	12/03/38		12/03/38	27,327.13			
	06/03/39		06/03/39	27,890.75			
	12/03/39		12/03/39	28,466.00			
	06/03/40		06/03/40	29,053.11			
	12/03/40		12/03/40	29,652.33			
	06/03/41		06/03/41	30,263.91			
	12/03/41		12/03/41	30,888.11			
	06/03/42		06/03/42	31,525.17			
	12/03/42		12/03/42	32,175.37			
	06/03/43		06/03/43	32,839.00			
	12/03/43		12/03/43	33,516.29			
	06/03/44		06/03/44	34,207.58			
	12/03/44		12/03/44	34,913.10			
	06/03/45		06/03/45	35,633.19			
12/03/45		12/03/45	36,368.12				
06/03/46		06/03/46	37,118.21				
12/03/46		12/03/46	37,883.77				
06/03/47		06/03/47	38,665.13				
12/03/47		12/03/47	39,462.60				
06/03/48		06/03/48	40,276.51				
12/03/48		12/03/48	41,107.22				
06/03/49		06/03/49	41,955.05				
12/03/49		12/03/49	42,820.38				
06/03/50		06/03/50	40,409.90				

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
			DATE	AMOUNT					
Phase IIIB Wastewater	7/15/11	\$1,136,000.00	01/15/15	\$ 8,883.64	2.500%	\$ 1,102,052.37		\$ 17,656.08	\$ 1,084,396.29
			07/15/15	9,216.58					
			01/15/16	9,111.74					
			07/15/16	9,371.40					
			01/15/17	9,344.69					
			07/15/17	9,675.83					
			01/15/18	9,584.40					
			07/15/18	9,914.61					
			01/15/19	9,830.14					
			07/15/19	10,159.39					
			01/15/20	10,082.07					
			07/15/20	10,343.26					
			01/15/21	10,339.48					
			07/15/21	10,666.73					
			01/15/22	10,604.20					
			07/15/22	10,930.45					
			01/15/23	10,875.60					
			07/15/23	11,200.78					
			01/15/24	11,153.83					
			07/15/24	11,416.75					
			01/15/25	11,438.28					
			07/15/25	11,761.26					
			01/15/26	11,730.65					
			07/15/26	12,052.49					
			01/15/27	12,030.39					
			07/15/27	12,351.05					
			01/15/28	12,337.67					
			07/15/28	12,602.46					
			01/15/29	12,651.98					
			07/15/29	12,970.21					
			01/15/30	12,974.90					
			07/15/30	13,291.85					
			01/15/31	13,305.91					
			07/15/31	13,621.60					
		01/15/32	13,645.28						
		07/15/32	13,912.17						
		01/15/33	13,992.58						
		07/15/33	14,305.58						
		01/15/34	14,349.21						

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INT. RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
			OUTSTANDING DECEMBER 31, 2014	AMOUNT					
Phase IIIB Wastewater Continued	07/15/34		\$ 14,660.81		2.500%				
	01/15/35		14,714.82						
	07/15/35		15,025.00						
	01/15/36		15,089.63						
	07/15/36		15,358.82						
	01/15/37		15,473.36						
	07/15/37		15,780.56						
	01/15/38		15,867.25						
	07/15/38		16,172.92						
	01/15/39		16,271.04						
	07/15/39		16,575.14						
	01/15/40		16,684.98						
	07/15/40		16,956.72						
	01/15/41		17,108.97						
	07/15/41		17,409.78						
	01/15/42		17,544.00						
	07/15/42		17,843.11						
	01/15/43		17,989.96						
	07/15/43		18,287.34						
	01/15/44		18,447.17						
	07/15/44		18,721.72						
01/15/45		18,915.60							
07/15/45		19,209.36							
01/15/46		19,396.07							
07/15/46		19,687.96							
01/15/47		19,888.64							
07/15/47		20,178.59							
01/15/48		20,393.59							
07/15/48		20,671.25							
01/15/49		20,911.13							
07/15/49		21,197.08							
01/15/50		21,441.80							
07/15/50		21,725.69							
01/15/51		21,985.84							
07/15/51		22,779.50							

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS			INT. RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
			DATE	OUTSTANDING DECEMBER 31, 2014	AMOUNT					
Phase IIIA Wastewater	4/25/2014	\$1,064,000.00	04/25/15	\$ 7,918.76	2.500%	\$ -	\$ 1,064,000.00	\$ 7,821.00	\$1,056,179.00	
			10/25/15	8,017.75						
			04/25/16	8,117.97						
			10/25/16	8,219.44						
			04/25/17	8,322.19						
			10/25/17	8,426.21						
			04/25/18	8,531.54						
			10/25/18	8,638.19						
			04/25/19	8,746.16						
			10/25/19	8,855.49						
			04/25/20	8,966.19						
			10/25/20	9,078.26						
			04/25/21	9,191.74						
			10/25/21	9,306.63						
			04/25/22	9,422.97						
			10/25/22	9,540.76						
			04/25/23	9,660.01						
			10/25/23	9,780.77						
			04/25/24	9,903.02						
			10/24/24	10,026.82						
		04/25/25	10,152.15							
		10/25/25	10,279.05							
		04/25/26	10,407.54							
		10/25/26	10,537.63							
		04/25/27	10,669.35							
		10/25/27	10,802.72							
		04/25/28	10,937.75							
		10/25/28	11,074.48							
		04/25/29	11,212.91							
		10/25/29	11,353.07							
		04/25/30	11,494.98							
		10/25/30	11,638.67							
		04/25/31	11,784.15							
		10/25/31	11,931.45							
		04/25/32	12,080.60							
		10/25/32	12,231.60							
		04/25/33	12,384.50							
		10/25/33	12,539.31							
		04/25/34	12,696.05							
		10/25/34	12,854.74							

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

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014	
			DATE	AMOUNT						
Phase IIIA Wastewater Continued			04/25/35	\$ 13,015.44	2.500%					
			10/25/35	13,178.12						
			04/25/36	13,342.85						
			10/25/36	13,509.64						
			04/25/37	13,678.51						
			10/25/37	13,849.49						
			04/25/38	14,022.60						
			10/25/38	14,197.89						
			04/25/39	14,375.37						
			10/25/39	14,555.05						
			04/25/40	14,737.00						
			10/25/40	14,921.21						
			04/25/41	15,107.72						
			10/25/41	15,296.57						
			04/25/42	15,487.77						
			10/25/42	15,681.37						
			04/25/43	15,877.39						
			10/25/43	16,075.86						
			04/25/44	16,276.81						
			10/25/44	16,480.26						
			04/25/45	16,686.27						
			10/25/45	16,894.85						
			04/25/46	17,106.03						
			10/25/46	17,319.86						
			04/25/47	17,536.35						
			10/25/47	17,755.56						
			04/25/48	17,977.51						
			10/25/48	18,202.22						
		04/25/49	18,429.75							
		10/25/49	18,660.13							
		04/25/50	18,893.37							
		10/25/50	19,129.55							
		04/25/51	19,368.66							
		10/25/51	19,610.77							
		04/25/52	19,855.90							
		10/25/52	20,104.11							
		04/25/53	20,355.40							
		10/25/53	20,609.85							
		04/25/54	20,882.37							

\$ 5,732,917.20 \$ 1,064,000.00 \$ 85,368.96 \$ 6,711,548.24

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

Balance December 31, 2013		\$ 7,562,766.37
Increased by:		
Serial Bonds Payable	\$ 110,000.00	
USDA Loan Payable	85,368.96	
	195,368.96	195,368.96
Decreased by:		
Cancelled Prior Year Improvement Authorization	487.32	
	487.32	487.32
Balance December 31, 2014		\$ 7,757,648.01

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

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	Fixed Capital Authorized	To Reserve for Amortization	Canceled	Balance Dec. 31, 2014
845-11	Sewer Phase IIIB Project	04/13/11	\$ 10,000.00				\$ 10,000.00
901-12	Miscellaneous Sewer III A	03/14/12	708,000.00				708,000.00
914-12	Sewer Capital Improvements	04/18/12	7,000.00				7,000.00
976-13	Sewer Capital Improvements	08/14/13	1,484,000.00				1,484,000.00
997-14	Sewer Capital Improvements	03/12/14		\$ 12,600.00			12,600.00
1015-14	Sewer System Improvements	11/12/14		8,000.00			8,000.00
			<u>\$ 2,209,000.00</u>	<u>\$ 20,600.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,229,600.00</u>

SEE ACCOMPANYING AUDITOR'S REPORT

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

Balance December 31, 2013		\$ 43,507.38
Increase by:		
2014 Budget Appropriation	\$ -	-
		43,507.38
Decreased by:		
Appropriated to Finance Improvement Authorizations	20,600.00	20,600.00
Balance December 31, 2014		\$ 22,907.38

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE Dec. 31, 2013	2014 AUTHORIZATIONS	Notes Issued	Cancelled	BALANCE Dec. 31, 2014
976-13	Sewer Capital Improvements	\$ 2,236,000.00	-	\$ 2,236,000.00		\$ -
997-14	Sewer Capital Improvements		250,000.00	250,000.00		-
1015-14	Sewer System Improvements		147,000.00			147,000.00
		<u>\$ 2,236,000.00</u>	<u>\$ 397,000.00</u>	<u>\$ 2,486,000.00</u>	<u>-</u>	<u>\$ 147,000.00</u>

SEE ACCOMPANYING AUDITOR'S REPORT

CITY OF WILDWOOD

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

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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
- Lateral Files
- 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 February 12, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"NOW, THEREFORE, BE IT RESOLVED, effective January 1, 2014 all taxes and assessments which are delinquent on or subsequent to January 1, 2014 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 16, 2014 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>
2014	27
2013	14
2012	8
2011	36
2010	12

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 2015 and 2014 Taxes	10
Payment of 2015 and 2014 Water Utility Bills	10
Payment of 2015 and 2014 Sewer Utility Bills	10
Delinquent Taxes & Utilities	3
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>
2014	32,670,098	32,529,646	99.57%
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%

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	2.260	1.971	1.936	1.895	1.834
Apportionment of Tax Rate:					
Municipal	1.273	1.103	1.088	1.088	1.089
County	0.257	0.235	0.237	0.212	0.219
School	0.730	0.633	0.611	0.595	0.526
Assessed Valuation	1,419,109,158	1,541,551,466	1,571,191,163	1,573,574,454	1,778,832,252

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>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of Tax <u>Levy</u>
2014	110,836	14,365	125,201	0.38%
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%

Other Financial Statement Findings

NONE

STATUS OF PRIOR RECOMMENDATIONS

NONE

RECOMMENDATIONS

None

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

Very truly yours,

Michael S. Garcia, CPA

Michael S. Garcia, CPA,
Registered Municipal Accountant
No. 472

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

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

May 22, 2015