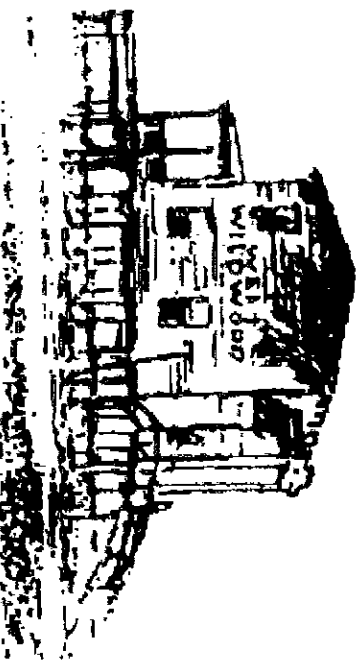
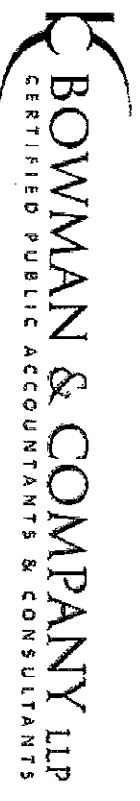


**BOROUGH OF
WEST WILDWOOD
COUNTY OF CAPE MAY**



**REPORT OF AUDIT
FOR THE YEAR ENDED
December 31, 2013**



75 YEARS OF SERVICE
— 1939-2014 —

BOROUGH OF WEST WILDWOOD
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BOROUGH OF WEST WILDWOOD

PART 1

**REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Board of Commissioners
Borough of West Wildwood
West Wildwood, New Jersey 08260

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2013, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents. The financial statements of the Borough of West Wildwood as of December 31, 2012 were audited by other auditors whose report dated April 5, 2013 expressed an unmodified opinion on the financial statements presented in accordance with the regulatory basis of accounting and an adverse opinion the financial statements presented in accordance with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Borough'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.



14600

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of 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 the State 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 the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2013, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to above do not include the general fixed assets account group, as required by N.J.A.C. 5:30-5.6, because a record of general fixed assets was not maintained by the Borough. The amount that should be recorded in the general fixed assets account group is not known.

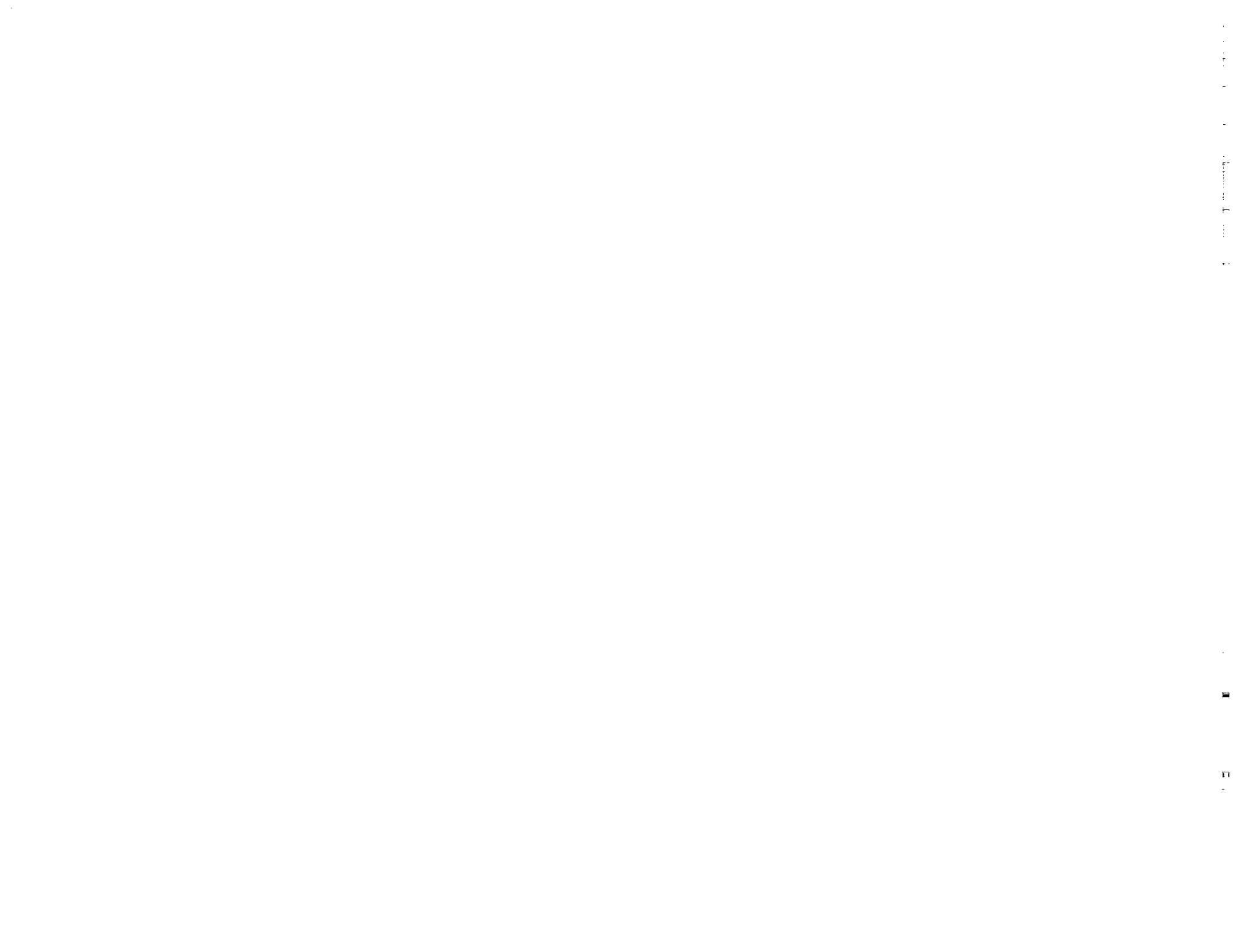
Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effect of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2013, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 27, 2014 on our consideration of the Borough of West Wildwood's, in the County of Cape May, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of West Wildwood's internal control over financial reporting.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

John F. Dailey, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 27, 2014



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the 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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated May 27, 2014. That report indicated that the Borough of West Wildwood's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, records for general fixed assets were not maintained as required by N.J.A.C. 5-30-5.6.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of West Wildwood's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough of West Wildwood's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 Borough's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Recommendations to be a material weakness: 2013-1.



14600

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. We consider the deficiencies described in the accompanying Schedule of Findings and Recommendations to be significant deficiencies: 2013-2 and 2013-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Borough of West Wildwood'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Schedule of Findings and Recommendations as items 2013-1 and 2013-2.

The Borough of West Wildwood's Response to Findings

The Borough of West Wildwood's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Recommendations. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

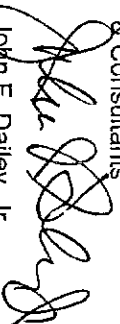
Purpose of this Report

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 Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 27, 2014

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

LIABILITIES, RESERVES AND FUND BALANCE:	Ref.	2013	2012
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-9	\$ 175,611.11	\$ 106,708.10
Reserve for Encumbrances	A-3, SA-9	7,305.32	61,844.35
Accounts Payable	SA-10	7,763.12	7,763.12
Prepaid Taxes	SA-11	50,062.44	45,328.48
Tax Overpayments	SA-12	4,959.74	28,735.01
Due to County -- Added and Omitted Taxes	SA-14	349.65	45.24
Due Local School Tax Payable	SA-15	1.00	60,411.00
Due to Wildwood Water Department	SA-16	30.00	297.67
Due to Federal and State Grant Fund	SA-18	148,515.33	165,785.78
Due to Trust Other Fund	SB-5	4,747.09	20,000.00
		<u>399,344.80</u>	<u>496,918.75</u>
Reserves for Receivables and Other Assets		418,478.28	475,471.87
Fund Balance	A-1	505,953.92	439,954.15
Total Current Fund		<u>1,323,777.00</u>	<u>1,412,344.77</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants -- Unappropriated	SA-19	29,337.51	29,337.51
Reserve for Federal and State Grants -- Appropriated	SA-20	822,885.50	842,851.95
Reserve for Encumbrances	SA-20	3,196.00	500.00
Total Federal and State Grant Fund		<u>855,419.01</u>	<u>872,689.46</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,179,196.01</u>	<u>\$ 2,285,034.23</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD
CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2013 and 2012

ASSETS:	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Regular Fund:			
Cash	SA-1	\$ 900,573.72	\$ 933,972.25
Change Fund	SA-3	100.00	200.00
Due from State of New Jersey -- Veterans' and Senior Citizens' Deductions	SA-4	4,625.00	1,625.00
		<u>905,298.72</u>	<u>935,797.25</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	114,882.38	152,827.25
Tax Title Liens Receivable	SA-6	209,426.68	211,577.42
Revenue Accounts Receivable	SA-7	439.27	
Due from Dog License Fund	SB-2	21.27	185.35
Due from Trust Other Fund	SB-5		45,863.91
Due from General Capital Fund	SC-4	12,860.50	17.94
Due from Water/Sewer Utility Operating Fund	SD-14	80,848.18	
Due from Water/Sewer Utility Capital Fund	SD-15		65,000.00
		<u>418,478.28</u>	<u>475,471.87</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves	SA-8		1,075.65
		<u>1,323,777.00</u>	<u>1,412,344.77</u>
Total Current Fund			
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-17	706,903.68	706,903.68
Due from Current Fund	SA-18	148,515.33	165,785.78
		<u>855,419.01</u>	<u>872,689.46</u>
Total Federal and State Grant Fund			
Total Assets		<u>\$ 2,179,196.01</u>	<u>\$ 2,285,034.23</u>

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 330,000.00	\$ 377,350.55
Miscellaneous Revenues Anticipated	201,136.08	377,422.53
Receipts from Delinquent Taxes	206,325.25	118,398.78
Receipts from Current Taxes	3,062,256.25	3,175,730.31
Non-Budget Revenues	99,757.81	86,187.99
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	136,033.66	94,684.90
Interfunds Returned		417.94
Cancellation of Tax Overpayments	22,761.20	
Liquidation of Reserve for:		
Due Dog License Fund	164.08	
Due Trust Other Fund	45,963.83	
Due Water Sewer Utility Capital Fund	65,000.00	
Total Income	<u>4,169,398.16</u>	<u>4,230,193.00</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	816,600.00	570,605.00
Other Expenses	835,660.00	743,260.00
Deferred Charges and Regulatory Expenditures Within "CAPS"	98,408.65	401,374.95
Operations Excluded from "CAPS":		
Other Expenses	108,920.83	220,294.21
Capital Improvements Excluded from "CAPS"		127,500.00
Deferred Charges excluded from "CAP"	16,697.20	50,276.00
Municipal Debt Service Excluded from "CAPS"	584,279.10	35,695.88
County Taxes	349.65	45.24
County Added and Omitted Taxes	1,211,727.00	1,394,011.00
Local District School Tax	2,486.40	25,714.20
Refund Prior Revenue		
Federal and State Grant Fund --		
Overexpenditure of Appropriated Reserve	4,500.00	
Deductions Disallowed by Collector -- Prior Year Taxes		
Creation of Reserves for:		
Due Dog License Fund	78.82	
Due General Capital Fund	12,842.56	17.94
Due Water/Sewer Utility Operating Fund	80,848.18	
Total Expenditures	<u>3,773,398.39</u>	<u>4,156,220.33</u>

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Excess in Revenue	\$ 395,999.77	\$ 73,972.67
<u>Fund Balance</u>		
Balance Jan. 1	<u>439,954.15</u>	<u>\$ 743,332.03</u>
Decreased by:		
Utilization as Anticipated Revenue	835,953.92	817,304.70
Balance December 31	<u>330,000.00</u>	<u>377,350.55</u>
	<u>\$ 505,953.92</u>	<u>\$ 439,954.15</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2013

	Anticipated <u>Budget</u>	Special <u>N.J.S.A. 40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ 330,000.00	-	\$ 330,000.00	-
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	800.00		1,020.00	\$ 220.00
Other	21,928.00		22,590.00	662.00
Interest and Costs on Taxes	26,450.00		45,574.25	19,124.25
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	40,531.00		40,531.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Unappropriated Reserves:				
USDA - Rural Development Grant		\$ 31,500.00	31,500.00	
Clean Communities Program		4,000.00	4,000.00	
Body Armor Replacement Fund		1,184.99	1,184.99	
Recycling Tonnage Grant		2,235.84	2,235.84	
Walmart Police	2,500.00		2,500.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Administration from Utility	50,000.00		50,000.00	
Total Miscellaneous Revenues	142,209.00	38,920.83	201,136.08	20,006.25
Receipts from Delinquent Taxes	158,370.00	-	206,325.25	47,955.25

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Revenues -- Regulatory Basis
 For the Year Ended December 31, 2013

Excess or	Realized	Special	Anticipated
(Deficit)		N.J.S.A. 40A:4-87	Budget

\$ 47,950.50	\$ 1,479,179.50	-	\$ 1,431,229.00
115,912.00	2,216,640.83	38,920.83	\$ 2,061,808.00
99,757.81	99,757.81		
\$ 215,669.81	\$ 2,316,398.64	38,920.83	\$ 2,061,808.00

Amount to be Raised by Taxes for Support of Municipal Budget:
 Local Tax for Municipal Purposes Including Reserve for
 Uncollected Taxes

Budget Totals

Non-Budget Revenues

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Revenues -- Regulatory Basis
 For the Year Ended December 31, 2013

<u>Analysis of Realized Revenues</u>	
Allocation of Current Tax Collections:	\$ 3,062,256.25
Revenue from Collections	
Allocated to:	
Schools and County Taxes	1,796,355.75
Balance for Support of Municipal Budget Appropriations	1,265,900.50
Add: Appropriation "Reserve for Uncollected Taxes"	213,279.00
Amount for Support of Municipal Budget Appropriations	\$ 1,479,179.50
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 157,323.30
Tax Title Liens	49,001.95
	\$ 206,325.25

Analysis of Non-Budget Revenues

Revenue Accounts Receivable:		\$ 6,004.58
Cable Television Franchise Tax		
Interest Earned on Deposits		
Current Fund	\$ 4,215.52	
Dog License Fund	1.71	
Trust Other Fund	4,304.29	
General Capital Fund	3,061.98	
		11,583.50

Clerk:		
Street Openings	125.00	
Bulk Trash	328.00	
Copies and Maps	117.40	
Reimbursements	75.00	
Planning and Zoning	1,925.00	
Fees & Permits	494.55	
Dumpster Permits	1,700.00	
		4,764.95

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Revenues -- Regulatory Basis
 For the Year Ended December 31, 2013

Analysis of Non-Budget Revenues (Cont'd)

Revenue Accounts Receivable (Cont'd):	
Municipal Court:	
Fines and Costs	\$ 10,033.94
 Treasurer:	
Due General Capital -	
Accrued Interest on Bond Anticipation Notes	725.56
Receipts:	
Due State of New Jersey -- Veterans	315.00
and Senior Citizens - Administrative Fee	57,669.78
FEMA - Hurricane Sandy	8,660.50
Other Miscellaneous	<u>66,645.28</u>
	<u>\$ 99,757.81</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2013

	Budget	Budget After Modification	Paid or Charged		Unexpended Balance Canceled
			Expended	Encumbered	
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration					
Salaries and Wages	\$ 42,500.00	\$ 44,000.00	\$ 42,796.45		\$ 1,203.55
Other Expenses	31,000.00	31,000.00	26,386.95	\$ 11.70	4,601.35
Mayor and Commissioners					
Salaries and Wages	22,000.00	22,000.00	21,899.88		100.12
Municipal Clerk					
Salaries and Wages	90,000.00	90,000.00	89,771.49		228.51
Other Expenses	10,000.00	10,000.00	3,813.78		6,186.22
Financial Department					
Salaries and Wages	55,000.00	55,000.00	54,118.14		881.86
Other Expenses	5,000.00	5,000.00	2,415.79		2,584.21
Audit Services					
Other Expenses	35,000.00	35,000.00	35,000.00		
Data Processing					
Other Expenses	44,000.00	44,000.00	37,918.94		6,081.06
Collection of Taxes					
Salaries and Wages	13,000.00	13,000.00	10,927.45		2,072.55
Other Expenses	2,500.00	2,500.00	1,001.43		1,498.57
Assessment of Taxes					
Salaries and Wages	12,000.00	12,000.00	12,000.00		
Legal Services and Costs					
Other Expenses	75,000.00	84,000.00	74,814.25		9,185.75
Engineering Services					
Other Expenses	10,000.00	10,000.00	6,018.75		3,981.25
Land Use Administration:					
Planning Board					
Salaries and Wages	7,500.00	7,500.00	7,000.08		499.92
Insurance:					
Liability Insurance	93,000.00	93,000.00	66,158.00		26,842.00
Worker's Compensation	38,000.00	38,000.00	23,978.00		14,022.00
Group Employee Insurance	146,000.00	146,000.00	141,783.09		4,216.91
Unemployment Compensation Insurance	40,000.00	14,060.00	54.00		14,006.00

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(Continued)

**BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2013**

Unexpended Balance Canceled	Reserved	Paid or Charged Encumbered	Expended	Budget After Modification	Budget	Public Safety Functions:
					\$ 50,000.00	Administrator
					\$ 50,000.00	Salaries and Wages
						Police Department
					325,000.00	Salaries and Wages
					61,400.00	Other Expenses
		\$ 6,918.81	\$ 50,394.76	61,400.00		Office of Emergency Management
					1,500.00	Salaries and Wages
					500.00	Other Expenses
					2,500.00	Aid to Volunteer Fire Companies
					7,000.00	Fire Department
					7,000.00	Other Expenses
	272.05	6,656.78	7,320.00	10,800.00	10,800.00	Fire Hydrant Service
					2,000.00	Municipal Prosecutor's Office
					1,000.00	Salaries and Wages
					1,000.00	Municipal Court
					2,583.34	Salaries and Wages
					2,600.00	Public Defender
					1,000.00	Other Expenses
						Public Work Functions:
					194,500.00	Public Works
					174,804.85	Salaries and Wages
					25,000.00	Other Expenses
					51,000.00	Solid Waste Collection
					51,000.00	Other Expenses
					51,000.00	Buildings and Grounds
					14,500.00	Health and Human Services Functions:
					3,500.00	Animal Control Services
					3,500.00	Other Expenses
						Park and Recreation Functions:
					1,000.00	Parks and Recreation
					1,000.00	Other Expenses
					1,000.00	Maintenance of Parks
					1,000.00	Other Expenses
						Celebration of Public Events
					1,000.00	Other Expenses

OPERATIONS -- WITHIN "CAPS" (CONT'D)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2013

	Budget	Budget After Modification	Paid or Charged		Unexpended Balance Canceled
			Expended	Encumbered	
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Utility Expenses and Bulk Purchases:					
Electricity	\$ 21,000.00	\$ 16,500.00	\$ 13,365.66		\$ 3,134.34
Street Lighting	15,000.00	24,000.00	21,438.61		2,561.39
Telephone / Communications	25,000.00	25,000.00	19,559.33		5,440.67
Natural Gas	8,000.00	10,400.00	8,078.35	\$ 102.76	2,218.89
Gasoline / Diesel	20,000.00	22,500.00	20,295.44		2,204.56
Water	6,000.00	6,000.00	693.84		5,306.16
Landfill / Solid Waste Disposal Costs:					
Landfill Fees	42,000.00	39,500.00	25,350.00		14,150.00
Total Operations - within "CAPS"	1,661,700.00	1,652,260.00	1,473,042.76	7,305.32	171,911.92
Detail:					
Salaries and Wages	-	816,600.00	787,126.96	-	29,473.04
Other Expenses	-	835,660.00	685,915.80	7,305.32	142,438.88
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"					
Deferred Charges:					
Overexpenditure of Appropriation Reserves	1,076.00	1,076.00	1,075.65		\$ 0.35
Regulatory Expenditures:					
Contribution to:					
Police and Firemen's Retirement System	18,534.00	18,534.00	18,534.00		
Public Employees' Retirement System	17,559.00	17,599.00	17,596.46		2.54
Social Security System (O.A.S.I.)	60,975.00	60,975.00	57,339.10		3,635.90
Defined Contribution Retirement Plan	225.00	225.00	164.25		60.75
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"	98,369.00	98,409.00	94,709.46	-	3,699.19
Total General Appropriations for Municipal Purposes within "CAPS"	1,760,069.00	1,750,669.00	1,567,752.22	7,305.32	175,611.11

(Continued)

**BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2013**

	Budget	Budget After Modification	Expended	Paid or Charged	Encumbered	Reserved	Unexpended Balance	Cancelled
OPERATIONS -- EXCLUDED FROM "CAPS"								
Interlocal Municipal Service Agreements:								
Police Dispatcher	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00					
Ambulance Fees	14,100.00	15,000.00	15,000.00					
Borough of Wildwood Court	9,000.00	17,500.00	17,500.00					
Public and Private Programs Offset by Revenues:								
Unappropriated Reserves:								
USDA - Rural Development Grant -- (N.J.S.A. 40A:87 §31,500.00+)	31,500.00	31,500.00	31,500.00					
Clean Communities Program -- (N.J.S.A. 40A:87 §4,000.00)	4,000.00	4,000.00	4,000.00					
Body Armor Replacement Fund -- (N.J.S.A. 40A:87 §1,184.99+)	1,184.99	1,184.99	1,184.99					
Recycling Tonnage Grant -- (N.J.S.A. 40A:87 §2,235.84+)	2,235.84	2,235.84	2,235.84					
Walmar Police	2,500.00	2,500.00	2,500.00					
Total Operations -- Excluded from "CAPS"	60,600.00	108,920.83	108,920.83					
Detail:								
Salaries and Wages	-	-	-					
Other Expenses	-	-	-					
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"								
Payment of Bond Anticipation Notes and Capital Notes	11,000.00	11,000.00	11,000.00				11,000.00	
Interest on Notes	16,860.00	16,860.00	16,860.00					
Total Municipal Debt Service -- Excluded from "CAPS"	27,860.00	27,860.00	27,860.00	16,997.20				11,162.80
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	88,460.00	136,780.83	125,618.03					11,162.80
Subtotal General Appropriations Reserve for Uncollected Taxes	1,848,529.00	1,887,449.83	1,693,970.25	\$ 7,305.32	\$ 175,611.11		11,163.15	
Total General Appropriations (Carried Forward)	\$ 2,061,808.00	\$ 2,100,728.83	\$ 1,906,649.25	\$ 7,305.32	\$ 175,611.11		11,163.15	

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2013

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
Total General Appropriations (Brought Forward)	\$ 2,061,808.00	\$ 2,100,728.83	\$ 1,906,649.25	\$ 7,305.32	\$ 175,611.11	\$ 11,163.15
Appropriation by 40A:4-87 Budget		\$ 38,920.83 <u>2,061,808.00</u>				
		\$ 2,100,728.83				
Refunds			\$ (39,996.78)			
Deferred Charges			1,075.65			
Reserve for Federal and State Grants -- Appropriated			41,420.83			
Reserve for Uncollected Taxes			213,279.00			
Disbursements			<u>1,690,870.55</u>			
			\$ 1,906,649.25			

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD
TRUST FUNDS**

Statements of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2013 and 2012

ASSETS:	Ref.	2013	2012
Dog License Fund:			
Cash and Investment	SB-1	\$ 355.67	\$ 291.75
Total Dog License Fund		<u>355.67</u>	<u>291.75</u>
Other Funds:			
Cash and Investment	SB-1	112,697.97	168,181.00
Due from Current Fund	SB-5	4,747.09	20,000.00
Total Other Funds		<u>117,445.06</u>	<u>188,181.00</u>
Total Assets		<u>\$ 117,800.73</u>	<u>\$ 188,472.75</u>
LIABILITIES AND RESERVES:			
Dog License Fund:			
Due to Current Fund	SB-2	\$ 21.27	\$ 185.35
Reserve for Dog License Fund Expenditures	SB-3	334.40	106.40
Total Dog License Fund		<u>355.67</u>	<u>291.75</u>
Other Funds:			
Due to Current Fund	SB-5		45,863.91
Reserve for Payroll Deductions Payable	SB-6	5,617.46	4,548.01
Miscellaneous Trust Reserves			
Unemployment Compensation Insurance	SB-7	20,106.68	16,202.98
Tax Title Lien Redemption	SB-7	19,786.92	30,173.51
Uniform Fire Safety Act Penalty Monies	SB-7	15,262.87	16,797.79
Planning and Zoning	SB-7	2,480.23	21,330.23
Parking Offense Adjudication Act	SB-7	4.00	
Disposal of Forfeited Property	SB-7	2,147.72	2,147.72
Accumulated Absences	SB-7	40,250.00	40,250.00
Pavers, Park Benches & Park Equipment Donations	SB-7	11,789.18	10,866.85
Total Other Funds		<u>117,445.06</u>	<u>188,181.00</u>
Total Liabilities and Reserves		<u>\$ 117,800.73</u>	<u>\$ 188,472.75</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

ASSETS:	Ref.	2013	2012
Cash	SC-1, SC-2	\$ 1,361,826.47	\$ 55,714.33
Deferred Charges to Future Taxation:			
Unfunded	SC-3	<u>3,225,224.00</u>	<u>2,754,974.00</u>
Total Assets		<u>\$ 4,587,050.47</u>	<u>\$ 2,810,688.33</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Reserve for Payment of Debt Due to Current Fund Improvement Authorizations:			
Unfunded	C	\$ 336.53	\$ 336.53
Capital Improvement Fund	SC-4	12,860.50	17.94
Bond Anticipation Notes	SC-5	1,946,904.55	1,619,153.97
Fund Balance	SC-6	47,662.00	72,412.00
	SC-7	2,575,224.00	1,116,248.00
	C-1	<u>4,062.89</u>	<u>2,519.89</u>
Total Liabilities and Reserves		<u>\$ 4,587,050.47</u>	<u>\$ 2,810,688.33</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Statement of Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 2,519.89
Increased by:	
Premium on Sale of Bond Anticipation Notes	1,543.00
Balance December 31, 2013	\$ 4,062.89

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

ASSETS:	Ref.	2013	2012
Operating Fund:			
Cash	SD-1	\$ 144,644.71	\$ 130,722.55
Due Sewer Utility Capital Fund	SD-16	11.33	
		<u>144,656.04</u>	<u>130,722.55</u>
Receivables with Full Reserves:			
Sewer Consumer Accounts Receivable	SD-4	37,932.20	42,545.91
Sewer Liens Receivable	SD-5		1,409.51
Water Liens Receivable	SD-6		352.34
		<u>37,932.20</u>	<u>44,307.76</u>
Total Operating Fund		<u>182,588.24</u>	<u>175,030.31</u>
Capital Fund:			
Cash	SD-1	23,421.33	27,346.04
Fixed Capital	SD-7	4,071,742.80	3,975,813.00
Fixed Capital Authorized and Uncompleted	SD-8		100,000.00
Total Capital Fund		<u>4,095,164.13</u>	<u>4,103,159.04</u>
Total Assets		<u>\$ 4,277,752.37</u>	<u>\$ 4,278,189.35</u>

(Continued)

**BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2013 and 2012

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Appropriation Reserves	D-3, SD-9	\$ 3,629.23	\$ 11,677.34
Sewer Rent Overpayments	SD-10	4,633.73	4,492.13
Water Rent Overpayments	SD-11		208.44
Prepaid Sewer Rents	SD-12	15,278.47	18,260.54
Accrued Interest on Bonds and Notes	SD-13	19,911.30	20,478.11
Due to Current Fund	SD-14	80,848.18	
		<u>124,300.91</u>	<u>55,116.56</u>
Reserve for Receivables		37,932.20	44,307.76
Fund Balance	D-1	20,355.13	75,605.99
		<u>182,588.24</u>	<u>175,030.31</u>
Total Operating Fund			
Capital Fund:			
Due Current Fund	SD-15		65,000.00
Due Sewer Utility Operating Fund	SD-16	11.33	8.28
Capital Improvement Fund	SD-17	16,000.00	16,000.00
Improvement Authorizations:			
Funded	SD-18		15,250.00
Unfunded	SD-18		7,087.76
Reserve for Amortization	SD-19	2,930,705.75	2,802,295.90
Deferred Reserve for Amortization	SD-20		24,000.00
General Serial Bonds	SD-21	1,141,037.05	1,173,517.10
Fund Balance	SD-3	7,410.00	
		<u>4,095,164.13</u>	<u>4,103,159.04</u>
Total Capital Fund			
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,277,752.37</u>	<u>\$ 4,278,189.35</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY OPERATING FUND
Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 60,000.00	\$ 433,860.27
Rents	475,743.88	10,130.00
Miscellaneous	12,628.44	
Other Credits to Income:		
Adjustment to Prior Year Interfund Receivable	8.28	
Water Rent Overpayments Cancelled	208.44	
Unexpended Balance of Appropriation Reserves	77.34	44,962.24
Total Income	<u>548,666.38</u>	<u>488,952.51</u>
<u>Expenditures</u>		
Operating	374,999.81	326,983.00
Capital Improvements	10,920.00	
Debt Service	89,085.19	88,572.06
Regulatory Expenditures	68,912.24	3,098.52
Deferred Charges		
Total Expenditures	<u>543,917.24</u>	<u>418,653.58</u>
Regulatory Excess to Surplus	4,749.14	70,298.93
<u>Fund Balance</u>		
Balance January 1	<u>75,605.99</u>	<u>5,307.06</u>
Decreased by:		
Utilized as Revenue in Water / Sewer Utility Operating Budget	80,355.13	75,605.99
Balance December 31	<u>\$ 20,355.13</u>	<u>\$ 75,605.99</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY OPERATING FUND
 Statement of Revenues -- Regulatory Basis
 For the Year Ended December 31, 2013

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 60,000.00	\$ 60,000.00	-
Rents - Sewer	400,291.00	400,291.00	
Miscellaneous	8,052.00	12,628.44	\$ 4,576.44
Increase in Sewer Rents			
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:			
Additional Rents	75,575.00	75,452.88	(122.12)
	<u>\$ 543,918.00</u>	<u>\$ 548,372.32</u>	<u>\$ 4,454.32</u>
<u>Analysis of Realized Revenues:</u>			
Rents:			
Consumer Accounts Receivable		\$ 473,145.03	
Collections made by the Current Fund --			
Water Utility Liens		352.34	
Sewer Utility Liens		<u>2,246.51</u>	
			<u>\$ 475,743.88</u>
Miscellaneous:			
Interest and Costs on Delinquent Rents:			
Collector		\$ 11,192.46	
Collected by Current Fund		<u>103.89</u>	
			11,296.35
Treasurer:			
Receipts:			
Interest Earned on Deposits		1,217.63	
Interest Earned in the Water Sewer Capital Fund		<u>114.46</u>	
			<u>1,332.09</u>
			<u>\$ 12,628.44</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY OPERATING FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2013

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
Water / Sewer Operating:						
Salaries and Wages						
Other Expenses	\$ 325,000.00	\$ 324,999.81	\$ 321,863.02		\$ 3,136.79	
Current Fund Allocation	50,000.00	50,000.00	50,000.00			
Total Operating	375,000.00	374,999.81	371,863.02	-	3,136.79	-
Capital Improvements:						
Equipment Purchase	10,920.00	10,920.00	10,427.56		492.44	
Debt Service:						
Payment of Bond Principal	32,480.00	32,480.05	32,480.05			
Interest on Bonds	56,605.00	56,605.14	56,605.14			
Total Debt Service	89,085.00	89,085.19	89,085.19	-	-	-
Deferred Charges:						
Deferred Reserve	68,913.00	68,913.00	68,912.24			\$ 0.76
Total Appropriations	\$ 543,918.00	\$ 543,918.00	\$ 540,288.01	-	\$ 3,629.23	\$ 0.76
Disbursements			\$ 154,892.29			
Accrued Interest on Bonds and Notes			56,605.14			
Due Current Fund			341,885.17			
Refunds			(13,094.59)			
			\$ 540,288.01			

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of West Wildwood was incorporated in April 21, 1920 and is located in the southeastern portion of Cape May County. The Borough is a small island that is connected to the City of Wildwood and bordered by The City of North Wildwood and Middle Borough. The population estimate by the U.S. Department of Census as of April 2010 is 603. The Borough provides the following services: public safety, recreation, public improvements, planning and zoning and general administrative services.

The Borough is governed by an elected, three member commission form of government, with the Mayor appointed annually by the commission members. The commission is comprised of three individuals serving concurrent four year terms.

Component Units - The Borough of West Wildwood had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of West Wildwood contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of West Wildwood accounts for its financial transactions through the use of separate funds which are described as follows:

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

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

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

Water / Sewer Utility Operating and Capital Funds - The Water / Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Water / Sewer Utility. The water operations were sold to the City of Wildwood in 2011.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)**

Budgets and Budgetary Accounting - The Borough of West Wildwood must adopt an annual budget for its current and water / sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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 costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balances included in the current fund and utility operating fund represent amounts available for anticipation as revenue in future year's budgets, with certain restrictions.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Cape May and the City of Wildwood School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the City of Wildwood School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Cape May. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Utility Capital Funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition.

As of December 31, 2013, none of the Borough's bank balances of \$2,588,865.73 was exposed to custodial credit risk.

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$ 1.278</u>	<u>\$ 1.329</u>	<u>\$ 1.311</u>	<u>\$ 1.219</u>	<u>\$ 1.171</u>
Apportionment of Tax Rate:					
Municipal	\$0.566	\$0.551	\$0.535	\$0.528	\$0.405
County	0.232	0.231	0.230	0.211	0.238
Local School	0.480	0.547	0.546	0.480	0.528

Assessed Valuation

2013	\$ 252,965,990.00
2012	255,132,439.00
2011	255,446,568.00
2010	263,300,975.00
2009	273,542,044.00

Note 3: PROPERTY TAXES (CONT'D)

<u>Comparison of Tax Levies and Collections</u>			<u>Percentage of Collections</u>
<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	
2013	\$ 3,234,831.41	\$ 3,062,256.25	94.67%
2012	3,390,970.79	3,173,955.30	93.60%
2011	3,363,554.78	3,185,516.39	94.71%
2010	3,211,296.64	2,983,422.01	92.90%
2009	3,205,226.59	2,971,901.29	92.72%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$ 209,426.68	\$ 114,882.38	\$ 324,309.06	10.03%
2012	211,577.42	152,827.25	364,404.67	10.75%
2011	138,916.10	133,509.47	272,425.57	8.10%
2010	32,150.46	214,409.26	246,559.72	7.68%
2009	27,887.37	164,695.95	192,583.32	6.01%

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</u>
2013	33
2012	33
2011	26
2010	8
2009	7

Note 4: WATER/ SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of water / sewer utility service charges (rents) for the current and previous four years.

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2013	\$ 42,545.91	1,409.51	\$ 473,076.00	\$ 517,031.42	\$ 475,391.54
2012	23,090.90	1,409.51	453,315.28	477,815.69	433,860.27
2011	32,215.48	717.51	375,456.00	408,388.99	358,411.26
2010	48,165.33	-	334,217.60	382,382.93	349,687.95
2009	38,864.33	-	395,404.22	434,268.55	393,633.88

Note 4: WATER/SEWER UTILITY SERVICE CHARGES (CONT'D)

Water Utility Service Charges

Year	Balance Beginning of Year Receivable	Liens	Levy	Total	Cash Collections
2013	-	\$ 352.34	-	\$ 352.34	\$ 352.34
2012	-	352.34	-	352.34	-
2011	\$ 272.60	464.34	-	736.94	-
2010	3,529.38	-	\$ 404.59	3,933.97	3,388.77
2009	11,792.47	-	269,597.85	281,390.32	93,073.87

Note 5: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

Year	Balance Dec. 31	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
<u>Current Fund</u>			
2013	\$ 505,953.92	\$ 450,200.00	88.98%
2012	439,954.15	330,000.00	75.01%
2011	743,332.03	377,350.55	50.76%
2010	422,193.75	156,572.00	37.09%
2009	929,693.75	575,000.00	61.85%
<u>Water/Sewer Operating Fund</u>			
2013	\$ 20,355.13	\$ 10,000.00	49.13%
2012	75,605.99	60,000.00	79.36%
2011	5,307.06	-	0.00%
2010	64,867.13	59,560.07	91.82%
2009	165,367.13	100,500.00	60.77%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2013:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 93,729.95	\$ 153,262.42
Federal and State Grant Fund	148,515.33	
Dog License Fund		21.27
Trust Other Fund	4,747.09	
General Capital Fund		12,860.50
Water/Sewer Utility Operating Fund	11.33	80,848.18
Water/Sewer Utility Capital Fund		11.33
	<u>\$ 247,003.70</u>	<u>\$ 247,003.70</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2014, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

The Borough of West Wildwood contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, Borough employees can participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 7: PENSION PLANS (CONT'D)

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Funded by Borough</u>
	\$4,887.00	\$ 11,686.00	\$16,573.00	\$ 986.00	\$17,559.00
	7,551.00	15,102.00	22,653.00	1,450.00	24,103.00
	9,013.00	14,362.00	23,375.00	1,775.00	25,150.00

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Funded by Borough</u>
	\$7,661.00	\$ 10,138.00	\$17,799.00	\$ 735.00	\$18,534.00
	14,377.00	16,180.00	30,557.00	1,119.00	31,676.00
	37,034.00	29,696.00	66,730.00	2,903.00	69,633.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

Note 7: PENSION PLANS (CONT'D)

Defined Contribution Retirement Program (Cont'd) -

The Borough's contributions were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Funded by Borough</u>
2013	\$ 164.25	\$ 164.25

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 8: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN

Plan Description - The Borough contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. 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. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The 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. Several years ago, the Borough authorized participation in the SHBP's post-retirement benefit program through a resolution. Under the plan, any employee eligible for enrollment in the SHBP as an employee is eligible for employer paid coverage when retiring with 33 years or more of service to the Borough and has reached the age of 55 years. The retiree will continue to receive the same coverage that was received at the time of retirement, however the cost to the Borough is reduced when the retiree becomes Medicare eligible.

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 www.state.nj.us/treasury/pensions/.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough Funds these benefits on a pay-as-you go basis and therefore does not record accrued expenses related to these benefits.

The Borough contributions to SHBP for the years ended December 31, 2013, 2012, and 2011, were \$18,468,311, \$16,889,281, and \$15,613,321, respectively, which equaled the required contributions for each year. There were 2 retired participants eligible at December 31, 2013, 2012, and 2011.

Note 9: COMPENSATED ABSENCES

Full-time employees are entitled to twelve sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year up to a maximum of 120 days. Vacation days not used during the year may be only carried over into the following year. These policies cover non-union and union employees to the extent that their collective bargaining agreements do not cover these issues.

The Borough of West Wildwood compensates employees for unused sick leave upon termination or retirement. The current policy provides that upon separation of service in good standing from the Borough, employees may either utilize or sell back to the Borough, at the then current rate of pay of the employees, up to fifty percent (50%) of the employee's unused accumulated sick days up to a maximum of ten thousand (\$10,000.00) dollars.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2013 accrued benefits for compensated absences are valued at \$71,965.52.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 11: CAPITAL DEBT**Summary of Debt**

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
Issued			
General:			
Bonds and Notes	\$ 2,575,224.00	\$ 1,116,248.00	\$ 1,124,000.00
Water / Sewer Utility:			
Bonds and Notes	1,141,037.05	1,173,517.10	1,204,459.34
Total Issued	<u>3,716,261.05</u>	<u>2,289,765.10</u>	<u>2,328,459.34</u>

Note 11: **CAPITAL DEBT (CONTD)**

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	\$ 650,000.00	\$ 1,638,726.00	\$ 1,638,726.00
Water / Sewer Utility:			
Bonds and Notes		76,000.00	76,000.00
Total Authorized but Not Issued	<u>650,000.00</u>	<u>1,714,726.00</u>	<u>1,714,726.00</u>
Total Issued and Authorized but Not Issued	<u>4,366,261.05</u>	<u>4,004,491.10</u>	<u>4,043,185.34</u>
Deductions:			
Reserve for Payment of Bonds	336.53	336.53	
Self-liquidating Debt	<u>1,141,037.05</u>	<u>1,249,517.10</u>	<u>884,593.14</u>
Total Deductions	<u>1,141,373.58</u>	<u>1,249,853.63</u>	<u>884,593.14</u>
Net Debt	<u>\$ 3,224,887.47</u>	<u>\$ 2,754,637.47</u>	<u>\$ 3,158,592.20</u>

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 indicated a statutory net debt of 1.315%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water / Sewer Utility	\$ 1,141,037.05	\$ 1,141,037.05	
General	<u>3,225,224.00</u>	336.53	<u>\$ 3,224,887.47</u>
	<u>\$ 4,366,261.05</u>	<u>\$ 1,141,373.58</u>	<u>\$ 3,224,887.47</u>

Net Debt \$3,224,887.47 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$245,190,952.67 equals 1.315%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 8,581,683.34
Net Debt	<u>3,224,887.47</u>
Remaining Borrowing Power	<u>\$ 5,356,795.87</u>

Note 11: CAPITAL DEBT (CONT'D)

Calculation of "Self-Liquidating Purpose,"
 Cash Receipts from Fees, Rents, Fund Balance
 Anticipated, Interest and Other Investment
 Income, and Other Charges for Year

\$ 548,372.32

Operating and Maintenance Cost \$ 374,999.81
 Debt Service 89,085.19

Total Deductions 464,085.00

Excess in Revenue \$ 84,287.32

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

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

Year	Water/Sewer Utility	
	Principal	Interest
2014	\$ 34,095.23	\$ 55,556.78
2015	35,791.71	53,860.27
2016	37,573.70	52,078.30
2017	39,445.50	50,206.50
2018	41,411.71	48,240.28
2019-2023	240,208.48	208,051.51
2024-2028	306,616.29	141,643.72
2029-2033	354,836.17	57,137.65
2034	51,058.26	1,714.39
	<u>\$ 1,141,037.05</u>	<u>\$ 668,489.40</u>

Note 12: JOINT INSURANCE POOL

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

Property	General & Automobile Liability	Cyber Liability
Boiler & Machinery	Worker's Compensation	Volunteer Directors Officials
Non-Owned Aircraft Liability	Crime & Employee Dishonesty	Public Officials / Employment

Note 12: JOINT INSURANCE POOL (CONT'D)

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 Borough's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

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

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

Note 13: NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Amounts Reimbursed</u>	<u>Ending Balance</u>
2013	\$ 3,903.70	-	\$ 20,106.68
2012	5.51	-	16,202.98
2011	30,095.72	\$ 23,122.97	16,197.47

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2013.

Note 14: LITIGATION

The Borough is the defendant in a legal proceeding filed by a group of residents seeking the repeal of Borough Ordinance Number 522 that was adopted on May 20, 2013. On October 3, 2013, the court filed a contemporaneous order to place a referendum question on the November 2013 general election ballot concerning the disputed ordinance. Subsequently, the Borough appealed this order which was stayed pending the review of the Superior Court Appellate Division. On May 15, 2014, that court affirmed the October 3, 2013 order. The matter remains under appeal and the outcome is uncertain.

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

Note 15: SUBSEQUENT EVENTS

On January 23, 2014, the Borough of West Wildwood issued \$1,765,000 of General Improvement Bonds, Series 2014. The bonds are non-callable with the first principal payment due February 1, 2015. Interest on the bonds will be payable semiannually on the first day of February and August in each year until maturity, commencing on August 1, 2014. The interest rate for the bonds varies from 2.00% to 3.00% over the ten (10) year life of the obligations.

Subsequent to December 31, the Borough of West Wildwood authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
General Capital:		
Bonds and Notes:		
Various Capital Improvements	April 28, 2014	\$ 289,750.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS
CURRENT FUND

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Current Cash
 Per N.J.S. 40A:5-5 -- Treasurer
 For the Year Ended December 31, 2013

	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2012	\$ 933,972.25	
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 66,645.28	
2013 Budget Appropriation Refunds	39,996.78	
2012 Budget Appropriation Reserve Refunds Collector	14,192.53	
Revenue Accounts Receivable	3,300,625.64	
Petty Cash Fund	139,159.99	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	100.00	
Due Current Fund	9,750.00	
Due Dog License Fund	186.89	
Due Trust - Other Fund	54,915.29	
Due General Capital Fund	2,326.98	
Due Sewer Utility Operating Fund	272,923.88	
Due Sewer Utility Capital Fund	72,840.00	
Federal and State Grants Receivable		\$ 17,270.45
	<u>3,973,663.26</u>	<u>41,420.83</u>
Decreased by Disbursements:		
2013 Appropriations	1,690,870.55	
2012 Appropriation Reserves	46,711.32	
County Taxes Payable	584,279.10	
Due County for Added and Omitted Taxes	45.24	
Local School District Taxes Payable	1,272,137.00	
Due Wildwood Water Department	267.67	
Refund of a Prior Year Revenue	2,486.40	
Due Federal and State Grant Fund	17,270.45	
Due Trust -- Other Fund	20,000.00	
Due General Capital Fund	11,382.00	
Due Sewer Utility Operating Fund	353,772.06	
Due Sewer Utility Capital Fund	7,840.00	
Reserve for Federal and State Grants -- Appropriated		\$ 58,691.28
	<u>4,007,061.79</u>	<u>58,691.28</u>
Balance December 31, 2013	<u>\$ 900,573.72</u>	<u>-</u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND

Statement of Current Cash
Per N.J.S. 40A:5-5 - Collector
For the Year Ended December 31, 2013

Increased by:	
Taxes Receivable	\$ 3,155,586.94
Tax Title Liens	49,001.95
Prepaid Taxes	50,062.44
Tax Overpayments	400.06
Revenue Accounts Receivable:	
Interest and Costs on Taxes	<u>45,574.25</u>
	3,300,625.64
Payments to Treasurer	<u><u>\$ 3,300,625.64</u></u>

14600

Exhibit SA-3

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Change Funds
For the Year Ended December 31, 2013

Office	
Treasurer	
Balance December 31, 2012	\$ 200.00
Decreased by:	
Disbursements	<u>100.00</u>
Balance December 31, 2013	<u><u>\$ 100.00</u></u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Due from State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 1,625.00
<hr/>	
Increased by:	
Accrued in 2013	
Deductions per Tax Billing	\$ 16,750.00
Deductions Allowed by Tax Collector	500.00
	<hr/>
	17,250.00
	<hr/>
	18,875.00
Decreased by:	
Receipts	9,750.00
Deductions Disallowed by the Collector:	
2012	4,500.00
	<hr/>
	14,250.00
	<hr/>
	14,250.00
Balance December 31, 2013	<u><u>\$ 4,625.00</u></u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Taxes Receivable
For the Year Ended December 31, 2013

Year	Balance	2013 Levy	Added Taxes	Collections		Due from State of New Jersey	Transferred to Tax Title Liens	Over- Payments Applied	Canceled	Balance
	December 31, 2012			2012	2013					December 31, 2013
2011	\$ 3.95								\$ 3.95	
2012	152,823.30		\$ 4,500.00		\$ 155,909.17			\$ 1,414.13		-
	152,827.25	-	4,500.00	-	155,909.17	-	-	1,414.13	3.95	-
2013		\$ 3,234,831.41		\$ 45,328.48	2,999,677.77	\$ 17,250.00	\$ 46,747.83		10,944.95	\$ 114,882.38
	\$ 152,827.25	\$ 3,234,831.41	\$ 4,500.00	\$ 45,328.48	\$ 3,155,586.94	\$ 17,250.00	\$ 46,747.83	\$ 1,414.13	\$ 10,948.90	\$ 114,882.38

Analysis of 2013 Property Taxes

Tax Yield:			
General Purpose Tax		\$ 3,232,905.35	
Added Taxes (54:4-63.1 et seq.)		1,926.06	
			<u>\$ 3,234,831.41</u>
Tax Levy:			
Local District School Tax			1,211,727.00
County Taxes:			
Net County Taxes	\$ 490,639.90		
County Library Tax	69,629.00		
County Open Space Tax	24,010.20		
Due County for Added and Omitted Taxes	349.65		
Total County Taxes			584,628.75
Local Tax for Municipal Purposes	1,431,229.00		
Add: Additional Tax Levied	7,246.66		
			<u>1,438,475.66</u>
			<u>\$ 3,234,831.41</u>
Local Tax for Municipal Purposes Levied			

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Tax Title Liens
 For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 211,577.42
Increased by:		
Interest and Costs Accrued by Sale of December 5, 2013	\$ 103.38	
Transfers from Taxes Receivable	<u>46,747.83</u>	
		<u>46,851.21</u>
Decreased by:		
Collections		<u>258,428.63</u>
Balance December 31, 2013		<u><u>\$ 209,426.68</u></u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2013

	Accrued in <u>2013</u>	<u>Collections</u>		Due from Dog License Fund	Due from Trust - Other Fund	Due from General Capital Fund	Balance <u>December 31, 2013</u>
		<u>Collector</u>	<u>Treasurer</u>				
Clerk:							
Licenses:							
Alcohol Beverages	\$ 1,020.00		\$ 1,020.00				
Other	22,590.00		22,590.00				
Tax Collector:							
Interest and Costs on Taxes	45,574.25	\$ 45,574.25					
Treasurer:							
Energy Receipts Tax	40,531.00		40,531.00				
Administration from Utility	50,000.00		50,000.00				
Non Budgeted Revenue:							
Cable Television Franchise Tax	6,004.58		6,004.58				
Interest Earned on Deposits	11,583.50		4,215.52	\$ 1.71	\$ 4,304.29	\$ 3,061.98	
Accrued Interest on Bond Anticipation Notes	725.56					725.56	
Clerk:							
Other	4,764.95		4,764.95				
Municipal Court:							
Fines and Costs	10,473.21		10,033.94				\$ 439.27
	<u>\$ 193,267.05</u>	<u>\$ 45,574.25</u>	<u>\$ 139,159.99</u>	<u>\$ 1.71</u>	<u>\$ 4,304.29</u>	<u>\$ 3,787.54</u>	<u>\$ 439.27</u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Deferred Charges
 For the Year Ended December 31, 2013

	<u>Balance</u> <u>December 31, 2012</u>	<u>Raised</u> <u>in 2013 Budget</u>
Overexpenditure of Appropriation: Reserves	\$ 1,075.65	\$ 1,075.65

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of 2012 Appropriation Reserves
 For the Year Ended December 31, 2013

	<u>Balance</u> <u>December 31, 2012</u>		<u>Balance</u> <u>After</u>		<u>Balanced</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Expended</u>	<u>Lapsed</u>
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration					
Salaries and Wages		\$ 31.59	\$ 31.59		\$ 31.59
Other Expenses	\$ 6,250.00	943.71	7,193.71	\$ 705.00	6,488.71
Mayor and Commissioners					
Salaries and Wages		5.07	5.07		5.07
Municipal Clerk					
Salaries and Wages		631.53	631.53		631.53
Other Expenses	364.92	554.03	918.95	565.80	353.15
Financial Department					
Salaries and Wages		439.64	439.64		439.64
Other Expenses		2,300.18	2,300.18	309.60	1,990.58
Audit Services					
Computerized Data Processing					
Other Expenses		3,344.40	3,344.40		3,344.40
Collection of Taxes					
Salaries and Wages		317.00	317.00		317.00
Other Expenses	270.00	116.50	386.50	(34.00)	420.50
Legal Services and Costs					
Salaries and Wages	505.00	0.03	505.03		505.03
Other Expenses	52,500.00	32,115.48	84,615.48	18,220.99	66,394.49
Land Use Administration					
Planning Board					
Salaries and Wages		99.92	99.92		99.92
Insurance					
Worker's Compensation		3,824.00	3,824.00		3,824.00
Group Employee Insurance		1,966.43	1,966.43		1,966.43
Unemployment Compensation Insurance		10,486.63	10,486.63		10,486.63

(Continued)

BOROUGH OF WEST WILWOOD
 CURRENT FUND
 Statement of 2012 Appropriation Reserves
 For the Year Ended December 31, 2013

	Balance December 31, 2012	Encumbered Reserved	Balance After Modification	Expended	Balanced Lapsed
Police Department	\$ 0.11	\$ 0.11	\$ 0.11	\$ 150.00	\$ 0.11
Salaries and Wages					
Other Expenses		177.24	328.60		178.60
Office of Emergency Management					
Other Expenses	151.36				
Aid to Volunteer Fire Companies		404.57	404.57		404.57
Fire Department		300.00	300.00		300.00
Other Expenses					
Fire Hydrant Services	1,328.00	367.00	1,695.00	250.00	1,445.00
Public Works		10,500.00	10,500.00		10,500.00
Salaries and Wages		1,818.63	1,818.63		1,818.63
Other Expenses		6,300.58	6,430.10	200.00	6,230.10
Buildings and Grounds					
Other Expenses	129.52				
Animal Control Services		4,983.51	5,083.51	(258.53)	5,342.04
Parks and Recreation Functions:		21.80	21.80		21.80
Other Expenses					
Maintenance of Parks		35.43	128.45		128.45
Other Expenses	93.02				
Other Expenses		72.00	72.00		72.00
Solid Waste Collections		8,967.00	8,967.00	4,800.00	4,167.00
Other Expenses					
Celebration of Public Events		805.38	805.38		805.38
Other Expenses					
Utility Expenses and Bulk Purchases:					
Electricity		206.98	206.98		206.98
Street Lighting		433.13	433.13		433.13
Telephone		596.83	694.81	517.51	177.30
Gas (Natural and Propane)	97.98				92.67
Gasoline/Diesel	54.55	38.12	92.67		509.40
Landfill/Solid Waste Disposal Costs		3,281.37	3,281.37	2,771.97	2,982.81
Total Operations -- Within "CAPS"	61,844.35	103,789.08	165,633.43	32,518.79	133,114.64

OPERATIONS -- WITHIN "CAPS" (CONTD)

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of 2012 Appropriation Reserves
 For the Year Ended December 31, 2013

	Balance December 31, 2012		Balance After Modification	Expended	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Deferred Charges -- WITHIN "CAPS"					
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)	-	\$ 529.02	\$ 529.02	-	\$ 529.02
Total Deferred Charges -- Within "CAPS"	<u>-</u>	<u>529.02</u>	<u>529.02</u>	<u>-</u>	<u>529.02</u>
Total General Appropriations for Municipal Purposes -- Within "CAPS"	<u>\$ 61,844.35</u>	<u>104,318.10</u>	<u>166,162.45</u>	<u>\$ 32,518.79</u>	<u>133,643.66</u>
OPERATIONS -- EXCLUDED FROM "CAPS"					
Interlocal Municipal Service Agreements					
Police Dispatcher		1,000.00	1,000.00		1,000.00
Wildwood - Registrar		1,350.00	1,350.00		1,350.00
Ambulance Fee		40.00	40.00		40.00
Total Operations -- Excluded from "CAPS"	<u>-</u>	<u>2,390.00</u>	<u>2,390.00</u>	<u>-</u>	<u>2,390.00</u>
	<u>\$ 61,844.35</u>	<u>\$ 106,708.10</u>	<u>\$ 168,552.45</u>	<u>\$ 32,518.79</u>	<u>\$ 136,033.66</u>
Reimbursed				\$ (14,192.53)	
Disbursed				<u>46,711.32</u>	
				<u>\$ 32,518.79</u>	

55

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Schedule of Accounts Payable
For the Year Ended December 31, 2013

Balance December 31, 2013

\$ 7,763.12

14600

Exhibit SA-11

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2013

Balance December 31, 2012 (2013 Taxes)	\$	45,328.48
Increased by:		
Receipts -- Collector		<u>50,062.44</u>
Decreased by:		
Application to Taxes Receivable		<u>95,390.92</u>
Balance December 31, 2013 (2014 Taxes)	\$	<u><u>50,062.44</u></u>

Exhibit SA-12

Statement of Tax Overpayments
For the Year Ended December 31, 2013

Balance December 31, 2012	\$	28,735.01
Increased by:		
Receipts -- Collector		<u>400.06</u>
Decreased by:		
Canceled		22,761.20
Application to Taxes Receivable:		
2012 Taxes Receivable		<u>1,414.13</u>
Balance December 31, 2013	\$	<u><u>24,175.33</u></u>
	\$	<u><u>4,959.74</u></u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of County Taxes Payable
 For the Year Ended December 31, 2013

2013 Levy:		
Net County Taxes	\$	490,639.90
County Library Tax		69,629.00
Open Space Tax		<u>24,010.20</u>
	\$	584,279.10
Decreased by:		
Disbursements	\$	<u>584,279.10</u>

Exhibit SA-14

Statement of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$	45.24
Increased by:		
County Share of 2013 Levy:		
Added Assessments (R.S. 54:4-63.1 et seq.)		<u>349.65</u>
		394.89
Decreased by:		
Disbursements		<u>45.24</u>
Balance December 31, 2013	\$	<u>349.65</u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Local School District Taxes
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 60,411.00
Increased by:	
2013 Levy -- Calender Year	<u>1,211,727.00</u>
	1,272,138.00
Decreased by:	
Disbursements	<u>1,272,137.00</u>
	<u>\$ 1.00</u>
Balance December 31, 2013	

Exhibit SA-16

Statement of Due to Wildwood Water Department
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 297.67
Decreased by:	
Disbursements	<u>267.67</u>
	<u>\$ 30.00</u>
Balance December 31, 2013	

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Federal, State and Other Grant Fund
 Statement of Federal, State and Other Grants Receivable
 For the Year Ended December 31, 2013

	Balance December 31, 2012	Accrued	Received	Balance December 31, 2013
Federal Grants:				
Small Cities ADA	\$ 303,601.00	\$ 31,500.00	\$ 31,500.00	\$ 303,601.00
USDA - Rural Development - Police Vehicle	303,601.00	31,500.00	31,500.00	303,601.00
State Grants:				
Body Armor Replacement Fund		1,184.99	1,184.99	
Clean Communities Program		4,000.00	4,000.00	
Recycling Tonnage Grant	288.89	2,235.84	2,235.84	288.89
NJ Transportation Trust Fund Authority Act - 2010	243,810.00			243,810.00
Urban Enterprise Zone - Administration	16,365.14			16,365.14
Urban Enterprise Zone - Projects:	132,849.65			132,849.65
Total State Programs	393,313.68	7,420.83	7,420.83	393,313.68
Total Federal & State Programs	696,914.68	38,920.83	38,920.83	696,914.68
Other Grants:				
Joint Insurance Fund	9,902.00			9,902.00
CMCMUA Public Area Recycling Grant	87.00			87.00
Walmart Police Grant		2,500.00	2,500.00	
	9,989.00	2,500.00	2,500.00	9,989.00
Total All Grants	\$ 706,903.68	\$ 41,420.83	\$ 41,420.83	\$ 706,903.68

14600

Exhibit SA-18

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Federal, State and Other Grant Fund
Statement of Due From Current Fund
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 165,785.78
Decreased by:	
Receipts	<u>17,270.45</u>
Balance December 31, 2013	<u><u>\$ 148,515.33</u></u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Federal, State and Other Grant Fund
 Statement of Reserves for Federal, State and Other Grants - Unappropriated
 For the Year Ended December 31, 2013

<u>Grant</u>	<u>Balance December 31, 2012</u>	<u>Federal, State and Other Grants Receivable</u>	<u>Realized as Revenue in 2013</u>	<u>Balance December 31, 2013</u>
Federal Grants:				
USDA - Rural Development - Police Vehicle	\$ 31,500.00	\$ 31,500.00	\$ 31,500.00	
State Grants:				
Body Armor Replacement Fund		1,184.99	1,184.99	
Clean Communities Program	\$ 4,000.00	4,000.00	4,000.00	\$ 4,000.00
Recycling Tonnage Grant		2,235.84	2,235.84	
Urban Enterprise Zone - Administration	16,351.10			16,351.10
Urban Enterprise Zone - Unappropriated Project	8,986.41			8,986.41
	<u>29,337.51</u>	<u>7,420.83</u>	<u>7,420.83</u>	<u>29,337.51</u>
Other Grants:				
Walmart Police Grant		2,500.00	2,500.00	
Total All Grants	<u>\$ 29,337.51</u>	<u>\$ 41,420.83</u>	<u>\$ 41,420.83</u>	<u>\$ 29,337.51</u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Federal, State and Other Grant Fund
Statement of Reserves for Federal, State and Other Grants - Appropriated
For the Year Ended December 31, 2013

Grant	Balance December 31, 2012		Transferred - 2013 Budget Appropriations	Expenditures	Encumbered	Balance December 31, 2013
	Appropriated	Reserve for Encumbrances				
Federal Grants:						
USDA Rural Development - Police Vehicle			\$ 31,500.00	\$ 31,500.00		\$ 303,610.00
Small Cities ADA	\$ 303,610.00					2,000.00
Seatbelt Enforcement	2,000.00					10.55
DARE Police Grant	315.00			304.45		4,869.00
Municipal Stormwater Regulation Program	5,321.00			452.00		
Total Federal Grants	311,246.00	-	31,500.00	32,256.45	-	310,489.55
State Grants:						
Urban Enterprise Zone - Administration	5,592.66			1,323.50		4,269.16
Urban Enterprise Zone - Projects:						
Family Festival	6,599.00			6,592.00		7.00
Family Festival Year 3	924.00			924.00		
Police Year 1	31,089.00					31,089.00
26th Street Bulkhead	32,328.00					32,328.00
Railroad Bridge	3,400.00					3,400.00
Police Year 2	115,401.42					115,401.42
NJ Transportation Trust Fund Authority Act - 2012	127,500.00					127,500.00
NJ Transportation Trust Fund Authority Act - 2010	163,103.11					163,103.11
SLA HEOP	2,406.00					2,406.00
Clean Communities Program	8,310.87		4,000.00	3,709.00		8,601.87
Stormwater Grant	4,531.00			4,531.00		
Recycling Tonnage Grant	1,718.74		2,235.84	400.00		3,554.58
Body Armour Fund	3,426.67		1,184.99	1,508.00	\$ 2,235.00	868.66
Alcohol Education and Rehabilitation Fund	53.93					53.93
Drunk Driving Enforcement Fund	2,730.00					2,730.00
Total State Grants	509,114.40	-	7,420.83	18,987.50	2,235.00	495,312.73
Other Grants:						
Joint Insurance Fund	4,527.12			2,030.00		2,497.12
Walmart Police Grant			2,500.00	2,038.19	461.00	0.81
Municipal Alliance Grant - Local Share	12.00					12.00
CMCMUA Recycling Rebate Grant	8,710.86					8,710.86
CMCMUA Public Area Recycling Grant	1,097.00					1,097.00
Defibrillator Grant	500.00					500.00
Cape May County Art Regrant	476.00	\$ 500.00			500.00	476.00
CMC Recreation Grant	2,659.00					2,659.00
Cape May County - Fishing Pier & Park	4,509.57			3,379.14		1,130.43
	22,491.55	500.00	2,500.00	7,447.33	961.00	17,083.22
Total All Grants	\$ 842,851.95	\$ 500.00	\$ 41,420.83	\$ 58,691.28	\$ 3,196.00	\$ 822,885.50



SUPPLEMENTAL EXHIBITS
TRUST FUND



BOROUGH OF WEST WILDWOOD
TRUST FUNDS
 Statement of Trust Fund Cash
 Per N.J.S. 40A:5-5 -- Treasurer
 For the Year Ended December 31, 2013

	<u>Dog License</u>	<u>Other</u>
Balance December 31, 2012	\$ 291.75	\$ 168,181.00
Increased by Receipts:		
Reserve for Dog License Fund Expenditures	\$ 249.10	
State Registration Fees	31.20	
Due Current Fund	1.71	
Reserve for Payroll Deductions Payable		\$ 24,304.29
Miscellaneous Trust Reserves		853,390.83
Unemployment Compensation Insurance		3,903.70
Tax Title Lien Redemption		137,665.73
Uniform Fire Safety Act Penalty Monies		6,977.08
Parking Offense Adjudication Act		4.00
Planning and Zoning		11,150.00
Pavers, Park Benches & Park Equipment Donations		9,642.33
	<u>282.01</u>	<u>1,047,037.96</u>
	573.76	1,215,218.96
Decreased by Disbursements:		
State Registration Fees	31.20	
Due Current Fund	186.89	
Reserve for Payroll Deductions Payable		49,934.37
Miscellaneous Trust Reserves		857,002.30
Tax Title Lien Redemption		148,352.32
Uniform Fire Safety Act Penalty Monies		8,512.00
Planning and Zoning		30,000.00
Pavers, Park Benches & Park Equipment Donations		8,720.00
	<u>218.09</u>	<u>1,102,520.99</u>
Balance December 31, 2013	\$ <u>355.67</u>	\$ <u>112,697.97</u>

BOROUGH OF WEST WILDWOOD
DOG LICENSE FUND
 Statement of Due to Current Fund
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$	185.35
Increased by:		
Receipts--Interest Earned on Deposits	\$	1.71
Reserve for Dog License Fund Expenditures		<u>21.10</u>
		<u>22.81</u>
Decreased by:		
Disbursements-Interfund Loans Returned		208.16
		<u>186.89</u>
Balance December 31, 2013	\$	<u><u>21.27</u></u>

BOROUGH OF WEST WILDWOOD
DOG LICENSE FUND
 Statement of Reserve for Dog License Fund Expenditures
 For the Year Ended December 31, 2013

<hr/>		<u>\$ 106.40</u>
Balance December 31, 2012		
Increased by:		
Receipts:		
Dog License Fees Collected	\$ 215.50	
Miscellaneous Refund	<u>33.60</u>	
	<u>249.10</u>	
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Due Current:		355.50
Statutory Excess in Reserve for Dog License Expenditures		<u>21.10</u>
Balance December 31, 2013		<u><u>\$ 334.40</u></u>
<hr/>		
<u>Dog License Fees Collected:</u>		
<u>Year</u>		
2011	\$ 70.40	
2012	<u>264.00</u>	
	<u><u>\$ 334.40</u></u>	

BOROUGH OF WEST WILDWOOD
DOG LICENSE FUND
Statement of Due to State of New Jersey -- Registration Fees
For the Year Ended December 31, 2013

Increased by:
Receipts

\$ 31.20

Decreased by:
Disbursements

\$ 31.20

BOROUGH OF WEST WILDWOOD
TRUST - OTHER FUND
Statement of Due to / from Current Fund
For the Year Ended December 31, 2013

	<u>Total</u>	<u>Tax Title Lien Redemption</u>	<u>Unemployment Compensation Insurance</u>	<u>Payroll</u>	<u>Parks and Grounds</u>	<u>Planning and Zoning</u>	<u>Uniform Fire</u>	<u>Law Enforcement</u>	<u>Trust Other</u>
Balance December 31, 2012 (Due to)	\$ (25,863.91)	\$ (10,471.29)		\$ (21,719.63)		\$ 20,000.00			\$ (13,672.99)
Increased by:									
Receipts :									
Interest Earned on Deposits	4,304.29	220.99		3,819.56	\$ 0.07	5.66	\$ 5.15	\$ 8.61	244.25
Interfund Loans Received	20,000.00					20,000.00			
	<u>24,304.29</u>	<u>220.99</u>	<u>-</u>	<u>3,819.56</u>	<u>0.07</u>	<u>20,005.66</u>	<u>5.15</u>	<u>8.61</u>	<u>244.25</u>
	<u>(50,168.20)</u>	<u>(10,692.28)</u>	<u>-</u>	<u>(25,539.19)</u>	<u>(0.07)</u>	<u>(5.66)</u>	<u>(5.15)</u>	<u>(8.61)</u>	<u>(13,917.24)</u>
Decreased by:									
Collections Made by Current Fund	4,980.92	300.00		4,680.92					
Interfund Loans Returned	49,934.37	10,649.90	72.29	25,539.19					13,672.99
	<u>54,915.29</u>	<u>10,949.90</u>	<u>72.29</u>	<u>30,220.11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,672.99</u>
Balance December 31, 2013 (Due from)	\$ 4,747.09	\$ 257.62	\$ 72.29	\$ 4,680.92	\$ (0.07)	\$ (5.66)	\$ (5.15)	\$ (8.61)	\$ (244.25)

BOROUGH OF WEST WILDWOOD
TRUST - OTHER FUND
 Statement of Reserve for Payroll Deductions Payable
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 4,548.01
Increased by:	
Collections made by Current Fund	\$ 4,680.92
Receipts	<u>853,390.83</u>
	<u>858,071.75</u>
Decreased by:	
Disbursements	<u>862,619.76</u>
	<u>857,002.30</u>
Balance December 31, 2013	<u><u>\$ 5,617.46</u></u>

BOROUGH OF WEST WILDWOOD
TRUST - OTHER FUND
 Statement of Miscellaneous Trust Reserves
 For the Year Ended December 31, 2013

	Balance <u>Dec. 31, 2012</u>	Increased by		Decreased by <u>Disbursements</u>	Balance <u>Dec. 31, 2013</u>
		<u>Receipts</u>	<u>Current Fund</u>		
Unemployment Compensation Insurance	\$ 16,202.98	\$ 3,903.70			\$ 20,106.68
Tax Title Lien Redemption	30,173.51	137,665.73	\$ 300.00	\$ 148,352.32	19,786.92
Uniform Fire Safety Act Penalty Monies	16,797.79	6,977.08		8,512.00	15,262.87
Parking Offense Adjudication Act		4.00			4.00
Planning and Zoning	21,330.23	11,150.00		30,000.00	2,480.23
Confiscated Funds	2,147.72				2,147.72
Accumulated Absences	40,250.00				40,250.00
7 Pavers, Park Benches & Park Equipment Donations	10,866.85	9,642.33		8,720.00	11,789.18
	<u>\$ 137,769.08</u>	<u>\$ 169,342.84</u>	<u>300.00</u>	<u>\$ 195,584.32</u>	<u>\$ 111,827.60</u>



SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND



BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Statement of General Capital Cash
 Per N.J.S. 40A:5-5 -- Treasurer
 For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 55,714.33
Increased by Receipts:		
Due Current Fund	\$ 3,787.54	
Bond Anticipation Note - Premium	1,543.00	
Bond Anticipation Notes	<u>2,575,224.00</u>	
		<u>2,580,554.54</u>
Decreased by Disbursements:		
Due Current Fund	2,326.98	
Improvement Authorizations	155,867.42	
Bond Anticipation Notes	<u>1,116,248.00</u>	
		<u>1,274,442.40</u>
Balance December 31, 2013		<u><u>\$ 1,361,826.47</u></u>

BOROUGH OF WEST WILDWOOD
 GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation -- Unfunded
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance December 31, 2012	2013 Authorizations	Balance December 31, 2013	Analysis of Balance December 31, 2013		Unexpended Improvement Authorizations
					Bond Anticipation Notes	Expenditures	
General Improvements:							
450	Various Road Improvements	\$ 234,000.00		\$ 234,000.00	\$ 234,000.00		
475, 499	Various Capital Improvements	295,024.00		295,024.00	295,024.00		
482	Improvements to Bayonne Avenue and Other Streets	149,472.00		149,472.00	149,472.00		
497	Various Improvements to the 26th Street Bulkhead	1,087,752.00		1,087,752.00	437,752.00		\$ 650,000.00
512	Various Capital Improvements	988,726.00		988,726.00	988,726.00		
522	Various Capital Improvements		\$ 470,250.00	470,250.00	470,250.00		
		<u>\$ 2,754,974.00</u>	<u>\$ 470,250.00</u>	<u>\$ 3,225,224.00</u>	<u>\$ 2,575,224.00</u>	<u>-</u>	<u>\$ 650,000.00</u>
Improvement Authorizations - Unfunded							\$ 1,946,904.55
Less:							
Unexpended proceeds of Bond Anticipation Notes:							
	Ordinance - 450				\$ 191.00		
	Ordinance - 475, 499				25,252.17		
	Ordinance - 482				70,686.80		
	Ordinance - 497				80,294.98		
	Ordinance - 512				745,246.92		
	Ordinance - 522				375,232.68		
							<u>1,296,904.55</u>
							<u>\$ 650,000.00</u>

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BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Statement of Due to Current Fund
 For the Year Ended December 31, 2013

Balance December 31, 2012		\$	17.94
Increased by:			
Improvement Authorizations -- Paid by Current Fund	\$		11,382.00
Receipts:			
Revenue Accounts Receivable:			
Accrued Interest on Bond Anticipation Notes	\$		725.56
Interest Earned on Deposits			<u>3,061.98</u>
			<u>3,787.54</u>
			<u>15,169.54</u>
Decreased by:			
Disbursements:			
Interfund Loans Returned			<u>2,326.98</u>
			<u>15,187.48</u>
Balance December 31, 2013		\$	<u><u>12,860.50</u></u>

BOROUGH OF WEST WILDWOOD
 GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance December 31, 2012 Unfunded	2013 Authorizations		Paid or Charged	Balance December 31, 2013 Unfunded
					Capital Improvement Fund	to Future Taxation - Unfunded		
General Improvements:								
450	Various Road Improvements	5/24/05	\$ 560,000.00	\$ 191.00				\$ 191.00
475, 499	Various Capital Improvements	2/1/08 6/11/10	316,000.00	31,992.37			\$ 6,740.20	25,252.17
482	Improvements to Bay Avenue and Other Streets	4/2/08	300,000.00	78,113.46			7,426.66	70,686.80
497	Various Improvements to the 26th Street Bulkhead	10/2/09	1,850,000.00	730,294.98				730,294.98
512	Various Capital Improvements	11/16/11	1,040,764.00	778,562.16			33,315.24	745,246.92
77 522	Various Capital Improvements	5/20/13	495,000.00		\$ 24,750.00	\$ 470,250.00	119,767.32	375,232.68
				<u>\$ 1,619,153.97</u>	<u>\$ 24,750.00</u>	<u>\$ 470,250.00</u>	<u>\$ 167,249.42</u>	<u>\$ 1,946,904.55</u>
Due Current Fund Disbursements							\$ 11,382.00	
							<u>155,867.42</u>	
							<u>\$ 167,249.42</u>	

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2013

Balance December 31, 2012	\$	72,412.00
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>24,750.00</u>
Balance December 31, 2013	\$	<u><u>47,662.00</u></u>

BOROUGH OF WEST WILDWOOD
 GENERAL CAPITAL FUND
 Statement of Bonds Anticipation Notes
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Original Amount of Issue	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2012	Increased	Decreased	Balance December 31, 2013
General Improvements:										
450	Various Road Improvements	\$ 532,000.00	10/20/2005	10/11/2012	10/10/2013	1.50%	\$ 234,000.00		\$ 234,000.00	\$ 234,000.00
			10/20/2005	10/9/2013	2/7/2014	1.75%		\$ 234,000.00		\$ 234,000.00
475, 499	Various Capital Improvement	50,000.00	10/16/2008	10/11/2012	10/10/2013	1.50%	295,024.00		295,024.00	295,024.00
			10/16/2008	10/9/2013	2/7/2014	1.75%		295,024.00		295,024.00
482	Improvement to Bayonne Avenue and Other Streets	100,000.00	10/16/2008	10/11/2012	10/10/2013	1.50%	149,472.00		149,472.00	149,472.00
			10/16/2008	10/9/2013	2/7/2014	1.75%		149,472.00		149,472.00
497	Various Improvements to the 26th Street Bulkhead	1,200,000.00	06/07/2010	10/11/2012	10/10/2013	1.50%	437,752.00		437,752.00	437,752.00
			06/07/2010	10/9/2013	2/7/2014	1.75%		437,752.00		437,752.00
512	Various Capital Improvements	988,726.00	7/26/2013	7/26/2013	7/25/2014	1.50%		988,726.00		988,726.00
522	Various Capital Improvements	470,250.00	7/26/2013	7/26/2013	7/25/2014	1.50%		470,250.00		470,250.00
							<u>\$ 1,116,248.00</u>	<u>\$ 2,575,224.00</u>	<u>\$ 1,116,248.00</u>	<u>\$ 2,575,224.00</u>
								\$ 1,458,976.00		
								<u>1,116,248.00</u>	<u>\$ 1,116,248.00</u>	
								<u>\$ 2,575,224.00</u>	<u>\$ 1,116,248.00</u>	

BANs
Renewals

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized but not Issued
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance December 31, 2012	Authorizations 2013	Bond Anticipation Notes Issued	Balance December 31, 2013
497	Various Improvements to the 26th Street Bulkhead	\$ 650,000.00			\$ 650,000.00
512	Various Capital Improvements	988,726.00		\$ 988,726.00	
522	Various Capital Improvements	\$ 470,250.00	\$ 470,250.00	470,250.00	
		\$ 1,638,726.00	\$ 470,250.00	\$ 1,458,976.00	\$ 650,000.00
General Improvements:					

SUPPLEMENTAL EXHIBITS
SEWER UTILITY FUND



BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY FUND
 Statement of Water / Sewer Utility Cash
 Per N.J.S. 40A:5-5 – Treasurer
 For the Year Ended December 31, 2013

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	\$ 130,722.55	\$ 27,346.04
Increased by Receipts:		
Due Current Fund	\$ 286.89	
Due Water Sewer Utility Operating Fund	112.17	\$ 115.22
Due Water Sewer Utility Capital Fund	481,497.02	
Collector	13,094.59	
2013 Appropriation Refunds		68,912.24
2013 Budget Appropriation	1,217.63	
Interest Earned on Deposits and Investments		
	<u>496,208.30</u>	<u>69,027.46</u>
Decreased by Disbursements:		
Due Current Fund	270,221.14	
Due Water Sewer Utility Operating Fund	0.76	72,840.00
Due Water Sewer Utility Capital Fund	154,892.28	112.17
2013 Appropriations	57,171.95	
Accrued Interest on Bonds and Notes		
	<u>482,286.14</u>	<u>72,952.17</u>
Balance December 31, 2013	<u>\$ 144,644.71</u>	<u>\$ 23,421.33</u>

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY OPERATING FUND
 Statement of Water / Sewer Utility Cash
 Per N.J.S.A. 40A:5-5 Collector
 For the Year Ended December 31, 2013

Receipts:	
Sewer Consumer Accounts Receivable	\$ 454,884.30
Sewer Rent Overpayments	141.79
Prepaid Sewer Rents	15,278.47
Miscellaneous Revenue:	
Interest and Costs on Delinquent Rents	11,192.46
	\$ 481,497.02
Decreased by:	
Payments to Treasurer	481,497.02

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY CAPITAL FUND
 Analysis of Water / Sewer Utility Capital Cash
 For the Year Ended December 31, 2013

	Balance (Deficit) <u>Dec. 31, 2012</u>	Receipts		Disbursements	T r a n s f e r s		Balance (Deficit) <u>Dec. 31, 2013</u>
		Budget <u>Appropriations</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>	
Due Water / Sewer Utility Operating Fund	\$ 8.28		\$ 115.22	\$ 112.17			\$ 11.33
Due Current Fund	65,000.00			72,840.00		\$ 7,840.00	
Capital Improvement Fund	16,000.00						16,000.00
Fund Balance						7,410.00	7,410.00

Improvement Authorizations:

Ordinance
 # Number

426	Improvement to Water/Sewer System	15,250.00			\$ 15,250.00		
467	Repairs to Glenwood Avenue Water Main	(68,912.24)	\$ 68,912.24				
		<u>\$ 27,346.04</u>	<u>\$ 68,912.24</u>	<u>\$ 115.22</u>	<u>\$ 72,952.17</u>	<u>\$ 15,250.00</u>	<u>\$ 15,250.00</u>
		<u>\$ 27,346.04</u>	<u>\$ 68,912.24</u>	<u>\$ 115.22</u>	<u>\$ 72,952.17</u>	<u>\$ 15,250.00</u>	<u>\$ 23,421.33</u>

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY OPERATING FUND
 Statement of Sewer Consumer Accounts Receivable
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 42,545.91
Increased by:	
Sewer Rents Levied	473,076.00
	515,621.91
Decreased by:	
Receipts -- Collector	\$ 454,884.30
Prepaid Rents -- Applied	18,260.54
Overpayments -- Applied	0.19
Transfer to Sewer Liens Receivable	837.00
Cancellations	3,707.68
	477,689.71
Balance December 31, 2013	\$ 37,932.20

14600

Exhibit SD-5

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY OPERATING FUND
Statement of Sewer Liens Receivable
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 1,409.51
Increased by:	
Transfer from Sewer Rents Receivable	<u>837.00</u>
	2,246.51
Decreased by:	
Collections made by Current Fund	<u>\$ 2,246.51</u>

Exhibit SD-6

Statement of Water Liens Receivable
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 352.34
Decreased by:	
Collections made by Current Fund	<u>\$ 352.34</u>

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY CAPITAL FUND
 Statement of Fixed Capital
 As of December 31, 2013

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions by</u>		<u>Balance</u> <u>Dec. 31, 2013</u>
		<u>2013 Budget</u> <u>Appropriation</u>	<u>Ordinance</u>	
General Improvements	\$ 3,975,813.00	\$ 10,427.56	\$ 85,502.24	\$ 4,071,742.80
	<u>\$ 3,975,813.00</u>	<u>\$ 10,427.56</u>	<u>\$ 85,502.24</u>	<u>\$ 4,071,742.80</u>

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY CAPITAL FUND
 Schedule of Fixed Capital Authorized and Uncompleted
 As of December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2012</u>	<u>Cancelled</u>	<u>Costs to Fixed Capital</u>
General Improvements:						
426	Improvements to Water / Sewer System	4/17/2003	\$ 20,000.00	\$ 20,000.00	\$ 7,410.00	\$ 12,590.00
467	Repairs to Glenwood Avenue Water Main	4/4/2007	80,000.00	<u>80,000.00</u>	<u>7,087.76</u>	<u>72,912.24</u>
				<u>\$ 100,000.00</u>	<u>\$ 14,497.76</u>	<u>\$ 85,502.24</u>

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY OPERATING FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2013

	Balance December 31, 2012	Balance After Modification	Disbursed	Lapsed
Operating: Other Expenses	\$ 11,677.34	\$ 11,677.34	\$ 11,600.00	\$ 77.34
Due Current Fund	-	\$ 11,677.34	\$ 11,600.00	\$ 77.34
			<u>\$ 11,600.00</u>	

14600

Exhibit SD-10

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY OPERATING FUND
Statement of Sewer Rent Overpayments
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 4,492.13
Increased by:	
Receipts -- Collector	<u>141.79</u>
Decreased by:	
Application to Sewer Rents Receivable	<u>4,633.92</u>
Balance December 31, 2013	<u><u>\$ 4,633.73</u></u>

Exhibit SD-11

Statement of Water Rent Overpayments
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 208.44
Decreased by:	
Cancellations	<u><u>\$ 208.44</u></u>

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY OPERATING FUND
Statement of Prepaid Sewer Rents
For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 18,260.54
Increased by:	
Receipts -- Collector	<u>15,278.47</u>
Decreased by:	
Prepayments Applied	<u>18,260.54</u>
Balance December 31, 2013	<u><u>\$ 15,278.47</u></u>

**BOROUGH OF WEST WILDWOOD
 WATER / SEWER UTILITY OPERATING FUND
 Statement of Accrued Interest on Bonds and Notes
 For the Year Ended December 31, 2013**

Balance December 31, 2012								\$ 20,478.11
Increased by:								
Budget Appropriation								<u>56,605.14</u>
Decreased by:								
Interest Paid:								
Disbursed								<u>77,083.25</u>
Balance December 31, 2013								<u><u>\$ 19,911.30</u></u>

Principal Outstanding <u>December 31, 2013</u>	Serial Bonds:	Interest			Period (Days)	Amount
		Rate	From	To		
1992 Issue:						
\$ 411,011.55		5.625%	9/8/2013	12/31/2013	114	\$ 7,220.85
1994 Issue:						
730,025.50		4.500%	8/12/2013	12/31/2013	141	<u>12,690.44</u>
						<u><u>\$ 19,911.30</u></u>

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY OPERATING FUND
 Statement of Due to Current Fund
 For the Year Ended December 31, 2013

Increased by:	
2013 Budget Appropriations paid by Current Fund	\$ 341,885.17
2012 Appropriation Reserves paid by Current Fund	11,600.00
Receipts:	
Interfund Loans Received	286.89
	<u>\$ 353,772.06</u>
Decreased by:	
Collections made by the Current Fund:	
Interest and Cost on Delinquent Rents	\$ 103.89
Sewer Liens Receivable	2,246.51
Water Liens Receivable	352.34
Disbursements - Interfund Loans Returned	2,702.74
	<u>270,221.14</u>
Balance December 31, 2013	<u>272,923.88</u>
	<u>\$ 80,848.18</u>

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY CAPITAL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2013

Balance December 31, 2012	\$	65,000.00
Increased by:		
Improvement Authorization Paid by the Current Fund		<u>7,840.00</u>
		72,840.00
Decreased by:		
Disbursements - Interfund Loans Returned	\$	<u><u>72,840.00</u></u>

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY CAPITAL FUND
 Statement of Due To Water / Sewer Utility Operating Fund
 For the Year Ended December 31, 2013

Balance December 31, 2012		\$ 8.28
Increased by:		
Receipts --		
Interest Earned on Deposits	\$ 114.46	
Interfund Loans Received	0.76	
		115.22
Decreased by:		
Disbursements -- Interfunds Liquidated	123.50	
	112.17	
Balance December 31, 2013	\$	11.33

Exhibit SD-17

Schedule of Capital Improvement Fund
 For the Year Ended December 31, 2013

Balance December 31, 2013		\$ 16,000.00
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BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY CAPITAL FUND
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2013

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2012</u>		<u>Paid or Charged</u>	<u>Cancelled</u>
				<u>Funded</u>	<u>Unfunded</u>		
General Improvements: Improvement to Water / Sewer System	426	4/17/2003	\$ 20,000.00	\$ 15,250.00		\$ 7,840.00	\$ 7,410.00
Repairs to Glenwood Avenue Water Main	467	4/4/2007	80,000.00		\$ 7,087.76		7,087.76
				<u>\$ 15,250.00</u>	<u>\$ 7,087.76</u>	<u>\$ 7,840.00</u>	<u>\$ 14,497.76</u>
Paid by Current Fund						<u>\$ 7,840.00</u>	

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BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY CAPITAL FUND
 Statement of Reserve for Amortization
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 2,802,295.90
Increased by:	
2013 Utility Budget Appropriation:	
Equipment Purchase	\$ 10,427.56
Deferred Reserve	<u>68,912.24</u>
Transferred from Deferred Reserve for Amortization	
Serial Bonds Paid by:	
Budget Appropriation	<u>79,339.80</u>
	<u>24,000.00</u>
	<u>32,480.05</u>
	<u>135,819.85</u>
Decreased by:	
Cancellation of Improvement Authorizations	<u>2,938,115.75</u>
	<u>7,410.00</u>
Balance December 31, 2013	<u><u>\$ 2,930,705.75</u></u>

Statement of Deferred Reserve for Amortization
 For the Year Ended December 31, 2013

Balance December 31, 2012	\$ 24,000.00
Decreased by:	
Transferred to Reserve for Amortization	<u><u>\$ 24,000.00</u></u>

BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY CAPITAL FUND
 Statement of Waste and Water Disposal Systems for Rural Communities Serial Bonds
 For the Year Ended December 31, 2013

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2013</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bond	9/17/1992	\$ 562,600.00	3/8/2014	\$ 6,196.30	5.625%	\$ 422,900.28	\$ 11,888.73	\$ 411,011.55
			9/8/2014	6,370.57				
			3/8/2015	6,549.74				
			9/8/2015	6,733.96				
			3/8/2016	6,923.35				
			9/8/2016	7,118.07				
			3/8/2017	7,318.26				
			9/8/2017	7,524.09				
			3/8/2018	7,735.70				
			9/8/2018	7,953.27				
			2019 to 2032	340,588.24				
			General Obligation Bond	8/12/1994				
8/12/2014	10,883.93							
2/12/2015	11,128.81							
8/12/2015	11,379.21							
2/12/2016	11,635.24							
8/12/2016	11,897.04							
2/12/2017	12,164.72							
8/12/2017	12,438.43							
2/12/2018	12,718.29							
8/12/2018	13,004.45							
2019 to 2034	612,130.95							
						<u>\$ 1,173,517.10</u>	<u>\$ 32,480.05</u>	<u>\$ 1,141,037.05</u>
2013 Budget Appropriation							<u>\$ 32,480.05</u>	

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BOROUGH OF WEST WILDWOOD
WATER / SEWER UTILITY CAPITAL FUND
 Schedule of Bonds and Notes Authorized but not issued
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	Funded by Budget Appropriation	Cancelled
467	Repairs to Glenwood Ave Water Main	\$ 76,000.00	\$ 68,912.24	\$ 7,087.76
		\$ 76,000.00	\$ 68,912.24	\$ 7,087.76

BOROUGH OF WEST WILDWOOD

PART 2

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**



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**BOROUGH OF WEST WILDWOOD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2013**

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding No. 2013-1

Criteria or Specific Requirement

All local units shall have and maintain a fixed assets accounting and reporting system that establishes and maintains a physical inventory of fixed assets, places value on those assets and be maintained in detail to record additions, retirements and transfers in accordance with N.J.A.C. 5:30-5.6.

Condition

The Borough does not have a complete and accurate fixed asset listing.

Context

A review of the client's fixed assets records revealed that the listing was incomplete and had not been updated recently.

Effect

Without proper internal controls established concerning fixed assets or a complete and accurate fixed asset listing, a misappropriation of assets could be more easily perpetrated and concealed.

Cause

The fixed asset listing of the Borough over the years has not been maintained and thus does not reflect the correct property and historical costs of the Borough's assets.

Recommendation

The Borough should establish a complete and accurate schedule of fixed assets and then establish adequate internal controls over maintaining the schedule concerning their addition, retirement and transfer.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding will address the matter as part of their corrective action plan.

BOROUGH OF WEST WILDWOOD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2013

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2013-2

Criteria or Specific Requirement

The Borough is required to maintain complete and accurate records for all approved trust other fund accounts.

Condition

The records for the trust other fund accounts were not in agreement with the cash activity as of December 31, 2013.

Context

Our audit of the trust other funds disclosed cash activity in the bank accounts for several trust funds that did not agree to the records maintained by the Borough.

Effect

It could not be determined if the cash activity was for approved purposes of the established trust other fund accounts.

Cause

Cash activity for the trust other fund accounts was not being posted and reconciled to the trust reserves effectively.

Recommendation

That complete and accurate records be maintained for all approved trust other fund accounts.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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BOROUGH OF WEST WILDWOOD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2013

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2013-3

Criteria or Specific Requirement

Proper internal controls dictate that the balances of appropriated grant reserves and receivables should be reviewed on a regular basis to ensure accuracy and collectability.

Condition

The Borough has various appropriated grant reserves and receivables that have not had activity in several years and have not been reviewed to ensure accuracy and collectability.

Context

Our audit of the federal and state grant fund, disclosed several appropriated grant reserves and receivables that have been open and outstanding for several years without activity.

Effect

The appropriated grant fund reserves could be past their period of availability and therefore could be no longer available for expenditures in compliance with grant regulations. The grant receivable balances could represent amounts the Borough is no longer entitled to collect and thus result in expenditures with no offsetting cash receipt.

Cause

State balances of appropriated grant reserves and receivables were not being reviewed on a timely basis to ensure accuracy and collectability.

Recommendation

The Borough should review all balance of appropriated grant reserves and receivables to ensure accuracy and collectability. If the Borough determines the grant balance is no longer valid, appropriate steps should be taken to cancel those balances.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF WEST WILDWOOD
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

FINANCIAL STATEMENT FINDINGS

Finding No. 2012-1

Condition

The Borough does not have an accurate listing of the fixed assets that have been purchased.

Current Status

This condition still exists as reported in Finding No. 2013-1.

Planned Corrective Action

An accurate and complete fixed asset ledger will be prepared and maintained.

Finding No. 2012-2

Condition

The Borough is required to maintain accurate reserves for all approved trust accounts.

Current Status

This condition still exists as reported in Finding No. 2013-2.

Planned Corrective Action

An analysis of the trust fund reserves will be completed and accurate records maintained of the cash disbursements.

Finding No. 2012-3

Condition

Several old grant balances have been maintained by the Borough for several years.

Current Status

This condition still exists as reported in Finding No. 2013-3.

Planned Corrective Action

The Borough's grant balances should be reviewed for collectability, period of availability and appropriateness and determine which grant balances should be canceled or expended in accordance with the applicable compliance requirements.

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**BOROUGH OF WEST WILDWOOD
Officials in Office and Surety Bonds**

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Dates</u>	<u>Amount of Surety Bonds</u>
Christopher Fox	Mayor		(A)
Scott Golden	Commissioner		(A)
Cornelius Maxwell	Commissioner		(A)
Elaïne Crowley	Acting CFO / Treasurer		(A)
Donna Frederick	Municipal Clerk / Registrar of Vital Statistics		(A)
Carl O'Hala	Deputy Clerk		(A)
Terrence Graff	Tax / Utility Collector		(A)
Christopher Ridings	Administrator		(A)
Ruth Sweeney	Administrative Assistant		(A)
Louise Pellegrino	Administrative Assistant		(A)
Laura J. Kassinger	Court Administrator, Violations Clerk		(A)
Tammy Lomonica	Deputy Court Administrator		(A)
Joseph M. Gallagher	Tax Assessor		(A)
Dorothy M. Incarvito- Garrabrant	Judge of the Municipal Court		(A)
Andrew Cafiero	Solicitor		(A)

(A) These officials were covered by the Atlantic County Joint Insurance Fund for \$50,000.00. Amount in excess of the \$50,000.00 are covered under the Municipal Excess Liability Joint Insurance Fund to \$950,000.00 less the amount of individual bond coverage where applicable.

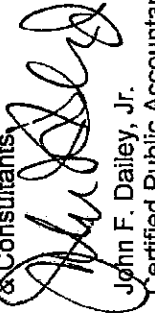
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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Registered Municipal Accountant

