

BOROUGH OF WILDWOOD CREST

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2011

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BOROUGH OF WILDWOOD CREST

PART I

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS - REGULATORY BASIS**

FOR THE YEAR ENDED

DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Commissioners
Borough of Wildwood Crest
County of Cape May, New Jersey

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Borough of Wildwood Crest, State of New Jersey (the "Borough"), as of December 31, 2011 and 2010 and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements – regulatory basis are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Borough, prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The presentation requirement does not include a Management Discussion and Analysis as required by the Governmental Accounting Standards Board to be presented as Required Supplementary Information, but not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the Borough's policy to prepare its financial statements on the prescribed basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds and account groups of the Borough, as of December 31, 2011 and 2010 and the results of operations and changes in fund balance of such funds for the years then ended, and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2011.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the Borough, as of December 31, 2011 and 2010 and the results of operations and changes in fund balances – regulatory basis of such funds for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2011 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 6, 2012 on our consideration of the Borough's internal control structure over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. The schedule of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the financial statements of the Township. The supplemental schedules and the schedule of federal awards as listed in the table of contents 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. The information has been subjected to the auditing procedures applied to the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Glen J. Ortman

Glen J. Ortman
Certified Public Accountant
Registered Municipal Accountant
No. 427

July 6, 2012

EXHIBIT - A
CURRENT FUND

BOROUGH OF WILDWOOD CREST
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>Assets</u>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 7,598,320.17	\$ 6,801,130.91
Change Fund		850.00	800.00
		<u>7,599,170.17</u>	<u>6,801,930.91</u>
Other Receivables:			
Due from State of New Jersey		-	1,699.89
		<u>-</u>	<u>1,699.89</u>
Receivables and Other Assets with			
Full Reserves:			
Delinquent Property Taxes Receivable	A-7	450,928.36	475,140.34
Revenue Accounts Receivable	A-9	229,818.19	169,092.16
Interfunds:			
Due from General Capital Fund	C	1,793.16	2,330.21
Due from Animal Control Fund	B	1,391.36	1.09
Due from Trust - Other	B	1,109.13	732.11
		<u>685,040.20</u>	<u>647,295.91</u>
Deferred Charges:			
Special Emergency Authorization		24,000.00	112,000.00
Emergency Authorizations	A-3	42,295.92	47,776.29
		<u>66,295.92</u>	<u>159,776.29</u>
		<u>8,350,506.29</u>	<u>7,610,703.00</u>
Federal and State Grant Fund:			
Cash	A-4	297,314.42	76,314.67
Grants Receivable	A-11	919,031.63	1,437,046.21
		<u>1,216,346.05</u>	<u>1,513,360.88</u>
		<u>\$ 9,566,852.34</u>	<u>\$ 9,124,063.88</u>

BOROUGH OF WILDWOOD CREST
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
<u>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 676,758.50	\$ 973,742.42
Reserve for Encumbrances	A-3:A-10	260,980.14	196,962.83
Accounts Payable	A:A-10	28,273.70	4,381.70
Payroll Deductions Payable		-	5,726.28
Prepaid Taxes		643,252.80	575,265.88
Tax Overpayments		4,172.00	16,459.95
Sewer Rent Overpayments		9,143.89	14,095.30
Prepaid Sewer Rents		14,011.80	12,316.10
Due County for Added and Omitted Taxes		7,893.33	38,770.03
School Tax Payable		1,810,097.72	1,649,612.40
Due to State of New Jersey		655.60	-
Due to Greater Wildwoods Tourism Improvement and Development Authority		184,918.50	-
Reserve for Master Plan		15,000.00	15,000.00
Reserve for Revaluation		13,725.46	13,725.46
Reserve for Tax Appeals		250,000.00	250,000.00
Reserve for Beach Operation Off-Set		225,317.70	231,099.35
Prepaid Greater Wildwoods Tourism Improvement and Development Authority Fees		1,200.00	1,000.00
Prepaid Tourism Develop. Commission Fee		600.00	800.00
Prepaid Pier Concession Rental		65,000.00	10,000.00
Prepaid Licenses		2,100.00	2,110.00
		<u>4,213,101.14</u>	<u>4,011,067.70</u>
Reserve for Receivables and Other Assets	A	685,040.20	647,295.91
Fund Balance	A-1	<u>3,452,364.95</u>	<u>2,952,339.39</u>
		<u>8,350,506.29</u>	<u>7,610,703.00</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-12	53,499.62	36,505.89
Appropriated Reserves	A-13	1,154,297.76	1,464,292.21
Reserve for Encumbrances		8,548.67	12,562.78
		<u>1,216,346.05</u>	<u>1,513,360.88</u>
		<u>\$ 9,566,852.34</u>	<u>\$ 9,124,063.88</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

BOROUGH OF WILDWOOD CREST
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

	Ref.	Year 2011	Year 2010
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,400,000.00	\$ 1,310,000.00
Miscellaneous Revenue Anticipated	A-2	6,236,638.81	6,723,821.50
Receipts from Delinquent Taxes	A-2	466,583.83	600,145.51
Receipts from Current Taxes	A-2	24,162,806.26	23,494,452.60
Non-Budget Revenue	A-2	301,491.61	264,897.12
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	831,586.23	660,117.70
Accounts Payable Canceled		3,311.70	1,253.94
Reserve for Funded Emergency Canceled		-	355.12
Prior Year Senior Citizens Deduction Allowed		-	1,500.00
Interfunds Returned:			
Animal Control Fund	A	1.09	0.70
Trust - Other	A	-	532.82
General Capital	A	2,330.21	2,276.14
Total Income		33,404,749.74	33,059,353.15
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages	A-3	5,546,000.29	5,567,178.78
Other Expenses	A-3	5,508,209.00	5,205,135.00
Deferred Charges & Statutory Expenditures	A-3	1,238,335.37	1,077,775.00
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	40,000.00	85,000.00
Other Expenses	A-3	3,975,070.64	3,601,049.05
Capital Improvements	A-3	488,095.92	1,518,776.29
Municipal Debt Service	A-3	3,214,646.17	3,034,597.79
Deferred Charges	A-3	135,776.29	88,000.00
County Taxes	A-7	5,121,317.35	4,940,060.77
County Added and Omitted Taxes	A-7	7,893.33	38,770.03
Local District School Tax		6,269,504.00	6,373,533.00
Interfunds Created:			
Trust Fund - Other		377.02	732.11
General Capital Fund		1,793.16	2,330.21
Animal Control Trust Fund		1.56	1.09
Total Expenditures		31,547,020.10	31,532,939.12

BOROUGH OF WILDWOOD CREST
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2011</u>	<u>Year 2010</u>
Excess In Revenue		\$ <u>1,857,729.64</u>	\$ <u>1,526,414.03</u>
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year		<u>42,295.92</u>	<u>47,776.29</u>
		<u>42,295.92</u>	<u>47,776.29</u>
Statutory Excess to Fund Balance		1,900,025.56	1,574,190.32
Fund Balance January 1	A	<u>2,952,339.39</u>	<u>2,688,149.07</u>
		4,852,364.95	4,262,339.39
Decreased by:			
Utilization as Anticipated Revenue		<u>1,400,000.00</u>	<u>1,310,000.00</u>
Fund Balance December 31	A	\$ <u><u>3,452,364.95</u></u>	\$ <u><u>2,952,339.39</u></u>

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	Ref. A-1	Anticipated		Realized	Excess or (Deficit)
		Budget	N.J.S. 40A:4-87		
	\$		\$	\$	
Fund Balance Anticipated		1,400,000.00		1,400,000.00	
		1,400,000.00		1,400,000.00	
Miscellaneous Revenues:					
Licenses:					
Other		198,000.00		210,486.00	12,486.00
Fees and Permits		78,000.00		111,652.60	33,652.60
Fines and Costs:					
Municipal Court		153,000.00		126,436.77	(26,563.23)
Interest and Costs on Taxes		77,000.00		100,733.77	23,733.77
Parking Meters		198,000.00		205,373.38	7,373.38
Interest on Investments and Deposits		75,000.00		85,520.77	10,520.77
Recreation Income - Pool		62,000.00		68,714.00	6,714.00
TV Cable Franchise Fee		39,000.00		39,711.46	711.46
Municipal Pier and Concession Income		165,000.00		178,020.00	13,020.00
Interest and Costs on Delinquent Sewer Rents		20,000.00		19,687.45	(312.55)
Fees and Permits - Craft Shows		24,000.00		15,700.00	(8,300.00)
Sewer Rents		3,310,000.00		3,488,780.17	178,780.17
Ambulance Fees		120,000.00		151,440.91	31,440.91
Consolidated Municipal Property Tax Relief Aid		6,544.00		6,544.00	-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		374,501.00		374,501.00	-
Public and Private Programs Off-Set by Revenues:					
Recycling Tonnage Grant		5,939.49		5,939.49	-
Clean Communities Program		18,591.42		18,591.42	-
State Aid Housing		40,000.00		40,000.00	-
Summer Events Grant			21,000.00	21,000.00	

See Accompanying Notes to Financial Statements - Regulatory Basis

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	N.J.S. 40A:4-87		
Special Items: (Continued)					
Public and Private Programs Off-Set by Revenues:(Continued)					
Drunk Driving Enforcement Fund		\$ 5,546.23	\$	5,546.23	\$ -
UEZ Administration Grant			11,728.73	11,728.73	-
UEZ Assistance Fund			202,050.02	202,050.02	-
Police Body Armor - Reserved		3,168.57		3,168.57	-
US Bulletproof Vest program - Reserved		3,260.18		3,260.18	-
Domestic Violence Grant			308,996.00	308,996.00	-
Other Special Items:					
Uniform Fire Safety Act		160,000.00		169,770.54	9,770.54
Anticipated General Capital Fund Balance		32,186.00		32,186.00	-
Beach Operation Offset - Reserved		231,099.35		231,099.35	-
Total Miscellaneous Revenues	A-1	5,399,836.24	543,774.75	6,236,638.81	293,027.82
Receipts from Delinquent Taxes	A-1:A-2	465,000.00		466,583.83	1,583.83
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	13,327,130.91		13,625,405.50	298,274.59
Total Amount to be Raised by Taxes for Support of Municipal Budget		13,327,130.91		13,625,405.50	298,274.59
Budget Totals		20,591,967.15	543,774.75	21,728,628.14	592,886.24
Non-Budget Revenues	A-1:A-2	20,591,967.15	\$ 543,774.75	301,491.61	301,491.61
			\$	22,030,119.75	\$ 894,377.85

See Accompanying Notes to Financial Statements - Regulatory Basis

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>		
<u>Analysis of Realized Revenues</u>			
<u>Allocation of Current Tax Collections:</u>			
Revenues from Collections	A-7	\$	24,170,822.26
Less:			
Reserve for State Tax Appeals			8,016.00
Net Revenue from Collections	A-1		24,162,806.26
Allocated to:			
School, County and Other Taxes	A-1:A-7		11,298,714.68
Balance for Support of Municipal Budget Appropriations			12,864,091.58
Add: Appropriation			
"Reserve for Uncollected Taxes"	A-3		761,313.92
Amount for Support of Municipal Budget Appropriations	A-2	\$	13,625,405.50
<u>Receipts from Delinquent Taxes:</u>			
Delinquent Tax Collections	A-7	\$	466,583.83
		\$	466,583.83
<u>Analysis of Non-Budget Revenues:</u>			
Miscellaneous Revenue Not Anticipated:			
Employee Health Insurance Premium Copay	\$	61,724.36	
FEMA Reimbursements		37,195.67	
West Wildwood Police Dispatch		34,000.00	
GWTIDA Administrative Fee - TDC		30,000.00	
MUA Refunds		24,865.45	
Reimbursements		24,818.74	
Volunteer Health Insurance Premiums		23,001.83	
Insurance Refunds		12,644.64	
Late Mercantile Licenses Penalties		8,000.38	
Auction Proceeds		7,791.75	
Payroll Withholding Adjustment		5,964.81	
Miscellaneous		5,473.32	
Ambulance Corps Closure		4,670.16	
UEZ Refunds		3,651.13	
Void Prior Year Outstanding Checks		8,530.47	
Police Reports		1,913.82	
2% Administration Fee for Vets & Senior Citizens		1,624.27	
Cost of Tax Sale		1,720.46	
Photo Copies		1,221.25	
Restitution		780.00	
Security		534.00	
Elections		300.00	
Code Violations		300.00	
Bad Check Fees		220.00	
Notary Fees		190.00	
Variance Applications		180.00	
Telephone Over the Limit Refunds		84.32	
Pension Refunds		50.78	
Tax Searches		40.00	
		\$	301,491.61

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS":						
GENERAL GOVERNMENT:						
DEPARTMENT OF PUBLIC AFFAIRS AND						
PUBLIC SAFETY:						
Directors Office						
Salaries and Wages	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$	\$	
Other Expenses	7,250.00	7,250.00	1,204.79	1,586.00	4,459.21	
Local Code Enforcement						
Salaries and Wages	26,400.00	26,400.00	24,626.49			1,773.51
Other Expenses	7,400.00	7,400.00	3,424.52	404.98	3,570.50	
Fire						
Salaries and Wages	2,500.00	2,500.00	1,923.00		-	577.00
Other Expenses	46,850.00	46,850.00	19,899.68	20,126.12	6,824.20	
Police						
Salaries and Wages	2,109,971.00	2,050,221.00	1,951,772.27		46,687.25	51,761.48
Other Expenses	151,300.00	151,300.00	115,034.23	36,236.11	29.66	
Municipal Prosecutor						
Other Expenses	18,000.00	18,000.00	16,500.00		1,500.00	
Legal						
Other Expenses	130,300.00	195,300.00	142,722.40	34,362.50	18,225.10	
Emergency Management Services						
Salaries and Wages	3,000.00	3,000.00	2,999.88		-	0.12
Other Expenses	2,000.00	2,000.00	1,463.79	500.00	36.21	
Services of Ambulance						
Salaries and Wages	445,000.00	445,000.00	421,604.95		-	23,395.05
Other Expenses	41,200.00	41,200.00	22,393.19	10,524.10	8,282.71	
Environmental Commission (N.J.S. 40:56A-1)						
Salaries and Wages	2,200.00	2,200.00	2,000.00		-	200.00
Other Expenses	500.00	500.00	280.00		220.00	
Lifeguards						
Salaries and Wages	468,595.00	468,595.00	464,669.15	1858.21-81213.7	-	3,925.85
Other Expenses	62,580.00	62,580.00	56,466.60	3,475.00	2,638.40	
Land Use Administration						
Salaries and Wages	66,000.00	66,000.00	58,635.15		-	7,364.85
Other Expenses	71,750.00	51,750.00	31,918.10	2,695.39	17,136.51	
Traffic Maintenance						
Salaries and Wages	66,000.00	66,000.00	65,869.86		-	130.14
Other Expenses	31,900.00	31,900.00	16,431.78	909.60	14,558.62	

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
DEPARTMENT OF PUBLIC AFFAIRS AND PUBLIC SAFETY: (CONTINUED)						
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Fire Official	\$	\$	\$	\$	\$	\$
Salaries and Wages	84,000.00	84,000.00	80,514.48	-	-	3,485.52
Other Expenses	22,500.00	22,500.00	8,795.30	898.35	12,806.35	
Animal Control						
Other Expenses	29,000.00	29,000.00	27,321.00		1,679.00	
Police Dispatch						
Salaries and Wages	148,000.00	148,000.00	148,000.00	-	-	
Municipal Court						
Salaries and Wages	145,486.00	145,486.00	141,040.19		-	4,445.81
Other Expenses	14,450.00	14,450.00	12,774.17	327.00	1,348.83	
Public Defender (P.L. 1997, C.256)						
Other Expenses	13,000.00	13,000.00	10,416.60		2,583.40	
New Jersey Public Employees						
OSHA Mandated Costs						
Health						
Other Expenses	2,500.00	2,500.00			2,500.00	
DEPARTMENT OF REVENUE AND FINANCE:						
Director's Office						
Salaries and Wages	18,500.00	18,500.00	16,899.94		-	1,600.06
Other Expenses	950.00	950.00	781.79		168.21	
Borough Administration						
Salaries and Wages	205,950.00	205,950.00	205,330.88		-	619.12
Other Expenses	39,900.00	39,900.00	23,980.01	7,086.67	8,833.32	
Election Expense	1,500.00	1,500.00	1,091.56		408.44	
Financial Administration						
Salaries and Wages	165,500.00	164,500.00	164,006.48		-	493.52
Other Expenses	47,994.00	51,994.00	46,921.99	3,485.89	1,586.12	
Assessment of Taxes						
Salaries and Wages	102,600.00	98,600.00	89,749.65		1,500.00	7,350.35
Other Expenses	17,890.00	17,890.00	14,972.86	2,168.70	748.44	
Collection of Taxes						
Salaries and Wages	136,000.00	136,000.00	134,404.76		-	1,595.24
Other Expenses	17,200.00	17,200.00	13,584.64	423.24	3,192.12	
Municipal Audit						
Other Expenses	33,000.00	33,000.00	32,900.00		100.00	

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
DEPARTMENT OF REVENUE AND FINANCE:(CONTINUED)						
Utility Billing Expenses	\$				\$	
Other Expenses	12,200.00	12,200.00	10,940.56		1,259.44	
Insurance						
General Liability	139,409.00	139,409.00	139,409.00		-	
Workers Compensation	323,591.00	323,591.00	314,912.76		8,678.24	
Employee Group Health	2,285,920.00	2,285,920.00	2,210,101.51	225.00	75,593.49	
Health Benefit Waiver						
Salaries and Wages	6,000.00	6,000.00	1,687.25		4,312.75	
DEPARTMENT OF PUBLIC WORKS						
PARKS AND PUBLIC PROPERTY:						
Director's Office						
Salaries and Wages	14,500.00	14,500.00	14,499.94		-	0.06
Other Expenses	750.00	750.00	169.80		580.20	
Engineer						
Other Expenses	43,000.00	53,000.00	47,088.50		5,911.50	
Landfill						
Other Expenses	337,000.00	337,000.00	276,235.49		60,764.51	
Public Works						
Salaries and Wages	373,000.00	373,000.00	352,258.12		-	20,741.88
Other Expenses	66,350.00	66,350.00	57,707.53	5,598.47	3,044.00	
Recreation Buildings						
Other Expenses	99,950.00	99,950.00	43,531.43	22,485.41	33,933.16	
Beach Cleaning						
Salaries and Wages	60,000.00	35,000.00	30,541.64		-	4,458.36
Other Expenses	125,550.00	125,550.00	110,751.46	3,619.03	11,179.51	
Sanitation						
Salaries and Wages	395,000.00	385,000.00	317,889.89		-	67,110.11
Other Expenses	56,400.00	51,400.00	37,327.85	2,025.36	12,046.79	
Parks and Buildings						
Salaries and Wages	203,000.00	203,000.00	170,624.20		-	32,375.80
Other Expenses	97,500.00	92,500.00	71,960.67	7,749.42	12,789.91	
Sewerage						
Salaries and Wages	93,000.00	93,000.00	88,880.96		-	4,119.04
Other Expenses	62,100.00	62,100.00	54,131.45	7,949.95	18.60	

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
DEPARTMENT OF PUBLIC WORKS						
PARKS AND PUBLIC PROPERTY:(CONTINUED)						
Fleet Maintenance	\$ 170,000.00	\$ 155,000.00	\$ 153,133.37	\$ 7,432.43	\$ -	\$ 1,866.63
Salaries and Wages	86,400.00	96,400.00	82,339.88		6,627.69	
Other Expenses						
Tourism						
Salaries and Wages	12,500.00	12,500.00	8,063.25		-	4,436.75
Other Expenses	34,775.00	34,775.00	33,932.26	813.34	29.40	
Recreation Commission (N.J.S. 40:61-17)						
Salaries and Wages	266,000.00	266,000.00	259,139.64		-	6,860.36
Other Expenses	20,300.00	20,300.00	11,226.18	3,289.73	5,784.09	
Contribution to Urban Enterprise Zone						
Other Expenses	13,500.00	13,500.00	-	12,363.80	1,136.20	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS						
APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C.5:23-4.17)						
State Uniform Construction Code	59,000.00	59,000.00	57,983.90		-	1,016.10
Salaries and Wages	38,600.00	38,600.00	9,714.92	50.00	28,835.08	
Other Expenses						
UTILITY EXPENSES AND BULK PURCHASES:						
Water	49,500.00	48,500.00	33,575.10		14,924.90	
Street Lighting	140,000.00	140,000.00	118,864.83		21,135.17	
Telephone	98,000.00	100,000.00	90,668.87	4,829.20	4,501.93	
Fire Hydrants	38,500.00	39,500.00	29,618.40		9,881.60	
Natural Gas	80,000.00	75,000.00	56,322.74		18,677.26	
Electric	218,000.00	208,000.00	172,837.58		35,162.42	
Gasoline	150,000.00	181,000.00	169,794.76	3,204.37	8,000.87	
Accumulated Absence Liability	14,001.00	49,751.00	-	49,751.00	-	
TOTAL OPERATIONS WITHIN "CAPS"	11,304,912.00	11,302,912.00	10,248,191.82	256,586.16	546,431.31	251,702.71
Contingent	3,000.00	3,000.00	1,234.85	643.98	1,121.17	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	11,307,912.00	11,305,912.00	10,249,426.67	257,230.14	547,552.48	251,702.71
Detail:						
Salaries and Wages	5,876,703.00	5,797,703.00	5,443,749.29	49,751.00	52,500.00	251,702.71
Other Expenses	5,431,209.00	5,508,209.00	4,805,677.38	207,479.14	495,052.48	-

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	
DEFERRED CHARGES:					
Unpaid Prior Year Bills	\$ 3,502.05	\$ 3,502.05	\$ 645.37	\$ -	\$ 2,856.68
STATUTORY EXPENDITURES:					
Contributions to:					
Public Employees' Retirement System	292,000.00	292,000.00	292,000.00	-	-
Social Security System (O.A.S.I.)	465,000.00	465,000.00	422,409.03	42,590.97	42,590.97
Police and Firemen's Retirement System of N.J.	460,190.00	460,190.00	460,188.00	2.00	2.00
Unemployment Compensation Insurance	20,500.00	20,500.00	20,500.00	-	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"	<u>1,241,192.05</u>	<u>1,241,192.05</u>	<u>1,195,742.40</u>	<u>-</u>	<u>2,856.68</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>12,549,104.05</u>	<u>12,547,104.05</u>	<u>11,445,169.07</u>	<u>257,230.14</u>	<u>254,559.39</u>
OPERATIONS EXCLUDED FROM "CAPS"					
INSURANCE (N.J.S.A. 40A:4-45.3(00))					
Employee Group Health	83,080.00	83,080.00		83,080.00	
Cape May County MUA - Charges	3,310,000.00	3,310,000.00	3,310,000.00	-	-
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	<u>3,393,080.00</u>	<u>3,393,080.00</u>	<u>3,310,000.00</u>	<u>-</u>	<u>-</u>

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Charged	Encumbered	Reserved		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES							
State Aid-Housing Inspections	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ -	-	\$ -	
Salaries and Wages	5,939.49	5,939.49	5,939.49	-	-	-	
Recycling Tonnage Grant	18,591.42	18,591.42	18,591.42	-	-	-	
Clean Communities Grant	16,000.00	16,000.00	21,000.00	-	-	-	16,000.00
2010 Summer Events Grant (40A:4-87, \$21,000.00+)	5,546.23	5,546.23	5,546.23	-	-	-	
Matching Funds For Grants	3,168.57	3,168.57	3,168.57	-	-	-	
Drunk Driving Enforcement Grant (Reserve)	3,260.18	3,260.18	3,260.18	-	-	-	
Police Body Armor Grant		11,728.73	11,728.73	-	-	-	
US Bulletproof Vest Partnership		202,050.02	202,050.02	-	-	-	
UEZ Administration Grant (40A:4-87, \$11,728.73+)		308,996.00	308,996.00	-	-	-	
UEZ Assistance Funds (40A:4-87, \$202,050.02+)	1,710.00	1,710.00	1,710.00	-	-	-	
Domestic Violence Grant (40A:4-87, \$308,996.00+)							
Municipal Alliance Consortium - Local Share							
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	94,215.89	637,990.64	621,990.64	-	-	16,000.00	
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	3,487,295.89	4,031,070.64	3,931,990.64	-	83,080.00	16,000.00	
Detail:							
Salaries and Wages	40,000.00	40,000.00	40,000.00	-	-	-	
Other Expenses	3,447,295.89	3,991,070.64	3,891,990.64	-	83,080.00	16,000.00	
CAPITAL IMPROVEMENTS							
Capital Improvement Fund	300,000.00	300,000.00	300,000.00	-	-	-	
Emergency Sewer Repairs	105,000.00	107,000.00	106,803.07	-	196.93	-	
Purchase Four Wheel Drive Vehicle	35,000.00	35,000.00	31,713.88	-	3,286.12	-	
Purchase Parking Meters	3,800.00	3,800.00	-	3,750.00	50.00	-	
Emergency Bulkhead Replacement (Emergency, \$42,295.92)		42,295.92	42,295.92	-	-	-	
TOTAL CAPITAL IMPROVEMENTS	443,800.00	488,095.92	480,812.87	3,750.00	3,533.05	-	

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
DEBT SERVICE						
Payment of Bond Principal	\$ 2,160,000.00	\$ 2,160,000.00	\$ 2,160,000.00	\$ -		\$ -
Interest on Bonds	685,301.00	685,301.00	685,301.00			-
Interest on Notes	24,500.00	24,500.00	24,470.00		-	30.00
USDA Loans						
Principal	17,374.30	17,374.30	17,374.30			-
Interest	62,395.70	62,395.70	62,395.70			-
New Jersey Environmental Infrastructure Trust (NJIEIT)						
Principal	216,781.00	216,781.00	216,780.17			0.83
Interest	48,325.00	48,325.00	48,325.00			-
TOTAL DEBT SERVICE	3,214,677.00	3,214,677.00	3,214,646.17	-	-	30.83
DEFERRED CHARGES EXCLUDED FROM "CAPS"						
Emergency Authorizations	47,776.29	47,776.29	47,776.29			
Special Emergency - 5 Years (NJSA 40A:4-53)	88,000.00	88,000.00	88,000.00			-
TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"	135,776.29	135,776.29	135,776.29	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	7,281,549.18	7,869,619.85	7,763,225.97	3,750.00	86,613.05	16,030.83
SUBTOTAL GENERAL APPROPRIATIONS	19,830,653.23	20,416,723.90	19,208,395.04	260,980.14	676,758.50	270,590.22
Reserve for Uncollected Taxes	761,313.92	761,313.92	761,313.92			
TOTAL GENERAL APPROPRIATIONS	\$ 20,591,967.15	\$ 21,178,037.82	\$ 19,969,708.96	\$ 260,980.14	\$ 676,758.50	\$ 270,590.22
				A	A	
Budget	\$ 20,591,967.15	20,591,967.15				
Emergency Appropriation		42,295.92				
Appropriation by 40A:4-87		543,774.75				
	\$	<u>21,178,037.82</u>				
Deferred Charges - Emergency Authorizations		\$ 135,776.29				
Federal and State Grants		620,280.64				
Payroll Deductions		1,895,871.21				
Reserve for Uncollected Taxes		761,313.92				
Cash Disbursed		16,556,466.90				
	\$	<u>19,969,708.96</u>				

EXHIBIT - B
TRUST FUND

BOROUGH OF WILDWOOD CREST
TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<u>Assets</u>			
<u>Animal Control Fund</u>			
Cash and Investments	B-1	\$ 3,660.56	\$ 2,550.89
		<u>3,660.56</u>	<u>2,550.89</u>
<u>Other Funds</u>			
Cash - Treasurer	B-2	775,596.04	790,391.40
		<u>775,596.04</u>	<u>790,391.40</u>
		\$ <u>779,256.60</u>	\$ <u>792,942.29</u>

BOROUGH OF WILDWOOD CREST
TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Animal Control Fund</u>			
Reserve for Animal Control Expenditures	B-3	\$ 2,265.00	\$ 2,549.80
Due to State of New Jersey	B-5	4.20	-
Due to Current Fund	A:B-4	1,391.36	1.09
		<u>3,660.56</u>	<u>2,550.89</u>
<u>Other Funds</u>			
Due to State of New Jersey:			
Marriage License Fees		125.00	150.00
DCA State Training Fees		2,909.00	4,818.00
Due to Current Fund	A	1,109.13	732.11
Reserve for Accumulated Absences		145,036.01	164,786.01
Reserve for Borough Beautification		6,930.50	6,930.50
Reserve for Fire Penalties - Non-Dedicated		56,477.40	54,088.40
Reserve for Fire Prevention		35,305.39	32,730.39
Reserve for Forfeited Funds		14,218.58	13,150.73
Reserve for Third Party Construction Inspections		78,580.20	55,777.00
Reserve for Parking Offense			
Adjudication Act		5,769.67	5,639.67
Reserve for Planning and Zoning Escrow		100,766.65	94,607.05
Reserve for Pool Expenditures		-	-
Reserve for Recreation		129,836.27	115,334.49
Reserve for Snow Removal		8,666.88	8,666.88
Reserve for Street Openings - Performance Surety		29,550.00	24,650.00
Reserve for Street Openings - Maintenance Surety		14,805.00	14,070.00
Reserve for Street Paving		22,259.97	12,973.77
Reserve for Tax Sale Premiums		38,300.00	93,800.00
Reserve for Third Party Lien Redemptions		27,911.55	2,929.04
Reserve for Tourist Development			
Commission		50,446.04	72,738.93
Reserve for Unemployment			
Compensation Insurance		6,592.80	11,818.43
		<u>775,596.04</u>	<u>790,391.40</u>
		\$ <u>779,256.60</u>	\$ <u>792,942.29</u>

EXHIBIT - C
GENERAL CAPITAL FUND

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<u>Assets</u>			
Cash and Investments	C-2,C-3	\$ 3,827,593.15	\$ 3,813,255.22
Deferred Charges to Future Taxation:			
Funded	C-5	22,277,153.15	24,671,307.62
Unfunded	C-6	6,794,500.00	3,947,200.00
NJEIT Loan Receivable		71,195.00	685,730.00
		<u>\$ 32,970,441.30</u>	<u>\$ 33,117,492.84</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Due to Current Fund	A	\$ 1,793.16	\$ 2,330.21
Serial Bonds Payable	C-8	16,587,000.00	18,747,000.00
U.S.D.A. Bonds Payable	C-8A	1,413,109.77	1,430,484.07
NJEIT Loans Payable	C-8B	4,277,043.38	4,493,823.55
Bond Anticipation Notes Payable	C-9	5,375,300.00	2,447,000.00
Improvement Authorizations:			
Funded	C-7	2,543,711.93	3,360,524.61
Unfunded	C-7	2,315,801.09	2,267,942.34
Reserve for Encumbrances	C-7	49,379.61	111,072.32
Capital Improvement Fund	C-4	239,228.09	110,928.09
Fund Balance	C-1	168,074.27	146,387.65
		<u>\$ 32,970,441.30</u>	<u>\$ 33,117,492.84</u>

There were Bonds and Notes Authorized and But Not Issued at December 31, 2011 and 2010 of \$1,419,200.00 and \$1,500,200.00 respectively.

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

Balance December 31, 2010	<u>Ref.</u> C	\$	146,387.65
Increased By:			
Funded Improvement Authorizations Canceled	C-7	\$	153,394.67
Premiums Received on Note Sale			30,477.95
			<u>183,872.62</u>
			<u>330,260.27</u>
Decreased By:			
Payment to Current Fund as Anticipated Revenue	A-2:C-2		32,186.00
Appropriated to Finance Improvement Authorizations	C-7		130,000.00
			<u>162,186.00</u>
Balance December 31, 2011	C	\$	<u><u>168,074.27</u></u>

EXHIBIT - D
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF WILDWOOD CREST
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>General Fixed Assets</u>			
Land		\$ 23,763,687.00	\$ 22,724,694.00
Buildings		7,497,718.00	6,540,589.00
Machinery and Equipment		7,188,450.00	6,930,384.00
		<u>\$ 38,449,855.00</u>	<u>\$ 36,195,667.00</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Investment in General Fixed Assets		\$ 38,449,855.00	\$ 36,195,667.00
		<u>\$ 38,449,855.00</u>	<u>\$ 36,195,667.00</u>

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements – regulatory basis of the Borough of Wildwood Crest have been prepared in conformity with an “Other Comprehensive Basis of Accounting” (OCBOA), as established by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting differs from Accounting Principles Generally Accepted in the United States of America (GAAP). The more significant of the Borough’s accounting policies are described below.

Description of Financial Reporting Entity

The Borough of Wildwood Crest is a shore community located at the southern tip of the State of New Jersey in the County of Cape May. The population according to the 2010 census is 3,270.

The Borough of Wildwood Crest is incorporated and operates under the Borough Commission form of government. The Mayor is elected by the Commissioners.

Component Units

The financial statements of the component units of the Borough of Wildwood Crest are not presented in accordance with Governmental Accounting Standards Board Statement (GASB) No. 14. If the provisions of GASB 14 had been complied with, the other entity’s financial statements would have to be either blended or discretely presented with the financial statements – statutory basis of the Borough of Wildwood Crest, the primary government.

Basis of Presentation, Fund Accounting

The financial statements – regulatory basis of the Borough of Wildwood Crest contain all funds and account groups in accordance with the “Requirements of Audit” as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Wildwood Crest accounts for its financial transactions through the following separate funds, which differ from the funds required by GAAP.

Current Fund

The Current Fund is used to account 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 fund was created.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Capital Funds

The General Capital Fund is used to account for the receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

Budgets and Budgetary Accounting

The Borough of Wildwood Crest must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. State statutes require the governing body to introduce and approve the annual municipal budget no later than February 10th 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 of introduction. 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.

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

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

Cash and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank approved by the State Department of Banking and Insurance, and organized under laws of the United States or the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the Borough of Wildwood Crest requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any governmental unit. Public depositories include banks (both state and federal), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

Generally, the Borough considers all investments that mature in one year or less to be cash equivalents.

All certificates of deposit are recorded as cash regardless of date of maturity.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Fund Balance. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

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 balance sheets.

General Fixed Assets

Property and Equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from GAAP. The following is a brief description of the provisions of the Directive. Fixed Assets used in governmental operations ("general fixed assets") are accounted for in the General Fixed Assets Account Group. Public Domain ("Infrastructure") fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, are not capitalized.

All fixed assets are valued at historical cost, or estimated historical cost if actual historical cost is not available.

Depreciation on general fixed assets is not recorded in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants-in-aid or contributed capital, have not been accounted for separately.

Utility Fixed Assets

Property and equipment purchased by a utility fund are recorded in the utility capital fund at cost and are adjusted for disposition or abandonment. The amounts shown do not represent replacement cost or current value. Contributions in aid of construction are not capitalized. 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, equipment and improvements. GAAP does not require the establishment of a Reserve for Amortization of Fixed Capital, but GAAP does require the recognition of depreciation of property by the utility fund. The Borough does not operate a separate utility.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 by returning 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 municipal use, it will be capitalized in the General Fixed Assets Account Group. GAAP requires property to be recorded in the General Fixed Assets Account Group at the market value at the time of acquisition.

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 made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Appropriation Reserves

Appropriation Reserves covering unexpended appropriation balance 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 fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

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 other governmental unit net of costs of the sale. The related costs of sale are recognized as revenue when received.

Fund Balance

Fund Balances included in the Current Fund and Utility Operating Funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues

Revenues are recorded as received in cash except for certain amounts that are due from other governmental units. Revenue from federal and state grants is realized as revenue when anticipated as such in the Borough's budget. 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. GAAP generally requires that grant revenue be recognized when actual expenditures financed by the grant are made.

Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1st, May 1st, August 1st, and November 1st. Property taxes unpaid of the year following their final due date are subject to tax sale in accordance with statutes. 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 entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenues to be recognized when they are available and measurable reduced by an allowance for doubtful accounts.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

School Taxes

The Borough is responsible for levying, collecting and remitting school taxes for the Borough of Wildwood Crest 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 July 1 to June 30, increased by the amount deferred at December 31, 2010, and decreased by the amount deferred at December 31, 2011. GAAP would require the recording of deferred revenue. Following is a breakdown as of December 31 for the last two years:

	<u>Dec. 31, 2011</u>		<u>Dec. 31, 2010</u>
School Tax Payable	\$ 1,810,097.72	\$	1,649,612.40
School Tax Deferred	1,250,000.00		1,350,000.00
	<u>\$ 3,060,097.72</u>	\$	<u>2,999,612.40</u>

County Taxes

The Borough is responsible for levying, collecting and remitting county taxes for the County of Cape May. Fund balance 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 10th of the current year. In addition, fund balance is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th 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 minimum amount of the reserve, determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A reserve for uncollected taxes is not established under GAAP.

Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order, in conjunction with the encumbrance system. Outstanding encumbrances at December 31st are recorded as a cash liability. Appropriations for principal payments on outstanding General Capital, and Utility Capital Fund bonds and notes are provided on the cash basis; interest on General Capital Fund indebtedness is on the cash basis, whereas interest on Utility Fund indebtedness is on the accrual basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Compensated Absences and Post – Employment 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. Starting in 2003, the Borough has reserved, by charges to operations, a portion of the monetary value of unused sick leave and vacation. No accrual is made for post employment benefits, if any, which are also funded on a "pay as you go" basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as expenditures in the operating fund, and the remaining obligations be recorded as long – term obligations.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 2: LONG-TERM DEBT

Summary of Municipal Debt

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$ 27,652,453.15	\$ 27,118,307.62	\$ 22,254,122.48
Total Issued	<u>27,652,453.15</u>	<u>27,118,307.62</u>	<u>22,254,122.48</u>
<u>Authorized But Not Issued:</u>			
General:			
Bonds and Notes	1,419,200.00	1,500,200.00	6,500,400.00
Total Authorized But Not Issued	<u>1,419,200.00</u>	<u>1,500,200.00</u>	<u>6,500,400.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 29,071,653.15</u>	<u>\$ 28,618,507.62</u>	<u>\$ 28,754,522.48</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 indicates a statutory net debt of 1.27%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 29,071,653.15	\$ -	\$ 29,071,653.15
	<u>\$ 29,071,653.15</u>	<u>\$ -</u>	<u>\$ 29,071,653.15</u>

Net debt \$29,071,653.15 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,294,082,420 = 1.27%.

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

3-1/2% of Equalized Valuation Basis	\$ 80,292,884.70
Net Debt	29,071,653.15
Remaining Borrowing Power	<u>\$ 51,221,231.55</u>

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
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YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

Short-Term Debt

Short-term debt provides for financing of capital projects. On October 21, 2010, the Borough issued \$2,447,000.00 of bond anticipation notes and on October 20, 2011 the Borough issued an additional \$2,928,300.00 of Bond Anticipation Notes to finance various capital improvements at an interest rate of 1.25%. These notes will mature on October 17, 2012.

The following is a summary of changes in short-term debt for the year ended December 31, 2011.

	Balance 12/31/2010	Increased	Decreased	Balance 12/31/2011
Bond Anticipation Notes	\$ 2,447,000.00	\$ 2,928,300.00	\$	\$ 5,375,300.00

Description of Bonds Payable

At December 31, 2011, bonds payable in the General Capital Fund consisted of the following individual issues:

\$5,082,000 General Improvement Bonds dated October 1, 2002, due in annual installments through October 1, 2013, bearing interest at 3.05% per annum. The balance remaining as of December 31, 2011 is \$1,032,000.00.

\$6,000,000 General Improvement Bonds dated September 1, 2006, due in annual installments through September 1, 2014, bearing interest at rates varying from 3.625% to 3.750% per annum. The balance remaining as of December 31, 2011 is \$3,770,000.00.

\$13,135,000 General Improvement Bonds dated November 5, 2009, due in annual installments through November 5, 2023 bearing interest rates varying from 3% to 4% per annum. The balance remaining as of December 31, 2011 is \$11,785,000.00.

Debt Service for U.S.D.A. Loans Payable

On June 23, 2006, the Borough issued General Improvement Bonds payable to the United States Department of Agriculture. The total amount of the issue was \$1,500,000 with an interest rate of 4.375% per annum. After the first principal payment of \$7,027.50 on December 23, 2006, principal and interest on this series are to be paid semiannually on June 23 and December 23 in the amount of \$39,885 for seventy-eight (78) equal payments; the final payment of \$37,426 becoming due on December 23, 2046. The balance remaining at December 31, 2011 is \$1,413,109.77.

Debt Service for NJEIT Loans Payable

On March 10, 2010, the Borough issued NJEIT Series 2010 – Fund Loans payable in the principal amount of \$3,476,677.00 with an interest rate of 0.00% and NJEIT Series 2010A – Trust loans payable in the principal amount of \$1,135,000.00 with a variable interest rate of between 3.00% to 5.00%. The balance remaining for the NJEIT Series 2010 – Fund Loan at December 31, 2011 is \$3,182,043.38 and the Balance remaining for the NJEIT Series 2010A – Trust Loan at December 31, 2011 is \$1,095,000.00.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
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(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

Changes in Long-Term Debt

The following schedule represents the changes in the long-term debt in the General Capital Fund:

	Outstanding 12/31/10		Issues or Additions		Payments or Expenditures		Outstanding 12/31/11
Bonds Payable	\$ 18,747,000.00	\$	-	\$	2,160,000.00	\$	16,587,000.00
	<u>18,747,000.00</u>		<u>-</u>		<u>2,160,000.00</u>		<u>16,587,000.00</u>
U.S.D.A. Bonds Payable	1,430,484.07		-		17,374.30		1,413,109.77
NJEIT Loans Payable	<u>4,493,823.55</u>		<u>-</u>		<u>216,780.17</u>		<u>4,277,043.38</u>
Total Long-term Debt	<u>\$ 24,671,307.62</u>	\$	<u>-</u>	\$	<u>2,394,154.47</u>	\$	<u>22,277,153.15</u>

Schedule of Annual Debt Service for Principal and Interest for Serial Bonds Issued and Outstanding

Year Ending December 31	General Capital Fund Principal	Interest
2012	\$ 2,524,922.90	\$ 723,183.27
2013	2,642,725.34	645,450.83
2014	2,801,563.25	560,611.92
2015	1,142,438.23	468,236.94
2016	1,248,351.90	433,573.27
2017-2021	6,886,943.21	1,490,532.64
2022-2026	3,216,668.86	430,406.99
2027-2031	965,015.89	228,974.94
2032-2036	235,498.42	163,351.58
2037-2041	292,392.14	106,457.86
2042-2046	<u>320,633.01</u>	<u>35,873.01</u>
	<u>\$ 22,277,153.15</u>	<u>\$ 5,286,653.25</u>

NOTE 3: COMPENSATED ABSENCES

The Borough permits eligible employees to accrue unused vacation and personal time for up to one year after the time has been earned. Unused accrued vacation and personal time expires at the end of the two-year period.

The Borough also permits employees to accrue earned and unused sick time, which may be taken as time off or paid at the rate of pay applicable at time of termination. A portion of the monetary value of unused sick leave and vacation has been reserved on the balance sheet by charges to operations. This liability may be affected by conditions, which could preclude an employee from receiving full payment of the accrual. The reserve for accumulated absences in the Trust Fund at December 31, 2011 is \$145,036.01. The total liability of accrued sick leave and vacation for all eligible employees at December 31, 2011 is \$479,171.60.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
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NOTE 4: DEFERRED COMPENSATION ACCOUNT

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. In 1998, the Borough of Wildwood Crest amended the plan by resolution to comply with a private letter ruling of the Internal Revenue Service that requires assets of deferred compensation plans be held in trust under the beneficial ownership of the Trustee, (Borough of Wildwood Crest) serving as Trustee, for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The plan administrator is as follows:

Nationwide Retirement Solutions
The Hartford

NOTE 5: TAXES COLLECTED IN ADVANCE

Taxes collected in advance include amounts set forth as cash liabilities in the financial statements as follows:

	Balance December 31, 2011		Balance December 31, 2010
Prepaid Taxes - Cash Liability	\$ 643,252.80	\$	575,265.88

NOTE 6: RETIREMENT PLANS

All eligible employees participate in the Public Employees' Retirement System and the Police and Fireman's Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. The plans have a Board of Trustees that are 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

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 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 and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5.5% of employees' annual compensation (increased to 6.5% effective 10/1/11). Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
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(CONTINUED)

NOTE 6: RETIREMENT PLANS (Continued)

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. Members contribute at a uniform rate of 8.5% of base salary (increased to 10% effective 10/1/11).

The Borough is billed annually for its normal contribution plus any accrued liability.

Pension Deferral Program

Public Law 2009, c.19 (S-21) was enacted on March 17, 2009 and allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying the full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the PERS and/or PFRS obligations for payments due in the State fiscal year ending June 30, 2009. The amount deferred will be repaid starting in April of 2012 over a 15 year period. The Borough of Wildwood Crest has elected to not to defer that portion of their PERS and PFRS obligations allowed by law.

For the Public Employees' Retirement System, the Borough's contributions, equal to the required contribution for each fiscal year, was as follows:

Fiscal Year	Normal Contribution	Life Insurance	Accrued Liability	Total Liability	Paid by Borough
2011	\$ 104,039.00	\$ 20,493.00	\$ 165,780.00	\$ 290,312.00	\$ 290,312.00
2010	97,211.00	30,802.00	124,904.00	252,917.00	252,917.00
2009	84,258.00	22,587.00	97,456.00	204,301.00	204,301.00

For the Police and Firemen's Retirement System, the Borough's contributions, equal to the required contribution for each fiscal year, was as follows:

Fiscal Year	Normal Contribution	Life Insurance	Accrued Liability	Total Liability	Paid by Borough
2010	\$ 244,754.00	\$ 19,182.00	\$ 196,252.00	\$ 460,188.00	\$ 460,188.00
2010	228,166.00	19,864.00	162,553.00	410,583.00	410,583.00
2009	210,474.00	14,643.00	145,630.00	370,747.00	370,747.00

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
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NOTE 7: DEFINED CONTRIBUTION RETIREMENT PROGRAM

Plan Description

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefits Provisions

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer.

Retirement benefits for members are determined according to the applicable Tier level:

Tier 1 Membership: The retirement age is 60 for a Service or Deferred Retirement. For an Early Retirement, a member must have at least 25 years of service credit; however, if a member is under the age of 55 at the time of retirement, the retirement allowance is reduced 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

Tier 2 Membership: The retirement age is 60 for a Service or Deferred Retirement. For an Early Retirement a member must have at least 25 years of service credit; however, if a member is under the age of 60 at the time of retirement, the retirement allowance is reduced 1 percent per year (1/12 of 1 percent per month) for each year the member is under age 60 but over age 55, and 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

Tier 3 Membership: The retirement age is 62 for a Service or Deferred Retirement. For an Early Retirement a member must have at least 25 years of service credit; however, if a member is under the age of 62 at the time of retirement, the retirement allowance is reduced 1 percent per year (1/12 of 1 percent per month) for each year the member is under age 62 but over age 55, and 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

Funding Policy

Members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were no employees in the DCRP for the ended December 31, 2011.

BOROUGH OF WILDWOOD CREST
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NOTE 8: POST RETIREMENT BENEFITS

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. In 2001 the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number 646-01.

All Borough retirees with at least 25 years of service or who retire upon or after the age of 62 with 15 or more years of service as regular full-time employees shall receive 100% of the cost of health insurance premiums until death. For eligible Police Department employees, upon death of the employee, the post-retirement benefit is provided to the surviving spouse until death.

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/gasb-43-sept2008.pdf

The Borough utilizes the New Jersey State Health Benefits Plan for Health Insurance, however, they also provide post-retirement benefits for vision, dental, and life insurance that are not included as a part of the State Health Benefits Plan. These benefits are budgeted by the Borough annually on a "pay as you go basis" and included in group insurance.

In accordance with GASB 45 and the State of New Jersey, the Borough is required to obtain an actuarial valuation of the liability for providing these benefits. Since this is the first valuation, the actuary has decided to use the entry age normal funding method. The actuarial valuation report was based on 119 total participants including 28 retirees, 1 disabled and 1 beneficiary. The actuarial determined valuation of these benefits has been reviewed and will be reviewed bi-annually for the purpose of estimating the present value of future benefits for active and retired employees and their dependents as required by GASB 45.

Annual OPEB Cost and Net OPEB Obligation

The Borough's annual OPEB cost represents the accrued cost for post-employment benefits under GASB 45. The cumulative difference between the annual OPEB cost and the benefits paid during a year will result in a net OPEB obligation. The annual OPEB cost is equal to the annual required contribution (ARC) less adjustment if a net OPEB obligation exists. The ARC is equal to the normal cost and amortization of the Unfunded Actuarial Accrued Liability (UAAL) plus interest.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
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(CONTINUED)

NOTE 8: POST RETIREMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrences of events far into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the January 1, 2009 Actuarial Valuation Report, the Entry Age normal cost method was used for all participants. The actuarial assumptions used to project future costs included a discount rate of 4.0%, annual vision care costs to increase 5% per year, Medicare Part B premiums are assumed to increase at 6.5% per year and no increases in dental claim costs or life insurance premiums. In addition, the unfunded actuarial accrued liability is being amortized over the maximum acceptable period of 30 years and is calculated assuming a level dollar amount.

Other Post-employment Benefit Costs and Obligations

The following reflects the components of the 2011 annual OPEB Costs, amounts paid, and changes to the net accrued OPEB obligation based on the January 1, 2009 actuarial valuation and actual OPEB payments made or accrued during 2011:

	December 31, 2011
Net OPEB Obligation - Beginning of Year	\$ 824,658
Annual OPEB Cost	420,032
OPEB Payments	(39,638)
Increase in Net OPEB Obligation	380,394
Net OPEB Obligation - End of Year	\$ <u>1,205,052</u>
Percentage of OPEB Cost Contributed	<u>9.44%</u>

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 8: POST RETIREMENT BENEFITS (Continued)

Other Post-employment Benefit Costs and Obligations (Continued)

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2009	\$ 448,996	7.56%	\$ 415,030
12/31/2010	437,413	7.73%	824,658
12/31/2011	420,032	9.44%	1,205,052

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 contributions to SHBP for the years ended December 31, 2011, 2010, 2009, were \$527,895.03, \$456,743.91 and \$429,839.46, respectively, which equaled the required contributions for each year. There were 36, 31, and 31 retired participants eligible at December 31, 2011, 2010, and 2009, respectively.

NOTE 9: DEPOSITS AND INVESTMENTS

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. Of the Borough's bank balance of \$13,517,081.42 as of December 31, 2011, \$96,416.23 was uninsured and uncollateralized.

Investments

N.J.S.A. 40A:5-15.1 provides specific guidance for the allowable investment of public funds. In order to maximize liquidity, while complying with statutory requirements, the Borough utilizes the New Jersey Cash Management Fund ("NJCMF") and MBIA's Cooperative Liquid Assets Securities System ("CLASS") for investing purposes.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 9: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The NJCMF is administered by New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term commercial paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. At December 31, 2011, the Borough's balance was \$7,085.67.

Credit Risk: The NJCMF is not rated. The Borough does not have an investment policy regarding the management of credit risk.

Interest Rate Risk: The Borough does not have a policy to limit interest rate risk. As noted below, weighted average maturity was not available for the New Jersey Cash Management Fund or the MBIA Class investments.

<u>Investment</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
New Jersey Cash Management Fund	\$ 7,085.67	Not Available
	<u>\$ 7,085.67</u>	

NOTE 10: PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 10: PROPERTY TAXES (Continued)

Upon the filing of certified adopted budgets by the municipality, the local and regional school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof is set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes, due February 1 and May 1 of the succeeding fiscal year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500. Pursuant to P.L. 1991, c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency. The interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in the tax sale in accordance with New Jersey Statutes.

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 of each year, the municipality must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board, on or before April 1, for review. Due to errors or delinquencies in notices sent to property owners, the April 1 deadline to file an appeal petition may be extended. The County Board of Taxation has the authority, after a hearing, to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year, and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels the County Board of Taxation unsatisfactorily reviewed the petition, appeal may be made to the Tax Court of New Jersey for further hearing. Some Tax Court appeals may take several years prior to settlement, and any losses in tax collection from prior years are charged to a reserve set aside for this purpose or directly charged to Fund Balance.

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

Comparative Schedule of Tax Rates			
	2011	2010	2009
Tax Rate	\$ 1.067	\$ 1.043	\$ 0.961
Apportionment of Tax Rate:			
Municipal	0.576	0.561	0.495
County	0.224	0.217	0.211
Local School	0.267	0.265	0.255

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 10: PROPERTY TAXES (Continued)

<u>Assessed Valuation</u>		
2011	\$	2,315,657,912
2010		2,289,895,406
2009		2,309,544,327

<u>Comparison of Tax Levies and Collections</u>				
<u>Year</u>		<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2011	\$	24,617,366.11	\$ 24,170,822.26	98.19%
2010		23,971,157.83	23,498,405.41	98.03%
2009		22,229,421.04	21,524,330.44	96.83%

<u>Delinquent Taxes and Tax Title Liens</u>					
<u>Year</u>		<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$	-	\$ 450,928.36	\$ 450,928.36	1.83%
2010		-	475,140.34	475,140.34	1.98%
2009			616,365.28	616,365.28	2.77%

Property Acquired by Tax Title Lien Liquidation

There are no properties acquired by liquidation of tax title liens on December 31.

NOTE 11: ECONOMIC DEPENDENCY

The Borough of Wildwood Crest is not economically dependent on any one funding agency within the Borough or the State of New Jersey.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 12: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budgets in the Current Fund.

<u>Year</u>	<u>Balance December 31st</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percent Utilized</u>
2011	\$ 3,452,364.95	\$ 1,400,000.00	40.55%
2010	2,952,339.39	1,400,000.00	47.42%
2009	2,688,149.07	1,310,000.00	48.73%
2008	2,693,108.68	1,275,000.00	47.34%
2007	2,800,401.96	1,350,000.00	48.21%

NOTE 13: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Receivables and payables at December 31, 2011 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 4,293.65	\$
Animal Control Trust Fund		1,391.36
Trust Fund - Other		1,109.13
General Capital Fund		1,793.16
Total	\$ <u>4,293.65</u>	\$ <u>4,293.65</u>

NOTE 14: BUDGETARY DATA

Annually, the Borough Commission adopts the annual appropriation budgets for the Current Fund and the Capital Improvement Plan. Once approved, the Borough Commission may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Supplemental appropriations per N.J.S.A. 40A:4-46 and 54, Emergencies and Special Emergencies, become charges against the budget of the following year per N.J.S.A. 40A:4-47 except when financing is provided for by bonding ordinances.

Budget transfers between appropriation accounts are prohibited until the last two months of the year. The Borough Commission approves the transfers by resolution. Budgetary transfers during the year were not significant.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 15: FEDERAL AND STATE GRANTS

In the normal course of operations, the Borough participates in a number of federal and state grant programs. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the granting of funds. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor. As of December 31, 2010, significant amounts of grant expenditures had not been audited by the various grantor agencies, nor is there is any known liability for reimbursement as a result of any such audit.

NOTE 16: GENERAL FIXED ASSETS

The following schedule is a summarization of the changes in General Fixed Assets for the year ended December 31, 2011:

	Balance December 31, 2010	Increases	Decreases	Adjustments	Balance December 31, 2011
Land Improvements	\$ 22,724,694.00	\$ 1,038,993.00			\$ 23,763,687.00
Building Improvements	6,540,589.00	957,129.00			7,497,718.00
Machinery & Equipment	6,930,384.00	469,151.00	211,085.00		7,188,450.00
	<u>\$ 36,195,667.00</u>	<u>\$ 2,465,273.00</u>	<u>211,085.00</u>	<u>-</u>	<u>\$ 38,449,855.00</u>

NOTE 17: JOINT INSURANCE POOL

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

- Workers' Compensation
- General Liability, Law Enforcement Liability
- Employee Benefits Liability
- Public Official Liability
- Property, Real and Personal
- Automobile Liability
- Boiler and Machinery
- Crime, Fidelity

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.

NOTE 18: LITIGATION

The Borough is a defendant in several 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.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 19: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2011 through July 6, 2012 the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the Borough that would require disclosure.

SUPPLEMENTARY INFORMATION

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Current Fund	Federal and State Grant Fund
Balance December 31, 2010	A	\$ 6,801,130.91	\$ 76,314.67
Increased By Receipts:			
Taxes Receivable	\$	23,983,282.00	\$
Prepaid Taxes		643,252.80	
Tax Overpayments		4,987.39	
Revenue Accounts Receivable		5,355,864.28	
Miscellaneous Revenue Not Anticipated		301,491.61	
Due from State - Senior Citizens and Veterans		81,213.70	
Due to Greater Wildwoods Tourism, Improvement and Development Authority		184,918.50	
Prepaid GWTD A Fees		1,200.00	
Prepaid Tourism Development Commission Fees		600.00	
Tourism Development Commission Fees		69,836.00	
Prepaid Sewer Rents		14,011.80	
Prepaid Licenses		2,100.00	
Prepaid Pier & Concession Rentals		65,000.00	
Reserve for Beach Operation Off-Set		225,317.70	
Due to Animal Control Fund		16.56	
Due from General Capital Fund		21,152.79	
Change Funds		100.00	
Petty Cash		450.00	
Federal and State Grants Receivable	A-11		1,101,789.33
Unappropriated Reserves	A-12		53,499.62
		<u>30,954,795.13</u>	<u>1,155,288.95</u>
		37,755,926.04	1,231,603.62

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Current Fund	Federal and State Grant Fund
Decreased By Disbursements:			
2010 Appropriations	A-3	\$ 16,556,466.90	\$
2009 Appropriation Reserves	A-10	310,845.32	
Accounts Payable		1,070.00	
County Taxes		5,121,317.35	
Due County - Added and Omitted Taxes		38,770.03	
Local District School Tax		6,109,018.68	
Tax Overpayment Refunds		17,275.34	
Refunds for State Tax Appeals		8,016.00	
Tourism Development Commission Fees		69,836.00	
Prepaid Tourism Development Commission Fees		800.00	
Prepaid GWTIDA Fees		1,000.00	
Payroll Deductions Payable		1,901,597.49	
Petty Cash		450.00	
Change Funds		150.00	
Due to General Capital Fund		20,615.74	
Due to Trust Fund - Other		377.02	
Federal and State Grants Appropriated	A-13		934,289.20
		<u>30,157,605.87</u>	<u>934,289.20</u>
Balance December 31, 2011	A	\$ <u>7,598,320.17</u>	\$ <u>297,314.42</u>

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2010	2011	Added Taxes	2010	Collections 2011	Adjustments	Transferred To Tax Title Liens	Balance Dec. 31, 2011
Arrears	\$ 2,387.92	\$	\$	\$	2,387.92	\$	\$	\$ -
2010	472,752.42				464,195.91	4,172.00		4,384.51
	475,140.34	-	-	-	466,583.83	4,172.00	-	4,384.51
2011		24,579,758.94	37,607.17	575,265.88	23,595,556.38			446,543.85
	\$ 475,140.34	\$ 24,579,758.94	\$ 37,607.17	\$ 575,265.88	\$ 24,062,140.21	\$ 4,172.00	\$ -	\$ 450,928.36
Ref.	A			A				A
Analysis of 2011 Property Tax Levy								
Tax Yield:								
General Property Tax				\$ 23,983,282.00	Taxes Receivable			
Added Taxes (54.4-63.1 et seq.)				78,858.21	Senior Citizens and Veterans			
				\$ 24,062,140.21				
				\$ 24,579,758.94				
				37,607.17	\$ 24,617,366.11			
Tax Levy:								
Local District School Tax:				\$ 6,169,504.00				
Levy								
County Taxes								
County Taxes Added and Omitted					6,169,504.00			
Local Tax for Municipal Purposes					5,121,317.35			
Add: Additional Tax Levied				13,327,130.91	7,893.33			
				(8,479.48)				
					13,318,651.43	\$ 24,617,366.11		

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Ref.	Balance Dec. 31, 2010	Accrued In 2011	Collected	Prepayments Applied	Balance Dec. 31, 2011
<u>Miscellaneous Revenue Anticipated:</u>					
Borough Clerk:					
Licenses - Other	\$ -	\$ 210,486.00	\$ 210,486.00	\$	-
Fees and Permits - Other	-	111,652.60	111,652.60		-
Municipal Court - Fines and Costs	3,956.70	127,419.45	126,436.77		4,939.38
Interest and Costs on Taxes	-	100,733.77	100,733.77		-
Parking Meters	-	205,373.38	205,373.38		-
Interest on Investments and Deposits	-	85,520.77	85,520.77		-
Recreation Income - Pool	-	68,714.00	68,714.00		-
TV Cable Franchise Fee	-	39,711.46	39,711.46		-
Municipal Pier and Concession Income	-	178,020.00	178,020.00		-
Interest and Costs on Delinquent Sewer Rents	-	19,687.45	19,687.45		-
Fees and Permits - Craft Shows	-	15,700.00	15,700.00		-
Sewer Rents	165,135.46	3,548,523.52	3,488,780.17		224,878.81
Ambulance Fees	-	151,440.91	151,440.91		-
Consolidated Municipal Property Tax Relief Aid	-	6,544.00	6,544.00		-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	-	374,501.00	374,501.00		-
Uniform Fire Safety Act	-	169,770.54	169,770.54		-
Anticipated General Fund Balance	-	32,186.00	32,186.00		-
Beach Operation Offset - Reserved	-	231,099.35	231,099.35		-
TOTALS	\$ 169,092.16	\$ 5,677,084.20	\$ 5,616,358.17	\$ -	\$ 229,818.19
	A				A
Ref.					
A-4	Collected by Treasurer	\$	5,355,864.28		
	Reserve for Beach Operation Offset		231,099.35		
	Prepaid Fees		24,426.10		
	Due from Animal Control Fund		17.03		
	Sewer Rent Overpayments Applied		4,951.41		
		\$	5,616,358.17		

BOROUGH OF WILDWOOD CREST**CURRENT FUND****SCHEDULE OF APPROPRIATION RESERVES - 2010**

	Balance Dec. 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
Salaries and Wages:	\$ 45,000.00	\$ 45,000.00	\$ 348.00	\$ 44,652.00	\$
Police					
Other Expenses:					
Department of Public Affairs and Public Safety:					
Director's Office	5,125.28	5,125.28	397.83	4,727.45	-
Local Code Enforcement	30,372.09	30,372.09	10,268.80	20,103.29	
Fire	17,460.70	17,460.70	15,110.73	2,349.97	
Police	1,500.00	1,500.00	1,500.00	-	
Municipal Prosecutor	11,638.50	11,638.50	10,970.50	668.00	
Legal	4,554.49	4,554.49	2,473.90	2,080.59	
Emergency Management Services	17,170.08	17,170.08	3,642.52	13,527.56	
Services of Ambulance	1,198.89	1,198.89	591.36	607.53	
Lifeguards	35,993.05	35,993.05	13,545.16	22,447.89	
Land Use Administration	11,219.54	11,219.54	9,180.29	2,039.25	
Traffic Maintenance	7,236.35	7,236.35	1,857.98	5,378.37	
Fire Official	1,351.87	1,351.87	661.01	690.86	
Municipal Court					
Department of Revenue and Finance:					
Director's Office	49.95	49.95	45.45	4.50	
Borough Administration	13,768.77	13,768.77	9,317.81	4,450.96	
Financial Administration	3,913.42	3,913.42	3,349.08	564.34	
Assessment of Taxes	3,037.64	3,037.64	22.29	3,015.35	
Collection of Taxes	5,699.67	5,699.67	29.70	5,669.97	

BOROUGH OF WILDWOOD CREST**CURRENT FUND****SCHEDULE OF APPROPRIATION RESERVES - 2010**

	Balance Dec. 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Department of Public Works, Parks and Public Property:					
Director's Office	\$	4,422.76	\$	-	\$
Engineer		4,422.76	628.80	3,793.96	
Landfill		67,711.65	7,344.39	60,367.26	
Public Works		22,253.64	9,713.05	12,540.59	
Recreation Buildings		43,294.36	38,391.47	4,902.89	
Beach Cleaning		39,498.91	29,959.41	9,539.50	
Sanitation		20,152.43	10,344.88	9,807.55	
Parks and Buildings		36,799.97	14,601.65	22,198.32	
Sewerage		3,896.25	613.75	3,282.50	
Fleet Maintenance		9,038.58	4,535.97	4,502.61	
Tourism		12,124.56	925.52	11,199.04	
Recreation Commission (N.J.S. 40:61-17)		5,699.06	1,841.11	3,857.95	
Contribution to Urban Enterprise Zone		13,500.00	13,500.00	-	
Uniform Construction Code - Appropriation Offset by Dedicated Revenue					
State Uniform Construction Code	35,865.08	35,865.08	11,608.50	24,256.58	
Utility Expenses and Bulk Purchases					
Water	12,346.33	12,346.33	9,770.17	2,576.16	
Street Lighting	17,647.74	17,647.74	13,792.61	3,855.13	
Telephone	17,066.64	17,066.64	10,160.77	6,905.87	
Fire Hydrants	10,488.80	10,488.80	9,872.80	616.00	
Natural Gas	12,039.38	14,039.38	13,811.16	228.22	
Electric	24,725.70	24,725.70	11,001.61	13,724.09	
Gasoline	29,202.82	27,202.82	3,041.58	24,161.24	

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2010

	Balance Dec. 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Insurance (N.J.S.A. 40A:4-45.3(00)) Employee Group Health	\$ 103,146.75	\$ 103,146.75	\$ 30,482.91	\$ 72,663.84	\$
Capital Improvements Purchase Parking Meters	10,000.00	10,000.00	9,864.50	135.50	
Other Accounts - No Change	403,493.55	403,493.55		403,493.55	
TOTALS	\$ 1,170,705.25	\$ 1,170,705.25	\$ 339,119.02	\$ 831,586.23	\$ -
				A-1	
Appropriation Reserves	\$ 973,742.42	Cash	\$ 310,845.32		
Encumbrances Payable	196,962.83	Accounts Payable	28,273.70		
	\$ 1,170,705.25		\$ 339,119.02		

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>Purpose</u>	<u>Balance Dec. 31, 2010</u>	<u>Anticipated Revenues</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
<u>State:</u>					
Cooperative Housing Inspections					
2010 Grant	\$ 38,922.00	\$	22,801.00	\$	\$ 16,121.00
2011 Grant		40,000.00			40,000.00
New Jersey Transportation Trust Fund:					
2008 - Seaview Avenue	35,000.00				35,000.00
2009 - Seaview Avenue	40,000.00				40,000.00
2010 - Heather Road	186,000.00		139,500.00		46,500.00
NJDEP - Recreational Trails	10,500.00				10,500.00
UEZ Administrative Budget Grant					
Prior	2,097.85				-
2011 Grant		11,728.73	11,728.73		2,097.85
UEZ Assistance Funds - 2011		202,050.02	202,050.02		-
Police Body Armor - 2010	-	3,168.57	3,168.57		-
Drunk Driving Enforcement - 2010	-	5,546.23	5,546.23		-
Clean Communities - 2010	-	18,591.42	18,591.42		-
Recycling Tonnage grant - 2010	-	5,939.49	5,939.49		-
<u>Federal:</u>					
Federal Domestic Violence Grant					
2008 Grant	13,753.39				-
2011 Grant		308,996.00			13,753.39
Bulletproof Vest Partnership	1,262.69	3,260.18	3,260.18		1,262.69
Small Cities - Beach Access Grant	-				-
Small Cities - Rambler Road	308,825.00		172,038.50		136,786.50
Small Cities - Atlantic Avenue	50,185.28		50,185.28		0.00
Small Cities - Rambler Road Bikeway	250,000.00		483,985.80		250,000.00
Small Cities - Lake Road	500,000.00				16,014.20

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>Purpose</u>	<u>Balance</u> Dec. 31, 2010	<u>Anticipated</u> <u>Revenues</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance</u> Dec. 31, 2011
<u>Other:</u>					
GWTIDA - Summer Events 2010	\$ 500.00	\$	\$	\$	500.00
GWTIDA - Summer Events 2011		21,000.00	19,500.00		1,500.00
TOTALS	\$ 1,437,046.21	\$ 620,280.64	\$ 1,138,295.22	\$	\$ 919,031.63
	A	A-2			A
Cash Received		<u>Ref.</u>			
Transferred from Unappropriated Reserves		A-4	1,101,789.33		
		A-12	36,505.89		
			\$ 1,138,295.22		

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF RESERVES FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

<u>Purpose</u>	<u>Balance Dec. 31, 2010</u>	<u>Received</u>	<u>Anticipated Revenues</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
State:					
Recycling Tonnage Grant - 2011	\$ -	\$ 12,790.44	\$	\$	12,790.44
Recycling Tonnage Grant - 2010	5,939.49		5,939.49		-
Clean Communities - 2011	-	19,182.91			19,182.91
Clean Communities - 2010	18,591.42		18,591.42		-
Police Body Armor - 2010	3,168.57		3,168.57		-
Police Body Armor - 2011		2,289.36			2,289.36
Bulletproof Vest - 2010	3,260.18		3,260.18		-
Drunk Driving Enforcement Fund - 2011	-	4,236.91			4,236.91
Drunk Driving Enforcement Fund - 2010	5,546.23		5,546.23		-
Local:					
Comcast Technology Grant - 2011		15,000.00			15,000.00
TOTALS	\$ 36,505.89	\$ 53,499.62	\$ 36,505.89	\$ -	\$ 53,499.62
Ref.	A	A-4	A-11		A

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

<u>Purpose</u>	<u>Balance Dec. 31, 2010</u>	<u>Budget Appropriations</u>	<u>Expended</u>	<u>Balances Cancelled</u>	<u>Balance Dec. 31, 2011</u>
State:					
Clean Communities Grant - 2009	\$	\$	\$	\$	\$
Clean Communities Grant - 2010		18,591.42	11,520.57		(0.00)
			14,186.58		4,404.84
Municipal Court Alcohol Education Program:					
2003	34.46		34.46		-
2004	1,934.83		665.54		(0.00)
2005	2,271.33				1,269.29
2006	471.62				2,271.33
					471.62
Drunk Driving Enforcement Fund:					
2006	6,981.17		577.90		6,403.27
2007	6,011.54				6,011.54
2008	4,806.10				4,806.10
2009	5,422.67				5,422.67
2010		5,546.23			5,546.23
Cooperative Housing Inspections:					
2004	8,963.45		8,963.45		-
2005	11,307.78		2,036.37		9,271.41
2006	33,000.00				33,000.00
2007	6,000.00				6,000.00
2008	12,000.00				12,000.00
2009	15,000.00				15,000.00
2010	51,000.00				51,000.00
2011		40,000.00			40,000.00
Recycling Tonnage Grant					
	23,486.28	5,939.49	14,925.00		14,500.77
Scoop Taylor Park	5,615.44				5,615.44

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

<u>Purpose</u>	<u>Balance Dec. 31, 2010</u>	<u>Budget Appropriations</u>	<u>Expended</u>	<u>Balances Cancelled</u>	<u>Balance Dec. 31, 2011</u>
Police Body Armor Grant 2008	\$ 1,079.98	\$	\$		\$ 1,079.98
2010		3,168.57			3,168.57
Emergency Management 2007	5,000.00				5,000.00
Rambler Road Gazebo Landscaping	2,500.00				2,500.00
Stormwater Management Grant - 2005	361.75		361.75		0.00
NJDEP Recreational Trails	10,500.00				10,500.00
N.J. Transportation Trust Fund Heather Road	119,287.68		119,170.84		116.84
UEZ Administrative Funding - 2011		11,728.73			11,728.73
UEZ assistance Fund - 2011		202,050.02			202,050.02
Federal:					
Federal Domestic Violence Grant 2008	91,859.92				91,859.92
2011		308,996.00	4,910.80		304,085.20
Bulletproof Vest Partnership - 2006					47.22
Bulletproof Vest Partnership - 2010	47.22	3,260.18			3,260.18
Small Cities - Rambler Road	304,625.00		293,181.79		11,443.21
Small Cities - Atlantic Avenue	1,594.78		525.00		1,069.78
Small Cities - Rambler Road Bikeway	250,000.00				250,000.00
Small Cities - Lake Road	455,961.20		439,947.30		16,013.90

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BOROUGH OF WILDWOOD CREST
TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2010	<u>Ref.</u> B		\$	2,550.89
Increased By Receipts:				
Dog Licenses Fees	B-3	\$	1,245.00	
State License Fees	B-5		159.60	
Interest Earned on Deposits	B-4		17.03	
				<u>1,421.63</u>
				3,972.52
Decreased By Disbursements:				
State of New Jersey	B-5		155.40	
Animal Control Expenditures	B-3		140.00	
Interest Paid to Current Fund	B-4		16.56	
				<u>311.96</u>
Balance December 31, 2011	B		\$	<u><u>3,660.56</u></u>

BOROUGH OF WILDWOOD CREST
TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Balance December 31, 2010	<u>Ref.</u> B	\$ 790,391.40
Increased By Receipts:		
Third Party Lien Redemption	\$ 269,984.37	
Tax Sale Premiums	35,400.00	
Street Paving Deposits	63,987.57	
Street Opening - Performance Surety	4,900.00	
Street Opening - Maintenance Surety	735.00	
State Share of Marriage Licenses	750.00	
Deposits for Unemployment Compensation	20,500.00	
Fire Prevention Trust Deposits - 2.12-A	2,575.00	
Fire Prevention Fees - 2.12	3,675.00	
Planning Board Escrow Fees	4,750.00	
Third Party Construction Inspections	163,576.00	
Zoning Board Fees	5,800.00	
Deposits for Recreation Commission	174,602.02	
Deposits for Parking Offenses Adjudication Act	832.00	
DCA State Training Fees	9,544.00	
Forfeited Funds - Interest	1,067.85	
Tourist Development Commission - Fees	70,803.08	
Due from/to Current Fund	377.02	
		<u>833,858.91</u>
		1,624,250.31
Decreased By Disbursements:		
State Share of Marriage Licenses	775.00	
Unemployment Claims	25,725.63	
Recreation Commission - Expenses	160,100.24	
Street Paving Expenditures	54,701.37	
Fire Prevention Fees - 2.12	1,286.00	
Planning Board Escrow	2,200.00	
Zoning Board Fees	2,190.40	
Third Party Construction Inspections	140,772.80	
Parking Offenses Adjudication Act Expenditures	702.00	
DCA State Training Fees	11,453.00	
Accumulated Absences Payments	19,750.00	
Third Party Lien Redemption	245,001.86	
Tax Sale Premiums	90,900.00	
Tourist Development Commission	93,095.97	
		<u>848,654.27</u>
Balance December 31, 2011	B	\$ <u><u>775,596.04</u></u>

BOROUGH OF WILDWOOD CREST
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2010	<u>Ref.</u> B		\$	2,549.80
Increased By:				
Animal Control Fees Collected	B-1	\$	1,245.00	
				<u>1,245.00</u>
				3,794.80
Decreased By:				
Statutory Excess Due to Current Fund	B-4		1,389.80	
Animal Control Expenditures	B-1		140.00	
				<u>1,529.80</u>
Balance December 31, 2011	B		\$	<u><u>2,265.00</u></u>

License Fees Collected

Year

2009	\$	1,215.00
2010		<u>1,050.00</u>
	\$	<u><u>2,265.00</u></u>

BOROUGH OF WILDWOOD CREST
TRUST FUND
SCHEDULE OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND

Balance December 31, 2010	<u>Ref.</u> B		\$	1.09
Increased By:				
Statutory Excess - Due to Current Fund	B-3	\$	1,389.80	
Other - Interest Due to Current Fund	B-1	\$	17.03	
				<u>1,406.83</u>
				<u>1,407.92</u>
Decreased By:				
Interest Paid to Current Fund	B-1		16.56	
				<u>16.56</u>
Balance December 31, 2011	B		\$	<u><u>1,391.36</u></u>

SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

Balance December 31, 2010	<u>Ref.</u> B		\$	-
Increased By:				
Collected in 2011	B-1	\$	159.60	
				<u>159.60</u>
				<u>159.60</u>
Decreased By:				
Paid to State of New Jersey	B-1		155.40	
				<u>155.40</u>
Balance December 31, 2011	B		\$	<u><u>4.20</u></u>

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

Balance December 31, 2010	<u>Ref.</u> C		\$ 3,813,255.22
Increased By Receipts:			
Bond Anticipation Notes	C-9	\$ 2,928,300.00	
NJEIT Loans Receivable		614,535.00	
Due to Current Fund	C-3	20,615.74	
Premiums Received at Note Sale		30,477.95	
Budget Appropriations:			
Capital Improvement Fund	C-4	300,000.00	
			3,893,928.69
			7,707,183.91
Decreased By Disbursements:			
Improvement Authorizations	C-7	3,826,251.97	
Fund Balance to Current Fund	C-1	32,186.00	
Due to Current Fund	C-3	21,152.79	
			3,879,590.76
Balance December 31, 2011	C		\$ <u><u>3,827,593.15</u></u>

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2011
	Balance Dec. 31, 2010	Budget Appropriations	Bonds, Notes and Grants	Misc.	Improvement Authorizations	Notes	From	To	
Fund Balance	\$ 146,387.65	\$	\$	\$ 30,477.95	\$	\$	\$ 130,000.00	\$ 153,394.67	\$ 168,074.27
Capital Improvement Fund	110,928.09	300,000.00					171,700.00		239,228.09
Due to Current Fund	2,330.21			20,615.74					1,793.16
Reserve for Encumbrances	111,072.32						111,072.32	49,379.61	49,379.61
<u>Improvement Authorizations</u>									
Ord. Number									
815 Construction of Bike Path and Pedestrian Way	2,814.52								2,814.52
927 Various Improvements:									
H. Extend Storm Sewer Outfall Lines	69,251.04								69,251.04
K. Replace Roofs	17,375.00								17,375.00
934 Various Improvements:									
B. Acquire Light Assemblies	1,313.62						1,313.62		-
953 Various Improvements									
B. Borough Hall Improvements	5,897.16						6,022.16	125.00	-
F. Storm Water Drain System	8,561.86						8,561.86		(0.00)
964 Improvements to Sewer System	105,219.53								105,219.53
967 Various Improvements									
B. Bulkhead Improvements	28,671.18								28,671.18
986 Various Improvements									
A. Sanitary Sewer System	55,407.33						40,407.33		15,000.00
995 Various Improvements									
B. Sanitary Sewer Main	80,549.10						30,549.10		50,000.00
C. Purchase of 911 Equipment	9,879.41								9,879.41
1020 Various Improvements									
B. Replace Sewer Outfall Mains	83,014.67						43,014.67		40,000.00
C. New Sanitary Sewer Mains	20,112.32								20,112.32
1034 Various Improvements									
B. Purchase of Ambulance	4,000.00						4,000.00		-
C. New Sanitary Sewer Mains	68,803.58				16,429.68				52,373.90
D. Storm Sewer - Jefferson/St. Louis	15,063.08				15,063.08				-
1042 Installation of Sewer/Storm Mains	402,226.46				63,145.74				339,080.72

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2011 \$
	Balance Dec. 31, 2010 \$	Budget Appropriations \$	Bonds, Notes and Grants \$	Misc. \$	Improvement Authorizations \$	Notes \$	From \$	To \$	
1045 Sanitary Sewer Main Replacement	1,000.00								1,000.00
1058 Beach Patrol Headquarters	3,126.55						232.38		2,894.17
1061 Various Improvements									
B. Rambler Rd. Beachfront Park	637,719.11				84,092.62		2,225.00		551,401.49
C. Sanitary Sewer Mains	301,485.79				73,051.79				228,434.00
1066 Storm Sewer Replacement	26,761.95						16,761.95		10,000.00
1071 Various Improvements									
A. Purchase Trash Packer	1,468.50						1,468.50		-
B. Construction of Storage Room	1,420.48						1,684.48	264.00	(0.00)
1077 Improvements to Storm Water and Sanitary Sewerage Systems	133,821.40		614,535.00		319,256.87				425,099.53
1078 Various Improvements									
A. Replace Storm Sewers	48,141.37				35,398.03				12,743.34
B. Providing for Handicapped Access	325,000.00								325,000.00
D. Purchase Real Property	3,644.75								3,644.75
1086 Acquisition of Public Works Equip.	16,321.67								16,321.67
1092 Various Improvements:									
A. Purchase of Vehicular Equipment	24,180.00				798.00				23,382.00
B. Improve Public Buildings	458,957.91				412,793.25			20,868.84	67,033.50
C. Purchase Land	3,580.00								3,580.00
D. Improvement to Various Streets	282,388.43				131,675.37				150,713.06
1095/ Purchase of Equipment, Reconfiguration Amended b of Parking Area and Improve Public 1102 Buildings	73,923.18				38,212.70		7,787.19	36,050.48	63,973.77
1110 Purchase Public Safety Equipment	100,000.00				53,361.54				46,638.46
1112 Various Improvements:									
A. Purchase Trash Packer	10,800.00		214,200.00		194,461.71		4,620.02		25,918.27
B. Improve Swimming Pool	7,200.00		142,800.00		150,000.00				-
C. Improvements to Storm Sewer System - New Jersey and Bayview Drive	(1,364.00)		1,047,600.00		916,041.10			53,764.00	183,958.90
D. Improvements to Storm Sewer System - Cresse Avenue	4,800.00		95,200.00						100,000.00
1121 Acquisition of EMS Building					77,905.87			80,000.00	2,094.13
1127 Assist County in Establishing a Free Public Library in Wildwood Crest					50,000.00			50,000.00	-
1128 Improvements to Crest Pier Recreation Center			1,428,500.00		823,996.21		4,620.02	71,500.00	671,383.77

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2011	
	Balance Dec. 31, 2010	Budget Appropriations	Bonds, Notes and Grants	Misc.	Improvement Authorizations	Notes	Misc.	From		To
1130 Various Improvements:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
A. Purchase Real Property					65,975.00				9,300.00	9,300.00
B. Purchase Backhoe									4,600.00	(61,375.00)
C. Purchase Ambulance									8,400.00	8,400.00
D. Replace Storm Sewer Pipes									6,000.00	6,000.00
E. Replace Sanitary Sewer Pipes					304,593.41			1,500.00	42,900.00	(263,193.41)
1134 Acquisition of Pick-up Truck and Beach Utility Vehicle								28,006.00	29,000.00	994.00
Ref.	<u>\$ 3,813,255.22</u>	<u>\$ 300,000.00</u>	<u>\$ 3,542,835.00</u>	<u>\$ 51,093.69</u>	<u>\$ 3,826,251.97</u>	<u>\$ -</u>	<u>\$ 53,338.79</u>	<u>\$ 615,546.60</u>	<u>\$ 615,546.60</u>	<u>\$ 3,827,593.15</u>
	C			C-1/C-2	C-7					C

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2010	<u>Ref.</u> C	\$ 110,928.09
Increased By:		
Current Fund Budget Appropriation	A-3:C-2	\$ 300,000.00
		<u>300,000.00</u>
		410,928.09
Decreased By:		
Appropriations to Finance Improvement Authorizations	C-7	171,700.00
		<u>171,700.00</u>
Balance December 31, 2011	C	\$ <u>239,228.09</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2010	<u>Ref.</u> C	\$ 24,671,307.62
Increased By:		
		\$ -
		<u>-</u>
		24,671,307.62
Decreased By:		
Serial Bonds Paid	C-8	2,160,000.00
U.S.D.A. Bonds Paid	C-8A	17,374.30
NJEIT Loans Paid	C-8B	216,780.17
		<u>2,394,154.47</u>
Balance December 31, 2011	C	\$ <u>22,277,153.15</u>

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**BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	2011 Authorization								
				Balance December 31, 2010		General Capital Fund Balance	Capital Improvement Fund	Deferred Charges to Future Taxation	Paid/Charged or Cancelled	Balance December 31, 2011		
				Funded	Unfunded					Funded	Unfunded	
General Improvements:												
815	Construct Bike Path and Pedestrian Way	5/13/1996	\$ 22,002	\$ 2,814.52	\$	\$	\$	\$	\$ 2,814.52	\$		
927	Various Improvements: H. Extend Storm Sewer Outfall Lines K. Replace Roofs	2/12/2003	560,000.00 38,000.00	69,251.04 17,375.00					69,251.04 17,375.00			
934	Various Improvements: B. Acquire Light Assemblies	6/25/2003	14,000.00	1,313.62					1,313.62			
953	Various Improvements B. Improvements to Bor. Hall F. Storm Water System Imp.	3/24/2004	1,555,000.00	5,897.16 8,561.86					5,897.16 8,561.86			
964	Improvements to Sewer System	9/13/2004	2,000,000.00	105,219.53					105,219.53			
967	Various Improvements B. Various Bulkhead Improvements	11/22/2004	275,000.00	28,671.18					28,671.18			
986	Various Improvements A. Sanitary Sewer System	11/9/2005	1,540,000.00	55,407.33					40,407.33			
995	Various Improvements B. Sanitary Sewer Main C. Purchase of 911 Equipment	2/8/2006	380,000.00 40,000.00	80,549.10 9,879.41					30,549.10 9,879.41			
1020	Various Improvements B. Replace Sewer Outfall Mains C. New Sanitary Sewer Mains	10/25/2006	250,000.00 1,075,000.00	83,014.67 20,112.32					43,014.67 20,112.32			
1034	Various Improvements B. Purchase of Ambulance C. New Sanitary Sewer Mains D. Storm Sewer - Jefferson/St. Louis	3/21/2007	162,000.00 820,000.00 820,000.00	4,000.00 68,803.58 15,063.08					4,000.00 16,429.68 15,063.08			
1042	Installation of Sewer/Storm Mains	7/25/2007	2,900,000.00	402,226.46					63,145.74			
1045	Sanitary Sewer Main Replacement	11/7/2007	35,000.00	1,000.00					1,000.00			
1058	Reconstruction of Beach Patrol Headquarters	3/19/2008	30,000.00	3,126.55					232.38			
1061	Various Improvements B. Rambler Rd. Beachfront Park C. Sanitary Sewer Mains	6/11/2008	800,000.00 3,500,000.00	637,719.11 301,485.79	400.00				86,317.62 73,051.79			400.00
1066	Storm Sewer Replacement	1/14/2009	240,000.00	26,761.95					16,761.95			

**BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	2011 Authorization					Paid/Charged or Cancelled	Balance December 31, 2011	
				Balance December 31, 2010 Funded	Unfunded	General Capital Fund Balance	Capital Improvement Fund	Deferred Charges to Future Taxation		Funded	Unfunded
1071	Various Improvements A. Purchase Trash Packer B. Construction of Storage Room	3/25/2009	\$ 175,000.00 50,000.00	\$ 1,468.50 1,420.48	\$ -	\$ -	\$ -	\$ -	\$ 1,468.50 1,420.48	\$ -	\$ -
1077	Improvements to Storm Water and Sanitary Sewerage Systems	7/8/2009	6,500,000.00	819,551.40					319,256.87	500,294.53	
1078	Various Improvements A. Replace Storm Sewers B. Providing for Handicapped Access D. Purchase Real Property System	7/8/2009	175,000.00 325,000.00 200,000.00	48,141.37 325,000.00 3,644.75					35,398.03	12,743.34 325,000.00 3,644.75	
1086	Acquisition of Public Works Equip.	12/28/2009	105,000.00	16,321.67						16,321.67	
1092	Various Improvements: A. Purchase of Vehicular Equipment B. Improve Public Buildings C. Purchase Land D. Improvement to Various Streets	2/10/2010	310,000.00 1,660,000.00 200,000.00 400,000.00		24,180.00 458,957.91 3,580.00 282,388.43				798.00 391,924.41 131,675.37		23,382.00 67,033.50 3,580.00 150,713.06
1095/ Amended by 1102	Purchase of Equipment, Reconfiguration of Parking Area and Improve Public Buildings	3/24/2010	200,000.00	73,923.18					9,949.41	63,973.77	
1110	Purchase Public Safety Equipment	11/22/2010	100,000.00	100,000.00					53,361.54	46,638.46	
1112	Various Improvements: A. Purchase Trash Packer B. Improve Swimming Pool C. Improvements to Storm Sewer System - New Jersey and Bayview Drive D. Improvements to Storm Sewer System - Cresse Avenue	11/22/2010	225,000.00 150,000.00 1,100,000.00 100,000.00 80,000.00	10,800.00 7,200.00 4,800.00	214,200.00 142,800.00 1,046,236.00 95,200.00				199,081.73 150,000.00 862,277.10 77,905.87	- - 4,800.00 2,094.13	25,918.27 - 183,958.90 95,200.00
1121	Acquisition of EMS Building	3/9/2011				80,000.00					
1127	Assist County in Establishing a Free Public Library in Wildwood Crest	6/8/2011	50,000.00			50,000.00			50,000.00		
1128	Improvements to Crest Pier Recreation Center	6/8/2011	1,500,000.00				71,500.00	1,428,500.00	828,616.23		671,383.77

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BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
			Date	December 31, 2011	Amount					
General Improvement Bonds of 2002	10/1/2002	\$ 5,082,000	10/1/12	\$ 700,000.00		3.050%	\$ 1,732,000.00	\$	700,000.00	\$ 1,032,000.00
			10/1/13	332,000.00						
General Improvement Bonds of 2007	9/1/2006	6,000,000	9/1/12	840,000.00		3.700%	4,530,000.00		760,000.00	3,770,000.00
			9/1/13	1,270,000.00		3.750%				
			9/1/14	1,660,000.00		3.750%				
General Improvement Bonds of 2009	11/5/2009	13,135,000	11/1/12	750,000.00		3.000%	12,485,000.00		700,000.00	11,785,000.00
			11/1/13	800,000.00		3.000%				
			11/1/14	900,000.00		3.000%				
			11/1/15	900,000.00		3.500%				
			11/1/16-18	1,000,000.00		4.000%				
			11/1/19-21	1,200,000.00		4.000%				
			11/1/22	1,300,000.00		4.000%				
			11/1/23	535,000.00		4.000%				
							\$ 18,747,000.00	\$	2,160,000.00	\$ 16,587,000.00
Ref.							C	C-5	C	

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
SCHEDULE OF U.S.D.A. BONDS PAYABLE

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
			Date (1)	Amount					
General Improvement Loan of 2007	6/23/2006	\$ 1,500,000	6/23/2012	8,973.22	4.375%	\$ 1,430,484.07	\$	17,374.30	\$ 1,413,109.77
			12/23/2012	9,169.51					
			6/23/2013	9,370.10					
			12/23/2013	9,575.07					
			6/23/2014	9,784.52					
			12/23/2014	9,998.56					
			6/23/2015	10,217.28					
			12/23/2015	10,440.78					
			6/23/2016	10,669.17					
			12/23/2016	10,902.56					
			6/23/2017	11,141.05					
			12/23/2017	11,384.76					
			6/23/2018	11,633.80					
			12/23/2018	11,888.29					
			6/23/2019	12,148.35					
			12/23/2019	12,414.10					
			6/23/2020	12,685.65					
			12/23/2020	12,963.15					
			6/23/2021	13,246.72					
			12/23/2021	13,536.49					
			6/23/2022	13,832.60					
			12/23/2022	14,135.19					
			6/23/2023	14,444.40					
			12/23/2023	14,760.37					
			6/23/2024	15,083.25					
			12/23/2024	15,413.20					
			6/23/2025	15,750.36					
			12/23/2025	16,094.90					
			6/23/2026	16,446.98					
			12/23/2026	16,806.76					
			6/23/2027	17,174.41					
			12/23/2027	17,550.10					
		6/23/2028	17,934.00						
		12/23/2028	18,326.31						
		6/23/2029	18,727.20						
		12/23/2029	19,136.86						
		6/23/2030	19,555.47						
		12/23/2030	19,983.25						
		6/23/2031	20,420.38						
		12/23/2031	20,867.08						
		6/23/2032	21,323.55						
		12/23/2032	21,790.00						

Ref.

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
SCHEDULE OF NJEIT LOANS PAYABLE

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2011				Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
			Date	Amount							
New Jersey Environmental Infrastructure Trust - Series 2010- Fund Loan	3/10/2010	\$ 3,476,677	2/1/12	\$ 58,926.72			0.000%	\$ 3,358,823.55	\$	\$ 176,780.17	\$ 3,182,043.38
			8/1/12	117,853.45							
			2/1/13	58,926.72							
			8/1/13	117,853.45							
			2/1/14	58,926.72							
			8/1/14	117,853.45							
			2/1/15	58,926.72							
			8/1/15	117,853.45							
			2/1/16	58,926.72							
			8/1/16	117,853.45							
			2/1/17	58,926.72							
			8/1/17	117,853.45							
			2/1/18	58,926.72							
			8/1/18	117,853.45							
			2/1/19	58,926.72							
			8/1/19	117,853.45							
			2/1/20	58,926.72							
			8/1/20	117,853.45							
			2/1/21	58,926.72							
			8/1/21	117,853.45							
			2/1/22	58,926.72							
			8/1/22	117,853.45							
			2/1/23	58,926.72							
			8/1/23	117,853.45							
			2/1/24	58,926.72							
			8/1/24	117,853.45							
			2/1/25	58,926.72							
			8/1/25	117,853.45							
			2/1/26	58,926.72							
			8/1/26	117,853.45							
			2/1/27	58,926.72							
			8/1/27	117,853.45							
			2/1/28	58,926.72							
			8/1/28	117,853.45							
			2/1/29	58,926.72							
			8/1/29	117,853.77							

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
SCHEDULE OF NJEIT LOANS PAYABLE

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2011			Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
			Date	Amount						
New Jersey Environmental Infrastructure Trust - Series 2010A- Trust Loan	3/10/2010	\$ 1,135,000	8/1/12	\$ 40,000.00	5.000%	\$ 1,135,000.00	\$	\$ 40,000.00	\$ 1,095,000.00	
			8/1/13-15	45,000.00	5.000%					
			8/1/16-17	50,000.00	5.000%					
			8/1/18	55,000.00	5.000%					
			8/1/19	55,000.00	4.000%					
			8/1/20	60,000.00	5.000%					
			8/1/21	60,000.00	3.000%					
			8/1/22-23	65,000.00	4.000%					
			8/1/24-25	70,000.00	4.000%					
			8/1/26	75,000.00	3.500%					
			8/1/27-28	80,000.00	4.000%					
			8/1/29	85,000.00	4.000%					
			</							

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
1092	Various Improvements:	10/21/2010	10/20/2011	10/17/2012	1.500%				
	A. Purchase of Vehicular Equipment				\$	\$ 295,200.00	\$ 295,200.00	\$ 295,200.00	\$ 295,200.00
	B. Improve Public Buildings					1,580,600.00	1,580,600.00	1,580,600.00	1,580,600.00
	C. Purchase Land					190,400.00	190,400.00	190,400.00	190,400.00
	D. Improvement to Various Streets					380,800.00	380,800.00	380,800.00	380,800.00
1112	Various Improvements:	10/20/2011	10/20/2011	10/17/2012	1.500%				
	A. Purchase Trash Packer					214,200.00	214,200.00		214,200.00
	B. Improve Swimming Pool					142,800.00	142,800.00		142,800.00
	C. Improvements to Storm Sewer System - New Jersey and Bayview Drive					1,047,600.00	1,047,600.00		1,047,600.00
	D. Improvements to Storm Sewer System - Cresse Avenue					95,200.00	95,200.00		95,200.00
1128	Improvements to Crest Pier Recreation Facility	10/20/2011	10/20/2011	10/17/2012	1.500%		1,428,500.00		1,428,500.00
					\$	<u>2,447,000.00</u>	<u>5,375,300.00</u>	<u>2,447,000.00</u>	<u>5,375,300.00</u>
					Ref.	C			C
						\$	2,447,000.00	2,447,000.00	
						2,928,300.00	-	-	
						<u>5,375,300.00</u>	<u>2,447,000.00</u>	<u>2,447,000.00</u>	
						\$			

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Bonds, Notes or Grants Issued	Authorizations Canceled	Balance Dec. 31, 2011
1061	Various Improvements: B. Handicapped Access Improvements	\$ 400.00	\$	\$	\$	400.00
1112	Various Improvements: A. Purchase Trash Packer B. Improve Swimming Pool C. Improvements to Storm Sewer System - New Jersey and Bayview Drive D. Improvements to Storm Sewer System - Cresse Avenue	214,200.00 142,800.00 1,047,600.00 95,200.00		214,200.00 142,800.00 1,047,600.00 95,200.00		- - - -
1128	Improvements to Crest Pier Recreation Center		1,428,500.00	1,428,500.00		-
1130	Various Improvements: A. Purchase Real Property B. Purchase Backhoe C. Purchase Ambulance D. Replace Storm Sewer Pipes E. Replace Sanitary Sewer Pipes		185,700.00 90,400.00 166,600.00 119,000.00 857,100.00			185,700.00 90,400.00 166,600.00 119,000.00 857,100.00
		<u>\$ 1,500,200.00</u>	<u>\$ 2,847,300.00</u>	<u>\$ 2,928,300.00</u>	<u>\$ -</u>	<u>\$ 1,419,200.00</u>
		C	C-7			C
		Bond Anticipation Notes				
		\$ 2,928,300.00				
		<u>\$ 2,928,300.00</u>				

BOROUGH OF WILDWOOD CREST

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2011

1535 HAVEN AVENUE • PO BOX 538
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PHONE 609.399.6333 • FAX 609.399.3710



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

To the Honorable Mayor and
Members of the Board of Commissioners
Borough of Wildwood Crest
County of Cape May, New Jersey

We have audited the financial statements – regulatory basis of the Borough of Wildwood Crest, State of New Jersey (the “Borough”), as of and for the year ended December 31, 2011, and have issued our report thereon dated July 6, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements prescribed by the Division.

Internal Control Over Financial Reporting

Management of the Borough of Wildwood Crest, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting.. In planning and performing our audit, we considered the Borough’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough’s internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Wildwood Crest's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services.

We noted certain other matters that we reported to the Borough's management in a separate letter dated July 6, 2012.

This report is intended solely for the information and use of management, the Borough Commissioners, others within the entity, and the Division as well as other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Glen J. Ortman

Glen J. Ortman
Certified Public Accountant
Registered Municipal Accountant
No. 427

July 6, 2012

BOROUGH OF WILDWOOD CREST

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Effective July 1, 2005, the bid threshold was \$21,000, as of January 1, 2011, the bid threshold was decreased to \$17,500 for Municipalities that do not have a Qualified Purchasing Agent.

The governing body of the Borough of Wildwood Crest has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

- 2011 Ford Ranger Supercab Pickup
- 2011 Ford Explorer
- Necessary Goods, Services, equipment and Public Building Construction Projects
- Crest Pier Roof Replacement
- Reconstruction of Heather Road
- John Deere Model 310 Backhoe
- 2011 Ambulance
- Rambler Road Park Building Improvements

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body adopted the following resolution on December 24, 2010, authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 et seq. permits the governing body to fix the rate of interest to be charged for the nonpayment of taxes, sewer or other municipal charges.

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Borough of Wildwood Crest, the rate of interest on unpaid taxes and sewer shall be eight (8) percent per annum on the first one thousand five hundred dollars (\$1,500.00) of delinquency and eighteen (18) percent per annum on any amount in excess of one thousand five hundred dollars (\$1,500.00) to be calculated from the date the tax, sewer or other municipal charges were payable until the date of actual payment. No interest shall be charged if payment is made on or before the tenth (10th) calendar day following the date upon which the same is payable.

BE IT FURTHER RESOLVED, in addition to the interest provided above, all delinquencies in excess of ten thousand dollars (\$10,000.00) which are not paid prior to the end of the year will be subject to a year-end penalty of six (6) percent.

BOROUGH OF WILDWOOD CREST

GENERAL COMMENTS (CONTINUED)

Collection of Interest on Delinquent Taxes and Assessments (Continued)

It appears from an examination of the Collector's records that interest was charged in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The tax sale was held on October 19, 2011 and was complete.

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

<u>Year</u>	<u>Number</u>
2011	None
2010	None
2009	None

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2011 and 2012 Taxes	25
Delinquent Taxes	25
Payments of Sewer Rents	25
Delinquent Sewer Rents	25
Total	<u>100</u>

Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

"All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository."

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

BOROUGH OF WILDWOOD CREST

FINDINGS AND RECOMMENDATIONS

NONE

Should any questions arise as to our audit please do not hesitate to contact me.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

July 6, 2012

BOROUGH OF WILDWOOD CREST

PART III

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

FOR THE YEAR ENDED

DECEMBER 31, 2011

1535 HAVEN AVENUE • PO BOX 538
OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710



1409 CANTILLON BLVD. • PO BOX 548
MAYS LANDING, NJ 08330
PHONE 609.625.0999 • FAX 609.625.2421

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTRNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and
Members of the Board of Commissioners
Borough of Wildwood Crest
County of Cape May, New Jersey

Compliance

We have audited the Borough of Wildwood Crest's, State of New Jersey (the "Borough"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2011. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Borough's management. Our responsibility is to express an opinion on the Borough's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards, OMB A-133 and State of New Jersey prescribed audit requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough's compliance with those requirements.

In our opinion, the Borough complied in all material respects with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

The management of the Borough is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Borough's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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

This report is intended solely for the information and use of management, the Borough Commissioners, others within the entity, the Division as well as other federal or state awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Glen J. Ortman

Glen J. Ortman
Certified Public Accountant
Registered Municipal Accountant
No. 427

July 6, 2012

BOROUGH OF WILDWOOD CREST
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Grantor	Federal CFDA Number	Pass-Through Entity ID#	Grant Period	Program or Award Amount	Cash Received	Amount of Expenditures
U.S. Department of Justice: Police Domestic Violence	16.588	N/A	2011/2012	308,996.00	\$ -	\$ 4,910.80
U.S. Department of Housing and Urban Development CDBG - State Administered - CDBG Cluster: Pass through New Jersey Department of Community Affairs						
Small Cities - Rambler Road	14.228	2008-02292-2136-04	4/1/08 - 3/31/12	387,692.00	172,038.50	293,181.79
Small Cities - Atlantic Avenue	14.228	09-0607	1/1/09 - 6/30/11	487,860.00	50,185.28	525.00
Small Cities - West Side Storm Drainage	14.228	2010-02292-0600-00	1/1/10 - 12/31/11	500,000.00	483,985.80	439,947.30
Total U.S. Department of housing and Urban Development					706,209.58	733,654.09
Total Federal Assistance				\$	706,209.58	\$ 738,564.89

See Accompanying Notes to Schedule of Federal Financial Assistance

BOROUGH OF WILDWOOD CREST
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011

Note 1: General

The accompanying schedule of financial assistance present the activity of all federal award programs of the Borough of Wildwood Crest. The Borough is defined in Note 1 to the Borough's financial statements – regulatory basis.

Note 2: Basis of Accounting

The accompanying schedule of financial assistance are presented using the modified accrual basis of accounting in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the funds required by accounting principles generally accepted in the United States of America (GAAP).

Note 3: Relationship to Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements – regulatory basis. The financial statements – regulatory basis present the Grant Fund on a budgetary basis. The Grant Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Grant Fund	\$ 738,564.89	\$ 172,442.46	\$ 19,267.74	\$ 930,275.09
Capital Fund	-	319,256.87		319,256.87
Total Financial Assistance	<u>\$ 738,564.89</u>	<u>\$ 491,699.33</u>	<u>\$ 19,267.74</u>	<u>\$ 1,249,531.96</u>

Note 4: Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

BOROUGH OF WILDWOOD CREST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2011

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unqualified Opinion issued on the Financial Statements – Regulatory Basis, presented in accordance with an "Other Comprehensive Basis of Accounting" dated July 6, 2012.**

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

- | | | |
|----|--------------------------------------|----------------------|
| 1) | Material Weakness identified? | NO |
| 2) | Significant Deficiencies Identified? | NONE REPORTED |

Type of auditor's report issued on compliance for major programs: **An Unqualified Opinion was issued on compliance for major programs, dated July 6, 2012.**

Any audit findings disclosed that are required to be reported in accordance with OMB Circular Letter A-133? **NO**

Identification of major programs: **14.228** **U.S. Dept. of Housing and Urban Development: CDBG Cluster**

Dollar threshold used to distinguish between Type A and Type B Programs: **\$300,000**

Auditee qualified as low-risk Auditee? **NO**

BOROUGH OF WILDWOOD CREST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2011
(CONTINUED)

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

NONE

III. FINDINGS AND QUESTIONED COSTS FOR STATE AWARDS

Federal: Our audit disclosed no material Findings or Questioned Costs.

MANAGEMENT RESPONSES

Management is required to respond to findings and recommendations in the audit report. A corrective action plan is required to be filed with the Division of Local Government Services, State of New Jersey within 45 days of the filing of this report, if any findings and recommendations are noted in the audit report.

STATUS OF PRIOR YEAR FINDINGS

Financial Statement

Finding #10-01

Not all revenue collected by the Memorial Pool was turned over to the Finance office. In addition, physical copies of some receipts issued to pool users could not be located.

Current Year Status:

The condition no longer exists.