

BOROUGH OF WILDWOOD CREST

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2012

BOROUGH OF WILDWOOD CREST
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BOROUGH OF WILDWOOD CREST

PART I

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

FOR THE YEAR ENDED

DECEMBER 31, 2012



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Wildwood Crest, as of December 31, 2012 and 2011, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Wildwood Crest on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Wildwood Crest as of December 31, 2012 and 2011, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Borough of Wildwood Crest’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013 on our consideration of the Borough of Wildwood Crest's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Wildwood Crest's internal control over financial reporting and compliance.

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

June 28, 2013

EXHIBIT - A
CURRENT FUND

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

	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2011</u>
<u>Assets</u>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 9,083,555.40	\$ 7,598,320.17
Change Fund		850.00	850.00
		9,084,405.40	7,599,170.17
Receivables and Other Assets with			
Full Reserves:			
Delinquent Property Taxes Receivable	A-7	470,092.36	450,928.36
Revenue Accounts Receivable	A-9	206,849.32	229,818.19
Interfunds:			
Due from General Capital Fund	C	1,221.56	1,793.16
Due from Animal Control Fund	B	577.03	1,391.36
Due from Trust - Other	B	-	1,109.13
		678,740.27	685,040.20
Deferred Charges:			
Special Emergency Authorization	A-3	800,000.00	24,000.00
Emergency Authorizations	A-3	-	42,295.92
		800,000.00	66,295.92
		10,563,145.67	8,350,506.29
Federal and State Grant Fund:			
Cash	A-4	129,098.88	297,314.42
Grants Receivable	A-11	769,118.11	919,031.63
		898,216.99	1,216,346.05
		\$ 11,461,362.66	\$ 9,566,852.34

See Accompanying Notes to Financial Statements - Regulatory Basis

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

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2011</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 1,068,041.87	\$ 676,758.50
Reserve for Encumbrances	A-3:A-10	251,737.39	260,980.14
Accounts Payable	A:A-10	2,116.50	28,273.70
Payroll Deductions Payable		5,507.47	-
Prepaid Taxes		605,209.06	643,252.80
Tax Overpayments		-	4,172.00
Sewer Rent Overpayments		23,676.93	9,143.89
Prepaid Sewer Rents		-	14,011.80
Due County for Added and Omitted Taxes		9,215.96	7,893.33
School Tax Payable		1,871,792.94	1,810,097.72
Due to State of New Jersey		2,053.30	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		262,416.32	225,317.70
Reserve for Hurricane Sandy Expenses		800,000.00	-
Prepaid Greater Wildwoods Tourism Improvement and Development Authority Fees		1,540.00	1,200.00
Prepaid Tourism Develop. Commission Fee		700.00	600.00
Prepaid Pier Concession Rental		-	65,000.00
Prepaid Licenses		2,460.00	2,100.00
Due to Trusts - Other		1,093.35	-
		<u>5,186,286.55</u>	<u>4,213,101.14</u>
Reserve for Receivables and Other Assets	A	678,740.27	685,040.20
Fund Balance	A-1	<u>4,698,118.85</u>	<u>3,452,364.95</u>
		<u>10,563,145.67</u>	<u>8,350,506.29</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-12	38,604.04	53,499.62
Appropriated Reserves	A-13	842,527.30	1,154,297.76
Reserve for Encumbrances		17,085.65	8,548.67
		<u>898,216.99</u>	<u>1,216,346.05</u>
		<u>\$ 11,461,362.66</u>	<u>\$ 9,566,852.34</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 2012	Year 2011
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,400,000.00	\$ 1,400,000.00
Miscellaneous Revenue Anticipated	A-2	6,361,838.73	6,236,638.81
Receipts from Delinquent Taxes	A-2	441,991.65	466,583.83
Receipts from Current Taxes	A-2	24,681,182.77	24,162,806.26
Non-Budget Revenue	A-2	1,021,201.48	301,491.61
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	599,301.41	831,586.23
Accounts Payable Canceled		14,357.75	3,311.70
Grants Canceled	A-4	74,008.68	-
Tax Overpayments Canceled		4,172.00	-
Interfunds Returned:			
Animal Control Fund	A	1,391.36	1.09
Trust - Other	A	1,109.13	-
General Capital	A	1,793.16	2,330.21
Total Income		<u>34,602,348.12</u>	<u>33,404,749.74</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages	A-3	5,581,514.29	5,546,000.29
Other Expenses	A-3	6,540,490.00	5,508,209.00
Deferred Charges & Statutory Expenditures	A-3	1,226,506.00	1,238,335.37
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	12,000.00	40,000.00
Other Expenses	A-3	3,437,519.62	3,975,070.64
Capital Improvements	A-3	1,053,377.00	488,095.92
Municipal Debt Service	A-3	3,328,063.65	3,214,646.17
Deferred Charges	A-3	66,295.92	135,776.29
County Taxes	A-7	5,207,395.19	5,121,317.35
County Added and Omitted Taxes	A-7	9,215.96	7,893.33
Local District School Tax	A-7	6,292,894.00	6,269,504.00
Shortage - Counterfeit Bill		100.00	-
Interfunds Created:			
Trust Fund - Other		-	377.02
General Capital Fund		1,221.56	1,793.16
Animal Control Trust Fund		1.03	1.56
Total Expenditures		<u>32,756,594.22</u>	<u>31,547,020.10</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

	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
Excess In Revenue		\$ 1,845,753.90	\$ 1,857,729.64
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year		800,000.00	42,295.92
		<u>800,000.00</u>	<u>42,295.92</u>
Statutory Excess to Fund Balance		2,645,753.90	1,900,025.56
Fund Balance January 1	A	3,452,364.95	2,952,339.39
		<u>6,098,118.85</u>	<u>4,852,364.95</u>
Decreased by:			
Utilization as Anticipated Revenue		1,400,000.00	1,400,000.00
Fund Balance December 31	A	<u>\$ 4,698,118.85</u>	<u>\$ 3,452,364.95</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

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

	Ref.	Budget	Anticipated	Realized	Excess or (Deficit)
	A-1	\$	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		200,000.00		207,579.00	7,579.00
Fees and Permits		83,000.00		109,076.14	26,076.14
Fines and Costs:					
Municipal Court		125,000.00		196,004.26	71,004.26
Interest and Costs on Taxes		80,000.00		93,846.89	13,846.89
Parking Meters		198,000.00		234,069.26	36,069.26
Interest on Investments and Deposits		65,000.00		57,818.11	(7,181.89)
Recreation Income - Pool		62,000.00		81,937.00	19,937.00
TV Cable Franchise Fee		42,000.00		42,474.29	474.29
Municipal Pier and Concession Income		165,000.00		182,835.00	17,835.00
Interest and Costs on Delinquent Sewer Rents		19,000.00		23,455.51	4,455.51
Fees and Permits - Craft Shows		13,000.00		4,900.00	(8,100.00)
Sewer Rents		3,270,000.00		3,481,860.89	211,860.89
Ambulance Fees		130,000.00		167,379.32	37,379.32
Consolidated Municipal Property Tax Relief Aid		381,045.00		381,045.00	
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)					
Public and Private Programs Off-Set by Revenues:					
Recycling Tonnage Grant		12,790.44		12,790.44	
Clean Communities Program		19,182.91		19,182.91	
State Aid Housing		12,000.00		12,000.00	
Summer Events Grant			15,500.00	15,500.00	

See Accompanying Notes to Financial Statements - Regulatory Basis

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

Ref.	Budget	Anticipated		Realized	Excess or (Deficit)
		N.J.S. 40A:4-87			
Special Items: (Continued)					
Public and Private Programs Off-Set by Revenues:(Continued)					
	\$	4,236.91	\$	4,236.91	\$ -
Drunk Driving Enforcement Fund				183,377.00	-
N.J. Transportation Trust Fund Grant		183,377.00			-
Comcast Technology Grant		15,000.00			-
Police Body Armor - Reserved		2,289.36			-
US Bulletproof Vest Program		3,770.00			-
Small Cities Grant		400,000.00			-
Other Special Items:					
Uniform Fire Safety Act		160,000.00		171,907.74	11,907.74
Anticipated General Capital Fund Balance		32,186.00		32,186.00	-
Beach Operation Offset - Reserved		225,317.70		225,317.70	-
Total Miscellaneous Revenues		5,316,048.32		6,361,838.73	443,143.41
Receipts from Delinquent Taxes	A-1		602,647.00		
Amount to be Raised by Taxes for Support of Municipal Budget:	A-1:A-2	438,000.00		441,991.65	3,991.65
Local Tax for Municipal Purposes	A-2	13,705,331.15		13,930,087.55	224,756.40
Total Amount to be Raised by Taxes for Support of Municipal Budget		13,705,331.15		13,930,087.55	224,756.40
Budget Totals		20,859,379.47	602,647.00	22,133,917.93	671,891.46
Non-Budget Revenues	A-1:A-2		602,647.00	1,021,201.48	1,021,201.48
		\$ 20,859,379.47	\$ 602,647.00	\$ 23,155,119.41	\$ 1,693,092.94

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

<u>Analysis of Realized Revenues</u>	<u>Ref.</u>		
<u>Allocation of Current Tax Collections:</u>			
Revenues from Collections	A-7	\$	24,681,182.77
Less:			
Reserve for State Tax Appeals			
Net Revenue from Collections	A-1		<u>24,681,182.77</u>
Allocated to:			
School, County and Other Taxes	A-1:A-7		<u>11,509,505.15</u>
Balance for Support of Municipal Budget Appropriations			13,171,677.62
Add: Appropriation			
"Reserve for Uncollected Taxes"	A-3		<u>758,409.93</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>13,930,087.55</u></u>
<u>Receipts from Delinquent Taxes:</u>			
Delinquent Tax Collections	A-7	\$	441,991.65
		\$	<u><u>441,991.65</u></u>
<u>Analysis of Non-Budget Revenues:</u>			
Miscellaneous Revenue Not Anticipated:			
FEMA Reimbursement - Hurricane Sandy		\$	34,822.65
FEMA Reimbursement - 2009 Storm			812,916.75
West Wildwood Police Dispatch			34,000.00
GWTIDA Administrative Fee - TDC			30,000.00
MUA Refunds			55,776.66
Security			32.00
DMV Inspection Fines			400.00
Insurance Refunds			2,583.32
Late Mercantile Licenses Penalties			7,225.38
Payroll Tax Refunds			4,272.45
Miscellaneous			3,603.14
Mitchell Restitution			10,000.00
Void Prior Year Outstanding Checks			11,596.50
Police Reports			8,107.98
2% Administration Fee for Vets & Senior Citizens			1,482.44
Cost of Tax Sale			155.47
Photo Copies			1,017.14
Restitution			730.00
Elections			600.00
NJ Homeowner Mailing			303.60
Bad Check Fees			240.00
Notary Fees			216.00
Variance Applications			240.00
Petroleum Recycling			850.00
Tax Searches			30.00
		\$	<u><u>1,021,201.48</u></u>

See Accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Paid or Charged	Expended		Reserved	(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved		
OPERATIONS WITHIN "CAPS"							
GENERAL GOVERNMENT:							
DEPARTMENT OF PUBLIC AFFAIRS AND PUBLIC SAFETY:							
Directors Office	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	\$ 2,832.04	
Salaries and Wages	7,250.00	7,250.00	4,387.96	30.00			
Other Expenses							
Local Code Enforcement	26,400.00	26,400.00	24,772.48	300.00			1,627.52
Salaries and Wages	7,400.00	7,400.00	2,582.53			4,517.47	
Other Expenses							
File	2,500.00	2,500.00	1,999.92				500.08
Salaries and Wages	44,350.00	44,350.00	11,848.83	14,882.04		17,619.13	
Other Expenses							
Police	2,137,274.00	2,107,274.00	2,039,107.91			68,166.09	
Salaries and Wages	181,800.00	181,800.00	116,984.12	61,798.64		3,017.24	
Other Expenses							
Municipal Prosecutor	18,000.00	18,000.00	16,500.00	1,500.00			
Other Expenses							
Legal	137,500.00	167,500.00	145,302.50	8,750.00		13,447.50	
Other Expenses							
Emergency Management Services	3,000.00	3,000.00	2,999.88				0.12
Salaries and Wages	2,000.00	2,000.00	-	1,803.87		196.13	
Other Expenses							
Services of Ambulance	450,000.00	450,000.00	416,878.52				
Salaries and Wages	41,200.00	41,200.00	24,856.38	13,381.22		2,962.40	33,121.48
Other Expenses							
Environmental Commission (N.J.S. 40:56A-1)	2,200.00	2,200.00	2,000.18				199.82
Salaries and Wages	500.00	500.00	280.00			220.00	
Other Expenses							
Lifeguards	480,000.00	480,000.00	479,994.00				6.00
Salaries and Wages	45,130.00	45,130.00	42,746.29	57.44		2,326.27	
Other Expenses							
Land Use Administration	62,500.00	58,900.00	54,190.96				4,709.04
Salaries and Wages	55,750.00	55,750.00	23,161.94	2,966.85		29,621.21	
Other Expenses							
Traffic Maintenance	70,000.00	70,000.00	66,370.94				3,629.06
Salaries and Wages	31,900.00	31,900.00	12,616.07	11,112.70		8,171.23	
Other Expenses							

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

	Appropriations		Paid or Charged	Expended		Reserved	(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	86,500.00	86,500.00	85,579.57	-	-	-	920.43
Other Expenses	20,950.00	20,950.00	7,153.55	1,196.41	12,600.04		
Animal Control							
Other Expenses	29,000.00	29,000.00	27,281.00		1,719.00		
Police Dispatch							
Salaries and Wages	155,000.00	155,000.00	155,000.00		-		
Municipal Court							
Salaries and Wages	140,265.00	142,241.79	142,241.79		-		
Other Expenses	14,900.00	14,900.00	10,401.12	1,081.40	3,417.48		
Public Defender (P.L. 1997, C.256)							
Other Expenses	13,000.00	13,000.00	10,414.64	2,083.32	502.04		
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	15,549.94		-		2,950.06
Other Expenses	950.00	950.00	408.47	75.00	466.53		
Borough Administration							
Salaries and Wages	208,966.00	208,966.00	208,449.89		-		516.11
Other Expenses	38,800.00	38,800.00	15,227.46	3,599.15	19,973.39		
Election Expense	1,200.00	1,200.00	1,073.27		126.73		
Financial Administration							
Salaries and Wages	134,000.00	134,000.00	132,159.72		-		1,840.28
Other Expenses	62,100.00	62,100.00	49,245.54	2,856.57	9,997.89		
Assessment of Taxes							
Salaries and Wages	77,000.00	80,000.00	79,830.87		-		169.13
Other Expenses	17,890.00	14,890.00	3,293.22	443.77	11,153.01		
Collection of Taxes							
Salaries and Wages	139,200.00	139,200.00	137,137.82		-		2,062.18
Other Expenses	17,200.00	17,200.00	7,205.20	279.92	9,714.88		
Municipal Audit							
Other Expenses	33,500.00	33,500.00	33,500.00		-		

See Accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Budget After Modification	Paid or Charged	Expended		Reserved	(Overexpended) Unexpended Balance Cancelled
	Budget				Encumbered			
DEPARTMENT OF REVENUE AND FINANCE:(CONTINUED)								
Utility Billing Expenses	\$	12,200.00	\$	5,378.29	\$		6,821.71	\$
Other Expenses								
Insurance								
General Liability		139,000.00	139,000.00	128,266.00			10,734.00	
Workers Compensation		354,000.00	354,000.00	354,000.00			-	
Employee Group Health		2,463,760.00	2,463,760.00	2,206,389.49	5,817.18		251,553.33	
Health Benefit Waiver								
Salaries and Wages		5,000.00	5,000.00	2,374.65			2,625.35	
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	131.47			618.53	
Engineer								
Other Expenses		55,000.00	55,000.00	45,848.24			9,151.76	
Landfill								
Other Expenses		333,000.00	333,000.00	294,598.12			38,401.88	
Public Works								
Salaries and Wages		410,000.00	410,000.00	375,701.20			-	34,298.80
Other Expenses		68,550.00	68,550.00	43,389.55	7,094.99		18,065.46	
Recreation Buildings								
Other Expenses		93,250.00	93,250.00	55,172.85	10,175.35		27,901.80	
Beach Cleaning								
Salaries and Wages		40,000.00	40,000.00	31,460.29			-	8,539.71
Other Expenses		107,550.00	107,550.00	97,910.58	8,547.79		1,091.63	
Sanitation								
Salaries and Wages		388,000.00	394,000.00	354,126.74			-	39,873.26
Other Expenses		56,400.00	56,400.00	32,407.87	1,463.48		22,528.65	
Parks and Buildings								
Salaries and Wages		209,500.00	200,582.63	160,572.66			-	40,009.97
Other Expenses		98,500.00	98,500.00	64,650.84	22,824.72		11,024.44	
Sewerage								
Salaries and Wages		98,000.00	98,000.00	90,066.69			-	7,933.31
Other Expenses		62,100.00	62,100.00	14,387.63	342.20		47,370.17	

See Accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Budget After Modification	Paid or Charged	Expended		Reserved	(Overexpended) Unexpended Balance Cancelled
	Budget				Encumbered			
DEPARTMENT OF PUBLIC WORKS								
PARKS AND PUBLIC PROPERTY:(CONTINUED)								
Fleet Maintenance	\$	134,000.00	\$	98,875.03	\$	-	\$	25,124.97
Salaries and Wages		96,400.00	106,400.00	93,320.87	7,356.56	5,722.57		
Other Expenses								
Tourism		10,000.00	10,000.00	5,405.50				4,594.50
Salaries and Wages		36,210.00	36,210.00	24,983.50	200.00	11,026.50		
Other Expenses								
Recreation Commission (N.J.S. 40:61-17)		285,000.00	285,000.00	258,790.57				26,209.43
Salaries and Wages		36,450.00	36,450.00	13,121.00	8,244.99	15,084.01		
Other Expenses								
Contribution to Urban Enterprise Zone								
Other Expenses		13,500.00	13,500.00			13,500.00		
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS								
APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C.5:23-4.17)								
State Uniform Construction Code		62,000.00	62,000.00	55,043.61				6,956.39
Salaries and Wages		29,600.00	29,600.00	8,694.47	495.12	20,410.41		
Other Expenses								
UTILITY EXPENSES AND BULK PURCHASES:								
Water		60,000.00	65,000.00	45,816.25		19,183.75		
Street Lighting		140,000.00	132,000.00	112,812.10	11,342.87	7,845.03		
Telephone		102,000.00	105,000.00	97,841.50	5,527.79	1,630.71		
Fire Hydrants		39,500.00	42,500.00	31,293.00		11,207.00		
Natural Gas		80,000.00	60,000.00	41,254.44	78.61	18,666.95		
Electric		218,000.00	215,000.00	173,677.27	218.04	41,104.69		
Gasoline		180,000.00	200,000.00	184,281.25	1,062.18	14,656.57		
Accumulated Absence Liability		1.00	4,541.58			4,541.58		
Hurricane Sandy Extraordinary Expenses								
(By Special Emergency , \$800,000.00+)								
TOTAL OPERATIONS WITHIN "CAPS"		11,564,796.00	12,364,796.00	11,042,277.94	218,990.17	857,736.18		245,791.71
Contingent		3,000.00	3,000.00	2,795.92		204.08		
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"		11,567,796.00	12,367,796.00	11,045,073.86	218,990.17	857,940.26		245,791.71
Detail:								
Salaries and Wages		5,864,306.00	5,827,306.00	5,506,181.27		75,333.02		245,791.71
Other Expenses		5,703,490.00	6,540,490.00	5,538,892.59	218,990.17	782,607.24		

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

	Appropriations		Budget After Modification	Paid or Charged	Expended		Reserved	(Overexpended) Unexpended Balance Cancelled
	Budget				Encumbered			
DEFERRED CHARGES:								
Unpaid Prior Year Bills	\$ 55.00	\$ 55.00	\$ 55.00					\$ 55.00
STATUTORY EXPENDITURES:								
Contributions to:								
Public Employees' Retirement System	301,213.00	301,213.00	301,213.00	301,213.00				
Social Security System (O.A.S.I.)	470,000.00	470,000.00	470,000.00	434,823.07			35,176.93	
Police and Firemen's Retirement System of N.J.	424,793.00	424,793.00	424,793.00	422,793.00			2,000.00	
Unemployment Compensation Insurance	30,500.00	30,500.00	30,500.00	30,500.00				
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"	<u>1,226,561.00</u>	<u>1,226,561.00</u>	<u>1,226,561.00</u>	<u>1,189,329.07</u>	<u>-</u>	<u>37,176.93</u>	<u>55.00</u>	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>12,794,357.00</u>	<u>13,594,357.00</u>	<u>13,594,357.00</u>	<u>12,234,402.93</u>	<u>218,990.17</u>	<u>895,117.19</u>	<u>245,846.71</u>	
OPERATIONS EXCLUDED FROM "CAPS"								
INSURANCE (N.J.S.A. 40A:4-45.3(00))								
Employee Group Health	93,040.00	93,040.00	93,040.00				93,040.00	
Cape May County MUA - Charges	3,270,000.00	3,270,000.00	3,270,000.00	3,250,086.00			19,914.00	
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	<u>3,363,040.00</u>	<u>3,363,040.00</u>	<u>3,363,040.00</u>	<u>3,250,086.00</u>	<u>-</u>	<u>112,954.00</u>	<u>-</u>	

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

	Appropriations		Budget After Modification	Paid or Charged	Expended		Reserved	(Overexpended) Unexpended Balance Cancelled
	Budget				Encumbered			
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES								
State Aid-Housing Inspections	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ -	\$ -		
Salaries and Wages	12,790.44	12,790.44	12,790.44	12,790.44	-	-		
Recycling Tonnage Grant	19,182.91	19,182.91	19,182.91	19,182.91	-	-		
Clean Communities Grant	12,000.00	15,500.00	15,500.00	15,500.00	-	-		
2012 Summer Events Grant (40A:4-87, \$15,500.00+)	4,236.91	12,000.00	12,000.00	-	-	-		12,000.00
Matching Funds For Grants	4,236.91	4,236.91	4,236.91	4,236.91	-	-		
Drunk Driving Enforcement Grant (Reserve)	2,289.36	2,289.36	2,289.36	2,289.36	-	-		
Police Body Armor Grant	3,770.00	3,770.00	3,770.00	3,770.00	-	-		
Bulletproof Vest Partnership (40A:4-87, \$3,770.00+)	15,000.00	15,000.00	15,000.00	15,000.00	-	-		
Comcast Technology Grant	1,710.00	1,710.00	1,710.00	1,710.00	-	-		
Municipal Alliance Consortium - Local Share								
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	79,209.62	98,479.62	98,479.62	86,479.62	-	-		12,000.00
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	3,442,249.62	3,461,519.62	3,461,519.62	3,336,565.62	-	112,954.00		12,000.00
Detail:								
Salaries and Wages	12,000.00	12,000.00	12,000.00	12,000.00	-	-		-
Other Expenses	3,430,249.62	3,449,519.62	3,449,519.62	3,324,565.62	-	112,954.00		12,000.00
CAPITAL IMPROVEMENTS								
Capital Improvement Fund	350,000.00	350,000.00	350,000.00	350,000.00	-	-		
Emergency Sewer Repairs	120,000.00	120,000.00	120,000.00	27,282.10	32,747.22	59,970.68		
Public and Private Programs offset by Revenues:								
NJ Transp Trust Fund (40A:4-87, \$183,377.00+)		183,377.00	183,377.00	183,377.00	-	-		
Small Cities Grant (40A:4-87, \$400,000.00+)		400,000.00	400,000.00	400,000.00	-	-		
TOTAL CAPITAL IMPROVEMENTS	470,000.00	1,053,377.00	1,053,377.00	960,659.10	32,747.22	59,970.68		-

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

	Appropriations		Budget After Modification	Paid or Charged	Expended		Reserved	(Overexpended) Unexpended Balance Cancelled
	Budget				Encumbered			
DEBT SERVICE								
Payment of Bond Principal	\$	2,290,000.00	\$	2,290,000.00	\$			\$ -
Interest on Bonds		614,831.00		614,831.00				-
Interest on Notes		79,960.00		79,957.58				2.42
USDA Loans								
Principal		18,142.73		18,142.73				-
Interest		61,627.27		61,627.27				-
New Jersey Environmental Infrastructure Trust (NJEIT)								
Principal		216,781.00		216,780.07				0.93
Interest		46,725.00		46,725.00				-
TOTAL DEBT SERVICE		<u>3,328,067.00</u>		<u>3,328,063.65</u>		<u>-</u>		<u>3.35</u>
DEFERRED CHARGES EXCLUDED FROM "CAPS"								
Emergency Authorizations		42,295.92		42,295.92				-
Special Emergency - 5 Years (NJA 40A:4-53)		24,000.00		24,000.00				-
TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"		<u>66,295.92</u>		<u>66,295.92</u>		<u>-</u>		<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"		<u>7,306,612.54</u>		<u>7,691,584.29</u>		<u>32,747.22</u>	<u>172,924.68</u>	<u>12,003.35</u>
SUBTOTAL GENERAL APPROPRIATIONS		<u>20,100,969.54</u>		<u>19,925,987.22</u>		<u>251,737.39</u>	<u>1,068,041.87</u>	<u>257,850.06</u>
Reserve for Uncollected Taxes		758,409.93		758,409.93				
TOTAL GENERAL APPROPRIATIONS		<u>20,859,379.47</u>		<u>20,684,397.15</u>		<u>251,737.39</u>	<u>1,068,041.87</u>	<u>257,850.06</u>
						A	A	
	Budget \$	20,859,379.47	\$	20,684,397.15	\$	251,737.39	1,068,041.87	\$ 257,850.06
	Emergency Appropriation	800,000.00						
	Appropriation by 40A:4-87	602,647.00						
		<u>22,262,026.47</u>		<u>22,262,026.47</u>				
	Deferred Charges - Emergency Authorizations	\$	66,295.92					
	Federal and State Grants		669,856.62					
	Reserve for Hurricane Sandy		800,000.00					
	Payroll Deductions		5,507.47					
	Reserve for Uncollected Taxes		758,409.93					
	Cash Disbursed		<u>18,384,327.21</u>					
			<u>\$ 20,684,397.15</u>					

**EXHIBIT - B
TRUST FUND**

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

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Animal Control Fund</u>			
Cash and Investments	B-1	\$ 2,873.23	\$ 3,660.56
		<u>2,873.23</u>	<u>3,660.56</u>
<u>Other Funds</u>			
Cash - Treasurer	B-2	790,930.78	775,596.04
Due from Current Fund		1,093.35	-
		<u>792,024.13</u>	<u>775,596.04</u>
		<u>\$ 794,897.36</u>	<u>\$ 779,256.60</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

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

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2011</u>
<u>Animal Control Fund</u>			
Reserve for Animal Control Expenditures	B-3	\$ 2,295.00	\$ 2,265.00
Due to State of New Jersey	B-5	1.20	4.20
Due to Current Fund	A:B-4	577.03	1,391.36
		<u>2,873.23</u>	<u>3,660.56</u>
<u>Other Funds</u>			
Due to State of New Jersey:			
Marriage License Fees		75.00	125.00
DCA State Training Fees		339.00	2,909.00
Due to Current Fund	A	-	1,109.13
Reserve for Accumulated Absences		149,056.43	145,036.01
Reserve for Borough Beautification		7,055.50	6,930.50
Reserve for Fire Penalties - Non-Dedicated		58,741.83	56,477.40
Reserve for Fire Prevention		37,612.81	35,305.39
Reserve for Forfeited Funds		11,807.61	14,218.58
Reserve for Third Party Construction Inspections		58,914.20	78,580.20
Reserve for Parking Offense			
Adjudication Act		7,477.67	5,769.67
Reserve for Planning and Zoning Escrow		106,466.65	100,766.65
Reserve for Recreation		114,819.96	129,836.27
Reserve for Snow Removal		8,666.88	8,666.88
Reserve for Street Openings - Performance Surety		25,550.00	29,550.00
Reserve for Street Openings - Maintenance Surety		14,205.00	14,805.00
Reserve for Street Paving		37,102.42	22,259.97
Reserve for Tax Sale Premiums		64,500.00	38,300.00
Reserve for Third Party Lien Redemptions		10,282.38	27,911.55
Reserve for Tourist Development			
Commission		53,729.90	50,446.04
Reserve for Unemployment			
Compensation Insurance		10,666.47	6,592.80
Reserve for Encumbrances		14,954.42	-
		<u>792,024.13</u>	<u>775,596.04</u>
		<u>\$ 794,897.36</u>	<u>\$ 779,256.60</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

EXHIBIT - C
GENERAL CAPITAL FUND

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

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Cash and Investments	C-2,C-3	\$ 3,277,684.62	\$ 3,827,593.15
Deferred Charges to Future Taxation:			
Funded	C-5	19,752,230.25	22,277,153.15
Unfunded	C-6	20,719,800.00	6,794,500.00
NJEIT Loan Receivable		-	71,195.00
		<u>\$ 43,749,714.87</u>	<u>\$ 32,970,441.30</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Due to Current Fund	A	\$ 1,221.56	\$ 1,793.16
Serial Bonds Payable	C-8	14,297,000.00	16,587,000.00
U.S.D.A. Bonds Payable	C-8A	1,394,967.04	1,413,109.77
NJEIT Loans Payable	C-8B	4,060,263.21	4,277,043.38
Bond Anticipation Notes Payable	C-9	7,719,400.00	5,375,300.00
Improvement Authorizations:			
Funded	C-7	1,098,431.39	2,543,711.93
Unfunded	C-7	13,923,576.37	2,315,801.09
Reserve for Encumbrances	C-7	360,549.34	49,379.61
Capital Improvement Fund	C-4	271,528.09	239,228.09
Fund Balance	C-1	622,777.87	168,074.27
		<u>\$ 43,749,714.87</u>	<u>\$ 32,970,441.30</u>

There were Bonds and Notes Authorized and But Not Issued at December 31, 2012 and 2011 of \$13,000,400.00 and \$1,419,200.00 respectively.

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

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Balance December 31,	C	\$ 168,074.27	\$ 146,387.65
Increased By:			
Funded Improvement Authorizations Canceled	C-7	494,387.60	153,394.67
Premiums Received on Note Sale		32,502.00	30,477.95
		<u>694,963.87</u>	<u>330,260.27</u>
Decreased By:			
Payment to Current Fund as Anticipated Revenue	A-2:C-2	32,186.00	32,186.00
Appropriated to Finance Improvement Authorizations	C-7	40,000.00	130,000.00
Balance December 31,	C	<u>\$ 622,777.87</u>	<u>\$ 168,074.27</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

EXHIBIT - D
GENERAL FIXED ASSETS ACCOUNT GROUP

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

<u>General Fixed Assets</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2011</u>
Land		\$ 23,702,873.00	\$ 23,763,687.00
Buildings		8,196,220.00	7,497,718.00
Machinery and Equipment		7,625,342.00	7,188,450.00
		<u>\$ 39,524,435.00</u>	<u>\$ 38,449,855.00</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Investment in General Fixed Assets		\$ 39,524,435.00	\$ 38,449,855.00
		<u>\$ 39,524,435.00</u>	<u>\$ 38,449,855.00</u>

See Accompanying Notes to Financial Statements - Regulatory Basis

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

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 the “Regulatory Basis of Accounting”, 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

Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization’s governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization’s resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough of Wildwood Crest had no component units as defined by Governmental Accounting Standards Board (GASB).

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.

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.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2012 and 2011 statutory budgets included a reserve for uncollected taxes in the amount of \$758,409.93, and \$761,313.92. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2012 and 2011 statutory budgets was \$1,400,000.00 of \$3,452,364.95 available fund balance and \$1,400,000.00 of \$2,952,339.39 available fund balance.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Borough Council. The following significant budget transfers were approved in the 2012 and 2011 calendar years.

	<u>2012</u>	<u>2011</u>
Police – S&W	(30,000)	(59,750)
Legal Services and Costs– OE	30,000	65,000
Land Use Administration – S&W	(3,600)	
Land Use Administration - OE		(20,000)
Municipal Court - S&W	1,977	
Assessment of Taxes – S&W	3,000	(4,000)
Assessment of Taxes - OE	(3,000)	
Sanitation – S&W	6,000	(10,000)
Sanitation – OE		(5,000)
Parks and Buildings - OE	(8,917)	(5,000)
Parks and Buildings – S&W		
Fleet Maintenance – S&W	(10,000)	(15,000)
Fleet Maintenance – OE	10,000	10,000
Water	5,000	
Street Lighting	(8,000)	(1,000)
Telephone	3,000	2,000
Fire Hydrants	3,000	1,000
Natural Gas	(20,000)	(5,000)
Electric	(3,000)	(10,000)
Gasoline	20,000	31,000
Financial Administration – OE		4,000
Accumulated Absences	4,540	35,750
Financial Administration – S&W		(1,000)
Beach Cleaning – S&W		(25,000)
Engineer - OE		10,000
Emergency Sewer Repairs		2,000

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During the 2012 calendar year, the Board of Commissioners approved a budget insertion for GWTDA – Summer Events Grant in the amount of \$15,500; one for Small Cities Community Development Block Grant for \$400,000, one for U.S. Bulletproof Vest Partnership for \$3,770 and one for N.J. Transportation Trust Fund for \$183,377. During the 2011 calendar year, Borough Commission approved a budget insertion for GWTDA Summer Events Grant in the amount of \$21,000; one for UEZ Administration for \$11,729; one for UEZ Assistance Funds for \$202,050 and one for a Domestic Violence Grant for \$308,996.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency or those funded by a subsequent bond ordinance, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Special emergencies authorized in 2012 were Hurricane Sandy – Extraordinary Expenses for \$800,000. Emergencies authorized 2011 were Emergency Bulkhead Replacement for \$42,496.

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, 2012 AND 2011
(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

The Borough of Wildwood Crest has developed a fixed assets accounting and reporting system in accordance with the requirements of the State of New Jersey, Division of Local Government Services. This reporting system differs in certain respects from Generally Accepted Accounting Principles.

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

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, with the exception of Land are valued at historical cost, or estimated historical cost if actual historical cost is not available. Land is valued at the Assessed Valuation of 1985 which is the year of implementation of fixed asset accounting for New Jersey Municipal Governments.

No depreciation on general fixed assets is recorded in the financial statements – regulatory basis.

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, 2012 AND 2011
(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 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, 2012 AND 2011
(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, 2011, and decreased by the amount deferred at December 31, 2012. GAAP would require the recording of deferred revenue. Following is a breakdown as of December 31 for the last two years:

		<u>Dec. 31, 2012</u>		<u>Dec. 31, 2011</u>
School Tax Payable	\$	1,871,792.94	\$	1,810,097.72
School Tax Deferred		<u>1,250,000.00</u>		<u>1,250,000.00</u>
	\$	<u><u>3,121,792.94</u></u>	\$	<u><u>3,060,097.72</u></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, 2012 AND 2011
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Required Financial Statements

Governmental Accounting Standards Board (GASB) prescribes the financial statement presentation requirements for governmental units which are significantly different from the reporting requirements under the regulatory basis of accounting in the State of New Jersey. Generally Accepted Accounting Principles (GAAP) prescribes that the financial statements must be presented on an entity wide basis including all funds exclusive of fiduciary funds and segregating only government type and business type funds. The statements are presented on a full accrual basis and include all of the non fiduciary assets and liabilities of the entity. In addition, GAAP requires separate fund basis financial statements for all governmental, proprietary and fiduciary funds. The New Jersey Regulatory basis requires reporting of the appropriate separate fund financial statements and the fixed asset account group

Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Borough's financial position. However, comparative data has not been presented in the Statement of Revenue-Regulatory Basis and the Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

Recent Accounting Pronouncements Not Yet Effective

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The purpose of the statement is to amend the criteria for reporting and including component units with the primary government. This statement, which is effective for fiscal periods beginning after June 15, 2012, is not anticipated to have any effect on the Borough's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which clarifies the reporting requirements related to deferred assets and liabilities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Borough's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Borough's financial reporting.

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

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

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

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements Not Yet Effective (Continued)

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013 will not have any impact on the financial position of the Borough.

NOTE 2: LONG-TERM DEBT

Changes in Long-Term Debt

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

	<u>Outstanding 12/31/11</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/12</u>	<u>Amount Due in One Year</u>
Bonds Payable	\$ 16,587,000.00	\$ -	\$ 2,290,000.00	\$ 14,297,000.00	\$ 2,402,000.00
	<u>16,587,000.00</u>	<u>-</u>	<u>2,290,000.00</u>	<u>14,297,000.00</u>	<u>2,402,000.00</u>
U.S.D.A. Bonds Payable	1,413,109.77	-	18,142.73	1,394,967.04	18,945.17
NJEIT Loans Payable	<u>4,277,043.38</u>	<u>-</u>	<u>216,780.17</u>	<u>4,060,263.21</u>	<u>221,780.17</u>
Total Long-term Debt	<u>\$ 22,277,153.15</u>	<u>\$ -</u>	<u>\$ 2,524,922.90</u>	<u>\$ 19,752,230.25</u>	<u>2,642,725.34</u>

Summary of Municipal Debt

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$ 27,471,630.25	\$ 27,652,453.15	\$ 27,118,307.62
Total Issued	<u>27,471,630.25</u>	<u>27,652,453.15</u>	<u>27,118,307.62</u>
<u>Authorized But Not Issued:</u>			
General:			
Bonds and Notes	<u>13,000,400.00</u>	<u>1,419,200.00</u>	<u>1,500,200.00</u>
Total Authorized But Not Issued	<u>13,000,400.00</u>	<u>1,419,200.00</u>	<u>1,500,200.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 40,472,030.25</u>	<u>\$ 29,071,653.15</u>	<u>\$ 28,618,507.62</u>

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.80%.

	Gross Debt	Deductions	Net Debt
General Debt	\$ 40,472,030.25	\$ -	\$ 40,472,030.25
	\$ 40,472,030.25	\$ -	\$ 40,472,030.25

Net debt \$40,472,030.25 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,245,810,783 = 1.80%.

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

3-1/2% of Equalized Valuation Basis	\$ 78,603,377.59
Net Debt	40,472,030.25
Remaining Borrowing Power	\$ 38,131,347.34

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 matured on October 17, 2012. On October 16, 2012, the Borough issued another \$2,344,100.00 in bond anticipation notes and renewed the previously issued amount of \$5,375,300.00 that matures on October 16, 2013. The interest rate was 1.25%.

The following is a summary of changes in short-term debt for the year ended December 31, 2012.

	Balance 12/31/2011	Increased	Decreased	Balance 12/31/2012
Bond Anticipation Notes	\$ 5,375,300.00	\$ 7,719,400.00	\$ 5,375,300.00	\$ 7,719,400.00

Description of Bonds Payable

At December 31, 2012, 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, 2012 is \$332,000.00.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

Description of Bonds Payable (Continued)

\$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, 2012 is \$2,930,000.00.

\$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, 2012 is \$11,035,000.00.

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, 2012 is \$1,394,967.04.

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, 2012 is \$3,005,263.21 and the Balance remaining for the NJEIT Series 2010A – Trust Loan at December 31, 2012 is \$1,055,000.00.

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

Year Ending December 31	General Capital Fund	
	Principal	Interest
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	1,249,305.98	390,119.19
2018-2022	7,207,385.19	1,248,840.66
2023-2027	1,938,425.58	336,825.27
2028-2032	716,624.76	210,785.90
2033-2037	245,914.16	152,935.84
2038-2042	305,324.21	93,525.79
2043-2046	254,171.65	22,564.37
	\$ 19,752,230.25	\$ 4,563,469.98

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

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, 2012 is \$149,056.43. The total liability of accrued sick leave and vacation for all eligible employees at December 31, 2012 is \$455,991.19.

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, 2012	Balance December 31, 2011
Prepaid Taxes - Cash Liability	\$ 605,209.06	\$ 643,252.80

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

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

NOTE 6: RETIREMENT PLANS (Continued)

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 6.5% of employees' annual compensation. 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.

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 10% of base salary.

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
2012	\$ 95,764.00	\$ 17,922.00	\$ 187,527.00	\$ 301,213.00	\$ 301,213.00
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

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

NOTE 6: RETIREMENT PLANS (Continued)

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
2012	\$ 168,484.00	\$ 19,531.00	\$ 236,778.00	\$ 424,793.00	\$ 424,793.00
2011	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

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.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

NOTE 7: DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

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, 2012.

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. This is the second valuation and the actuary is using the entry age normal funding method. The actuarial valuation report was based on 113 total participants including 40 retirees. The actuarial determined valuation of these benefits has been reviewed and will be reviewed bi-annually for the purpose of estimating the present value of future benefits for active and retired employees and their dependents as required by GASB 45.

Annual OPEB Cost and Net OPEB Obligation

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

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(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 that fare into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the January 1, 2012 Actuarial Valuation Report, the projected unit credit method was used for all participants. The actuarial assumptions used to project future costs included a discount rate of 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 2012 annual OPEB Costs, amounts paid, and changes to the net accrued OPEB obligation based on the January 1, 2012 actuarial valuation and actual OPEB payments made or accrued during 2012:

	<u>December 31,</u> <u>2012</u>
Net OPEB Obligation - Beginning of Year	\$ 1,210,000
Annual OPEB Cost	510,000
OPEB Payments	<u>(90,000)</u>
Increase in Net OPEB Obligation	420,000
Net OPEB Obligation - End of Year	\$ <u><u>1,630,000</u></u>
Percentage of OPEB Cost Contributed	<u><u>17.65%</u></u>

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Annual OPEB</u> <u>Cost</u> <u>Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
12/31/2010	\$ 437,413	7.70%	\$ 825,000
12/31/2011	420,032	9.40%	1,210,000
12/31/2012	510,000	17.60%	1,630,000

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
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YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

NOTE 8: POST RETIREMENT BENEFITS (Continued)

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, 2012, 2011, 2010, were \$537,975.71, \$527,895.03, and \$456,743.91, respectively, which equaled the required contributions for each year. There were 36, 31, and 31 retired participants eligible at December 31, 2012, 2011, and 2010, 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 \$13,438,201.02 as of December 31, 2012, \$76,316.71 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.

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, 2012, the Borough's balance was \$7,089.67.

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	\$ 7,089.67	Not Available
	<u>\$ 7,089.67</u>	

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(CONTINUED)

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.

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			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$ 1.093	\$ 1.067	\$ 1.043
Apportionment of Tax Rate:			
Municipal	0.593	0.576	0.561
County	0.227	0.224	0.217
Local School	0.273	0.267	0.265

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

NOTE 10: PROPERTY TAXES (Continued)

Assessed Valuation		
2012	\$	2,311,598,638
2011		2,315,657,912
2010		2,289,895,406

Comparison of Tax Levies and Collections					
Year	Tax Levy		Collections		Percentage of Collections
2012	\$	25,308,035.00	\$	24,681,182.77	97.52%
2011		24,617,366.11		24,170,822.26	98.19%
2010		23,971,157.83		23,498,405.41	98.03%

Delinquent Taxes and Tax Title Liens							
Year	Tax Title Liens		Delinquent Taxes		Total Delinquent	Percentage of Tax Levy	
2012	\$	-	\$	470,092.36	\$	470,092.36	1.86%
2011		-		450,928.36		450,928.36	1.83%
2010		-		475,140.34		475,140.34	1.98%

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. The Borough is economically dependent upon the tourism industry.

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.

Year	Balance December 31st		Utilized in Budget of Succeeding Year		Percent Utilized
2012	\$	4,698,118.85	\$	1,680,000.00	35.76%
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%

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

NOTE 13: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Receivables and payables at December 31, 2012 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,798.59	\$
Trust Fund - Other	1,093.35	
Animal Control Trust Fund		577.03
Current Fund		1,093.35
General Capital Fund		1,221.56
Total	\$ <u>2,891.94</u>	\$ <u>2,891.94</u>

These interfunds were created by interest earnings in the trust and capital funds not turned over to the current fund by year end. In addition, the current fund will collect trust moneys and periodically turn them over to the trust funds.

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, 2012, 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, 2012:

	<u>Balance December 31, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance December 31, 2012</u>
Land Improvements	\$ 23,763,687.00	\$ 233,688.00		(294,502.00)	\$ 23,702,873.00
Building Improvements	7,497,718.00	404,000.00		294,502.00	8,196,220.00
Machinery & Equipment	7,188,450.00	436,892.00			7,625,342.00
	\$ <u>38,449,855.00</u>	\$ <u>1,074,580.00</u>	<u>-</u>	<u>-</u>	\$ <u>39,524,435.00</u>

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

NOTE 17: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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. During the year ended December 31, 2012 and 2011 the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease. The Joint Insurance Fund issues its own financial report which may be obtained from the Atlantic County Joint Insurance Fund, Arthur J. Gallagher Risk Management Services, Inc., PO Box 530, 6000 Sagamore Drive, Suite 6203, Marlton, NJ 08053.

New Jersey Unemployment Compensation Insurance – The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Borough is required to annually appropriate funds to pay the projected costs of contributions at a rate determined by the Commissioner of Labor. The expense for the years ended December 31, 2012 and 2011 was \$30,500.00 each year.

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.

NOTE 19: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2012 through June 28, 2013 the date that the financial statements were available to be 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



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 28, 2013, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

June 28, 2013



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

The Honorable Mayor
And Members of the Board of Commissioners
Borough of Wildwood Crest, New Jersey

Report on Compliance for Each Major State Program

We have audited Borough of Wildwood Crest's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Borough's major state program for the year ended December 31, 2012. The Borough's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133 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 state or state 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 on compliance for each major state program. However, our audit does not provide a legal determination of Borough of Wildwood Crest's compliance.

Opinion on Each Major State Program

In our opinion, the Borough of Wildwood Crest complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Borough of Wildwood Crest is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program 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 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133 and Expenditures of State Financial Assistance Required by NJ OMB 04-04

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Wildwood Crest, as of December 31, 2012 and 2011, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents and have issued our report thereon dated June 28, 2013, which contained an adverse opinion on those financial statements in accordance with U.S. Generally Accepted Accounting Principles and an unmodified opinion on the regulatory basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by

OMB Circular A-133 and NJ Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in 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 standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements 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

June 28, 2013

**BOROUGH OF WILDWOOD CREST
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2012**

Federal Grantor / Pass-through Grantor Program	CFDA Number	Pass-Through Entity ID#	Grant Period From To	Program or Award Amount	Unexpended Balance 12/31/11	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance 12/31/12	Accumulated Expenditures
Department of Homeland Security	97.042	N/A	1/1/2007 12/31/2007	5,000.00	5,000.00				5,000.00	-
FEIMA Assistance	97.036	N/A	10/1/2012 12/31/2012	34,822.65	34,822.65	34,822.65	34,822.65		-	34,822.65
FEIMA Disaster Assistance - Hurricane Sandy					5,000.00				5,000.00	-
Total Department of Transportation					5,000.00	34,822.65	34,822.65	-	5,000.00	-
Department of Justice	16.588	N/A	1/1/2007 12/31/2008	254,475.00	91,859.92			(91,859.92)	-	162,615.08
Police Domestic Violence	16.588	N/A	1/1/2011 12/31/2012	308,996.00	304,085.20		126,420.87		177,664.33	131,331.67
Police Domestic Violence (ARRA)	16.607	N/A	1/1/2006 12/31/2006	1,615.63	47.22				47.22	1,568.41
Bulletproof Vest Partnership	16.607	N/A	1/1/2010 12/31/2010	3,260.18	3,260.18				3,260.18	-
Bulletproof Vest Partnership	16.607	N/A	1/1/2011 12/31/2011	3,770.00		3,770.00	390.00		3,380.00	390.00
Total Department of Justice					399,252.52	3,770.00	126,810.87	(91,859.92)	184,351.73	-
Department of Housing and Urban Development	14.228	2008-02292-2136-04	4/1/2008 3/31/2012	387,692.00	11,443.21		11,443.21		-	387,692.00
CDBG - State Administered - CDBG Cluster.	14.228	09-0607	1/1/2009 6/30/2011	487,860.00	1,069.78				1,069.78	486,790.22
Pass through New Jersey Department of Community Affairs	14.228	2010-02292-0600-00	1/1/2010 12/31/2011	500,000.00	16,013.90		16,013.90		-	500,000.00
Small Cities Grant - Rambler Road	14.228	-	1/1/2012 12/31/2013	400,000.00		400,000.00	270,549.95		129,450.05	270,549.95
Small Cities - Atlantic Avenue					28,526.89	400,000.00	298,007.06		130,519.83	
Small Cities - West Side Storm Drainage					432,779.41	438,592.65	459,640.58	(91,859.92)	319,871.56	
Small Cities - Cresse Ave/Lake Road										
Total Department of Housing and Urban Development					28,526.89	400,000.00	298,007.06	-	130,519.83	-
Total Federal Assistance					432,779.41	438,592.65	459,640.58	(91,859.92)	319,871.56	-

**BOROUGH OF WILDWOOD CREST
SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2012**

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period From	Grant Period To	Grant Award	Unexpended Balance 12/31/11	Receipts or Revenue Recognized	Disbursements/Expenditures	Adjustments	Unexpended Balance 12/31/12	Accumulated Expenditures
Department of Transportation: Trust Fund Authority Act of 1984; By Formula Reconstruction of Heather Road Rambler Road Bikeway Reconstruction of New Jersey Ave - Phase I	6320-480-601-385-61 6320-480-0786300-EFR-7310 6320-480-601-385-61	1/1/2010 2/11/2010 1/1/2012	12/31/2010 2/16/2012 12/31/2012	\$ 186,000.00 250,000.00 183,377.00	\$ 116.84 250,000.00 \$ 183,377.00	\$ - - -	250,000.00	\$ -	\$ 116.84 - 183,377.00	\$ 185,883.16 250,000.00 -
Total Department of Transportation					250,116.84	183,377.00	250,000.00	-	183,493.84	
Department of Community Affairs Cooperative Housing Inspections Cooperative Housing Inspections Cooperative Housing Inspections Cooperative Housing Inspections Cooperative Housing Inspections Cooperative Housing Inspections	N/A N/A N/A N/A N/A N/A	1/1/2005 1/1/2006 1/1/2007 1/1/2008 1/1/2009 1/1/2010 1/1/2011	12/31/2005 12/31/2006 12/31/2007 12/31/2008 12/31/2009 12/31/2010 12/31/2011	20,000.00 33,000.00 6,000.00 12,000.00 15,000.00 91,000.00 12,000.00	9,271.41 33,000.00 6,000.00 12,000.00 15,000.00 91,000.00 12,000.00	- - - - - - -	9,271.41 1,728.41	- -	- 31,271.59 6,000.00 12,000.00 15,000.00 91,000.00 12,000.00	20,000.00 1,728.41 - - - - -
Total Department of Community Affairs					166,271.41	12,000.00	10,999.82	-	167,271.59	
Department of Commerce and Economic Development UEZ - Administrative Funding UEZ - Assistance Fund	N/A N/A	7/1/2010 7/1/2010	6/30/2011 6/30/2011	11,728.73 202,050.02	11,728.73 202,050.02	- -	4,466.44 150,339.47	- -	7,262.29 51,710.55	4,466.44 150,339.47
Total Department of Transportation					213,778.75	-	154,805.91	-	58,972.84	
Department of Law and Public Safety Drunk Driving Enforcement Fund Drunk Driving Enforcement Fund Municipal Court Alcohol Educ. & Rehab Program Municipal Court Alcohol Educ. & Rehab Program Municipal Court Alcohol Educ. & Rehab Program Body Armor Grant Body Armor Grant Body Armor Grant Body Armor Grant	6400-100-078-6400 6400-100-078-6400 6400-100-078-6400 6400-100-078-6400 6400-100-078-6400 6400-100-078-6400 6400-100-078-6400 9735-760-098-Y900 9735-760-098-Y900 9735-760-098-Y900 1020-718-066-1020 1020-718-066-1020 1020-718-066-1020 1020-718-066-1020	1/1/2006 1/1/2007 1/1/2008 1/1/2009 1/1/2010 1/1/2011 1/1/2012 1/1/2004 1/1/2005 1/1/2006 1/1/2008 1/1/2010 1/1/2011 1/1/2012	12/31/2006 12/31/2007 12/31/2008 12/31/2009 12/31/2010 12/31/2011 12/31/2012 12/31/2004 12/31/2005 12/31/2006 12/31/2008 12/31/2010 12/31/2011 12/31/2012	6,403.27 6,011.54 4,806.10 5,422.67 5,546.23 4,236.91 1,269.29 1,934.83 2,271.33 471.62 1,079.98 3,168.57 2,289.36 2,338.88	6,403.27 6,011.54 4,806.10 5,422.67 5,546.23 4,236.91 1,269.29 1,934.83 2,271.33 471.62 1,079.98 3,168.57 2,289.36 2,338.88	- - - - - - - - - - - - - -	5,528.95	- - - - - - - - - - - - - -	874.32 6,011.54 4,806.10 5,422.67 5,546.23 4,236.91 1,269.29 1,934.83 2,271.33 471.62 3,091.55 2,289.36 2,338.88	5,528.95 - - - - - - - - - - - - -
Total Department of Law and Public Safety					42,976.87	6,889.00	6,685.95	-	43,179.92	
Department of Environmental Protection Clean and Drinking Water State Revolving Fund 2010 NJEIT Sanitary Sewer Project Clean Communities Program Clean Communities Program Clean Communities Program Recycling Tonnage Grant Recycling Tonnage Grant Recycling Tonnage Grant Recycling Tonnage Grant Recycling Tonnage Grant Recreational Trails Total Department of Environmental Protection Total State Assistance	S34071902 4900-765-042-4900 4900-765-042-4900 4900-765-042-4900 4855-100-042-4855 4855-100-042-4855 4855-100-042-4855 4855-100-042-4855 4855-100-042-4855 N/A	1/1/2012 1/1/2011 1/1/2010 1/1/2012 1/1/2011 1/1/2010 1/1/2009 1/1/2008 1/1/2005	12/31/2012 12/31/2011 12/31/2010 12/31/2012 12/31/2011 12/31/2010 12/31/2009 12/31/2008 12/31/2005	4,635,569.00 18,873.15 19,182.91 18,591.42 12,841.89 12,790.44 5,939.49 6,850.21 7,277.30 10,500.00	71,195.00 18,873.15 19,182.91 4,404.84 12,841.89 12,790.44 5,939.49 6,850.21 7,277.30 10,500.00	(10,500.00) - - - - - - - - -	71,195.00 8,762.62 4,404.84 12,841.89 12,790.44 5,939.49 6,850.21 7,277.30 84,362.46 506,854.14	- - - - - - - - - -	- 18,873.15 10,420.29 18,591.42 12,841.89 12,790.44 5,939.49 6,850.21 7,277.30 69,426.54 622,344.73	4,635,569.00 - - - - - - - - - -

**BOROUGH OF WILDWOOD CREST
SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2012**

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period From To	Grant Award	Unexpended Balance 12/31/11	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance 12/31/12	Accumulated Expenditures
Local Assistance									
Local Donation									
Scoop Taylor Park	N/A	N/A	5,615.44	5,615.44				5,615.44	-
Rambler Road Gazebo Landscaping	N/A	N/A	2,500.00	2,500.00				2,500.00	-
Comcast									
Technology Grant	N/A	1/1/2011	15,000.00	15,000.00		3,808.00		11,192.00	3,808.00
GWTDA									
Summer Events	N/A	1/1/2011	21,000.00	12,740.80		(225.00)		12,965.80	8,034.20
Summer Events	N/A	1/1/2012	15,500.00		15,500.00	13,497.09		2,002.91	13,497.09
County of Cape May									
Municipal Joint Venture	N/A	1/1/2007	63,908.00	976.00				976.00	62,932.00
Municipal Joint Venture	N/A	1/1/2008	59,119.00	3,662.90				3,662.90	55,456.10
Total Local Assistance				40,495.14	15,500.00	17,080.09	0.00	38,915.05	
Total Federal State and Local Assistance				\$ 1,313,815.03	\$ 688,073.69	\$ 983,574.81	\$ (102,359.92)	\$ 881,131.34	

BOROUGH OF WILDWOOD CREST
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2012

Note 1: General

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial assistance 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 federal financial assistance and the schedule of state and local 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 schedule agree with amounts reported in the Borough's financial statements – statutory basis. The financial statements – statutory basis present the Grant Fund and Capital Funds on a budgetary basis. The Grant Fund and the Capital Funds are presented in the accompanying schedule on the grant accounting 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>Other</u>	<u>Total</u>
Grant Fund	\$ 424,817.93	\$ 435,659.14	\$ 17,080.09	\$ 877,557.16
Current Fund	34,822.65			34,822.65
General Capital Fund	-	71,195.00	-	71,195.00
Total Financial Assistance	<u>\$ 459,640.58</u>	<u>\$ 506,854.14</u>	<u>\$ 17,080.09</u>	<u>\$ 983,574.81</u>

Note 4: Relationship to State Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports excluding the recognition of encumbrances as expenditures.

BOROUGH OF WILDWOOD CREST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2012

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Adverse Opinion in accordance with U.S. Generally Accepted Accounting Principles and Unqualified Opinion issued on the Financial Statements – Regulatory Basis of Accounting” dated June 28, 2013**

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**

State 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 June 28, 2013.**

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

Identification of major programs:
6320-480-0786300-EFR-7310 **NJ Dept. of Transportation - Rambler Road Bikeway**
4855-765-042-4900 **NJ Dept. of Environmental Protection – Clean Communities Program**

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, 2012
(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

None

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF CASH - TREASURER

Ref.	Current Fund	Federal and State Grant Fund
Balance December 31, 2011	\$ 7,598,320.17	\$ 297,314.42
Increased By Receipts:		
Taxes Receivable	\$ 24,407,197.57	\$
Prepaid Taxes	605,209.06	
Tax Overpayments		
Revenue Accounts Receivable	5,376,642.04	
Miscellaneous Revenue Not Anticipated	1,021,201.48	
Due from State - Senior Citizens and Veterans	74,121.75	
Due to Greater Wildwoods Tourism, Improvement and Development Authority	332,089.60	
Prepaid GWTDA Fees	1,540.00	
Prepaid Tourism Development Commission Fees	700.00	
Tourism Development Commission Fees	67,384.00	
Sewer Rent Overpayments	23,676.93	
Prepaid Licenses	2,460.00	
Reserve for Beach Operation Off-Set	262,416.32	
Due to Animal Control Fund	1,407.01	
Due from Trusts - Other	40,764.17	
Due from General Capital Fund	12,015.48	
Due from Federal and State Grant Fund	74,008.68	
Change Funds	100.00	
Petty Cash	450.00	
Federal and State Grants Receivable		736,209.28
Unappropriated Reserves		38,604.04
	<u>32,303,384.09</u>	<u>774,813.32</u>
	39,901,704.26	1,072,127.74

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Decreased By Disbursements:			
2012 Appropriations	A-3	\$ 18,384,327.21	\$
2011 Appropriation Reserves	A-10	336,320.73	
Accounts Payable		13,915.95	
County Taxes		5,207,395.19	
Due County - Added and Omitted Taxes		7,893.33	
Local District School Tax		6,231,198.78	
Tax Overpayment Refunds			
Shortage - Counterfeit Bill		100.00	
Due to Greater Wildwoods Tourism, Improvement and Development Authority		518,208.10	
Tourism Development Commission Fees		67,984.00	
Prepaid Tourism Development Commission Fees			
Payroll Deductions Payable		450.00	
Petty Cash		100.00	
Change Funds		11,443.88	
Due to General Capital Fund		38,811.69	
Due to Trust Fund - Other			74,008.68
Due to Current Fund			869,020.18
Federal and State Grants Appropriated	A-13		
		<u>30,818,148.86</u>	<u>943,028.86</u>
Balance December 31, 2012	A	\$ <u>9,083,555.40</u>	\$ <u>129,098.88</u>

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

Year	Balance Dec. 31, 2011	2012 Levy	Added Taxes	2011 Collections	2012 Collections	Adjustments	Transferred To Tax Title Liens	Balance Dec. 31, 2012
Arrears \$	4,384.51	\$	\$	\$	1.96	\$	\$	4,382.55
2011	446,543.85		313.97	441,989.69		298.17		4,569.96
	450,928.36		313.97	-	441,991.65	298.17		8,962.51
2012		25,307,035.00		643,252.80	24,037,929.97	164,712.38		461,139.85
\$	450,928.36	25,307,035.00	313.97	643,252.80	24,479,921.62	165,010.55		470,092.36
Ref.	A		A					A

\$ 24,407,197.57 Taxes Receivable
 72,724.05 Senior Citizens and Veterans
\$ 24,479,921.62

Analysis of 2012 Property Tax Levy
 Tax Yield:
 General Property Tax
 Added Taxes (54.4-63.1 et seq.)

\$ 25,262,668.05
44,366.95
 \$ 25,307,035.00

Tax Levy:
 Local District School Tax:
 Levy

\$ 6,292,894.00

County Taxes
 County Taxes Added and Omitted
 Local Tax for Municipal Purposes
 Add: Additional Tax Levied

\$ 6,292,894.00
 5,207,395.19
 9,215.96
 13,705,331.15
92,198.70
 13,797,529.85

\$ 25,307,035.00

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued</u> <u>In 2012</u>	<u>Collected</u>	<u>Prepayments</u> <u>Applied</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Miscellaneous Revenue Anticipated:</u>					
Borough Clerk:					
Licenses - Other	\$ -	\$ 207,579.00	\$ 205,479.00	\$ 2,100.00	\$ -
Fees and Permits - Other	-	109,076.14	109,076.14		-
Municipal Court - Fines and Costs	4,939.38	195,638.97	196,004.26		4,574.09
Interest and Costs on Taxes	-	93,846.89	93,846.89		-
Parking Meters	-	234,069.26	234,069.26		-
Interest on Investments and Deposits	-	57,818.11	57,818.11		-
Recreation Income - Pool	-	81,937.00	81,937.00		-
TV Cable Franchise Fee	-	42,474.29	42,474.29		-
Municipal Pier and Concession Income	-	182,835.00	117,835.00	65,000.00	-
Interest and Costs on Delinquent Sewer Rents	-	23,455.51	23,455.51		-
Fees and Permits - Craft Shows	-	4,900.00	4,900.00		-
Sewer Rents	224,878.81	3,459,257.31	3,467,849.09	14,011.80	202,275.23
Ambulance Fees	-	167,379.32	167,379.32		-
Consolidated Municipal Property Tax Relief Aid	-	381,045.00	381,045.00		-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	-	-	-		-
Uniform Fire Safety Act	-	171,907.74	171,907.74		-
Anticipated General Fund Balance	-	32,186.00	32,186.00		-
Beach Operation Offset - Reserved	-	225,317.70	225,317.70		-
TOTALS	\$ 229,818.19	\$ 5,670,723.24	\$ 5,612,580.31	\$ 81,111.80	\$ 206,849.32
	<u>A</u>				
<u>Ref.</u>					
A-4		\$ 5,376,642.04	5,376,642.04		
	Collected by Treasurer				
	Reserve for Beach Operation Offset	225,317.70	225,317.70		
	Due from Animal Control Fund	1.03	1.03		
	Due from General Capital Fund	1,221.56	1,221.56		
	Due from Trusts - Other	254.09	254.09		
	Sewer Rent Overpayments Applied	9,143.89	9,143.89		
		<u>\$ 5,612,580.31</u>	<u>\$ 5,612,580.31</u>		<u>A</u>

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2011

	Balance Dec. 31, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
<u>OPERATIONS WITHIN "CAPS"</u>					
Salaries and Wages:					
Assessment of Taxes	\$ 1,500.00	\$ 1,500.00	\$ 323.29	\$ 1,176.71	\$
Other Expenses:					
Department of Public Affairs and Public Safety:					
Director's Office	6,045.21	6,045.21	3,386.00	2,659.21	
Local Code Enforcement	3,975.48	3,975.48	297.23	3,678.25	
Fire	26,950.32	26,950.32	22,205.68	4,744.64	
Police	36,265.77	36,265.77	30,585.77	5,680.00	
Municipal Prosecutor	1,500.00	1,500.00	1,500.00	-	
Legal	52,577.60	52,577.60	29,310.00	23,267.60	
Emergency Management Services	536.21	536.21	500.00	36.21	
Services of Ambulance	18,806.81	18,806.81	7,530.00	11,276.81	
Public Defender	2,583.40	2,583.40	2,083.32	500.08	
Land Use Administration	19,831.90	19,831.90	8,313.41	11,518.49	
Traffic Maintenance	15,468.22	15,468.22	1,042.64	14,425.58	
Fire Official	13,704.70	13,704.70	511.20	13,193.50	
Municipal Court	1,675.83	1,675.83	243.38	1,432.45	
Department of Revenue and Finance:					
Borough Administration	15,919.99	15,919.99	6,902.67	9,017.32	
Financial Administration	5,072.01	5,072.01	4,125.08	946.93	
Collection of Taxes	3,615.36	3,615.36	423.24	3,192.12	
Group Insurance	75,818.49	75,818.49	41,445.67	34,372.82	

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2011

	Balance Dec. 31, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Department of Public Works, Parks and Public Property:					
Landfill	\$ 60,764.51	\$ 60,764.51	\$ 9,587.00	\$ 51,177.51	\$
Public Works	8,642.47	8,642.47	3,261.34	5,381.13	
Recreation Buildings	56,418.57	56,418.57	16,596.39	39,822.18	
Beach Cleaning	14,798.54	14,798.54	4,598.73	10,199.81	
Sanitation	14,072.15	14,072.15	1,764.62	12,307.53	
Parks and Buildings	20,539.33	20,539.33	3,837.77	16,701.56	
Sewerage	7,968.55	7,968.55	7,949.95	18.60	
Fleet Maintenance	14,060.12	14,060.12	5,879.10	8,181.02	
Tourism	842.74	842.74	176.00	666.74	
Recreation Commission (N.J.S. 40:61-17)	9,073.82	9,073.82	3,073.72	6,000.10	
Uniform Construction Code - Appropriation Offset by Dedicated Revenue					
State Uniform Construction Code	28,885.08	28,885.08	5,762.88	23,122.20	
Utility Expenses and Bulk Purchases					
Water	14,924.90	14,924.90	6,858.00	8,066.90	
Street Lighting	21,135.17	21,135.17	12,739.82	8,395.35	
Telephone	9,331.13	9,331.13	8,827.10	504.03	
Fire Hydrants	9,881.60	9,881.60	9,872.59	9.01	
Natural Gas	18,677.26	18,677.26	8,805.20	9,872.06	
Electric	35,162.42	35,162.42	7,392.89	27,769.53	
Gasoline	11,205.24	11,205.24	6,432.20	4,773.04	
Accumulated Absence Liability	49,751.00	49,751.00	49,751.00	-	
Contingent	1,765.15	1,765.15	792.35	972.80	

BOROUGH OF WILDWOOD CREST
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2011

	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>	<u>Over-</u>
	<u>Dec. 31, 2011</u>	<u>After</u>	<u>Lapsed</u>	<u>Charged</u>	<u>Lapsed</u>	<u>Expended</u>
		<u>Transfers</u>				
Capital Improvements	\$ 3,800.00	\$ 3,800.00	\$ 50.00	\$ 3,750.00	\$ 50.00	\$ -
Purchase Parking Meters						
Other Accounts - No Change	224,191.59	224,191.59	224,191.59		224,191.59	
TOTALS	<u>\$ 937,738.64</u>	<u>\$ 937,738.64</u>	<u>\$ 599,301.41</u>	<u>\$ 338,437.23</u>	<u>\$ 599,301.41</u>	<u>\$ -</u>
			A-1			
Appropriation Reserves	\$ 676,758.50	Cash	\$ 336,320.73			
Encumbrances Payable	<u>260,980.14</u>	Accounts Payable	<u>2,116.50</u>			
	<u>\$ 937,738.64</u>		<u>\$ 338,437.23</u>			

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

<u>Purpose</u>	<u>Balance Dec. 31, 2011</u>	<u>Anticipated Revenues</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2012</u>
<u>State:</u>					
Cooperative Housing Inspections					
2010 Grant	\$ 16,121.00	\$	16,121.00	\$	-
2011 Grant	40,000.00		2,212.00		37,788.00
2012 Grant		12,000.00			12,000.00
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	46,500.00				46,500.00
2011 - Rambler Road Bikeway	250,000.00		187,500.00		62,500.00
2012 - New Jersey Ave. - Phase I		183,377.00			183,377.00
NJDEP - Recreational Trails	10,500.00			10,500.00	-
UEZ Administrative Budget Grant					
Prior	2,097.85			2,097.85	-
Police Body Armor - 2011	-	2,289.36			-
Drunk Driving Enforcement - 2011	-	4,236.91			-
Clean Communities - 2011		19,182.91			
Recycling Tonnage Grant - 2010					
Recycling Tonnage Grant - 2011		12,790.44			
<u>Federal:</u>					
Federal Domestic Violence Grant					
2008 Grant	13,753.39				-
2011 Grant (ARRA)	308,996.00		110,205.54	13,753.39	198,790.46
Bulletproof Vest Partnership					
2004 Grant	1,262.69				1,262.69
2012 Grant		3,770.00			3,770.00
Small Cities - Rambler Road	136,786.50		120,106.54		16,679.96
Small Cities - Lake Road	16,014.20		16,014.20		-
Small Cities - Cresse Ave/Lake Drive		400,000.00	270,550.00		129,450.00

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

<u>Purpose</u>	<u>Balance</u> Dec. 31, 2011	<u>Anticipated</u> <u>Revenues</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance</u> Dec. 31, 2012
<u>Other:</u>					
GWTIDA - Summer Events 2010	\$ 500.00	\$		500.00	-
GWTIDA - Summer Events 2011	1,500.00			1,500.00	-
GWTIDA - Summer Events 2012		15,500.00	13,500.00		2,000.00
Comcast Technology Grant - 2011		15,000.00	15,000.00		
TOTALS	<u>\$ 919,031.63</u>	<u>\$ 668,146.62</u>	<u>\$ 789,708.90</u>	<u>\$ 28,351.24</u>	<u>\$ 769,118.11</u>
	Ref. A	A-2			A
Cash Received		Ref. A-4	736,209.28		
Transferred from Unappropriated Reserves		A-12	53,499.62		
			<u>\$ 789,708.90</u>		

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

<u>Purpose</u>	<u>Balance Dec. 31, 2011</u>	<u>Received</u>	<u>Anticipated Revenues</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2012</u>
State:					
Recycling Tonnage Grant - 2011	\$ 12,790.44	\$	12,790.44	\$	-
Recycling Tonnage Grant - 2012	-	12,841.89			12,841.89
Clean Communities - 2011	19,182.91		19,182.91		-
Clean Communities - 2012	-	18,873.15			18,873.15
Police Body Armor - 2012	-	2,338.88			2,338.88
Police Body Armor - 2011	2,289.36		2,289.36		-
Drunk Driving Enforcement Fund - 2011	4,236.91		4,236.91		-
Drunk Driving Enforcement Fund - 2012	-	4,550.12			4,550.12
Local:					
Comcast Technology Grant - 2011	15,000.00		15,000.00		-
TOTALS	\$ 53,499.62	\$ 38,604.04	\$ 53,499.62	\$ -	\$ 38,604.04
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</u> <u>Dec. 31, 2011</u>	<u>Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
State:					
Clean Communities Grant	\$	\$	\$	\$	\$
2010	4,404.84		4,404.84		-
2011		19,182.91	8,762.62		10,420.29
Municipal Court Alcohol Education Program:					
2003					-
2004	1,269.29				1,269.29
2005	2,271.33				2,271.33
2006	471.62				471.62
Drunk Driving Enforcement Fund:					
2006	6,403.27		5,528.95		874.32
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
2011		4,236.91			4,236.91
Cooperative Housing Inspections:					
2004					-
2005	9,271.41		9,271.41		-
2006	33,000.00		1,728.41		31,271.59
2007	6,000.00				6,000.00
2008	12,000.00				12,000.00
2009	15,000.00				15,000.00
2010	91,000.00				91,000.00
2011		12,000.00			12,000.00
Recycling Tonnage Grant					
2008	1,711.07				1,711.07
2009	6,850.21				6,850.21
2010	5,939.49				5,939.49
2011		12,790.44			12,790.44

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

<u>Purpose</u>	<u>Balance Dec. 31, 2011</u>	<u>Budget Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2012</u>
Police Body Armor Grant					
2008	\$ 1,079.98	\$	1,079.98	\$	\$ -
2010	3,168.57		77.02		3,091.55
2011		2,289.36			2,289.36
NJDEP Recreational Trails	10,500.00			10,500.00	-
N.J. Transportation Trust Fund					
Heather Road	116.84				116.84
Rambler Road Bikeway	250,000.00		250,000.00		-
New Jersey Avenue - Phase I		183,377.00			183,377.00
UEZ Administrative Funding - 2011	11,728.73		4,466.44		7,262.29
UEZ assistance Fund - 2011	202,050.02		150,339.47		51,710.55
Federal:					
Federal Domestic Violence Grant					
2008	91,859.92				-
2011 (ARRA)	304,085.20		126,420.87	91,859.92	177,664.33
Emergency Management 2007	5,000.00				5,000.00
Bulletproof Vest Partnership					
2006	47.22				47.22
2010	3,260.18				3,260.18
2012		3,770.00	390.00		3,380.00
Small Cities Grant					
Rambler Road	11,443.21		11,443.21		-
Atlantic Avenue	1,069.78				1,069.78
Lake Road	16,013.90		16,013.90		-
Cresse Avenue/Lake Road		400,000.00	270,549.95		129,450.05

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

<u>Purpose</u>	<u>Balance</u> Dec. 31, 2011	<u>Budget</u> Appropriations	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> Dec. 31, 2012
Local:					
Scoop Taylor Park	5,615.44				5,615.44
Rambler Road Gazebo Landscaping	2,500.00				2,500.00
GWTIDA - Summer Events 2011	\$ 12,740.80	\$ 15,500.00	(225.00)		\$ 12,965.80
GWTIDA - Summer Events 2012		13,497.09	3,808.00		2,002.91
Comcast Technology Grant - 2011	976.00	15,000.00			11,192.00
Municipal Joint Venture Program 2007	3,662.90				976.00
Municipal Joint Venture Program 2008					3,662.90
TOTALS	\$ 1,154,297.76	\$ 668,146.62	\$ 877,557.16	\$ 102,359.92	\$ 842,527.30
	A	A-3			A
		Cash Disbursements	\$ 869,020.18		
		Encumbrances Payable	17,085.65		
		Prior Year Encumbrances Cancelled	(8,548.67)		
			<u>\$ 877,557.16</u>		

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

Balance December 31, 2011	<u>Ref.</u> B		\$ 3,660.56
Increased By Receipts:			
Dog/Cat Licenses Fees	B-3	\$ 1,029.00	
State License Fees	B-5	125.40	
Interest Earned on Deposits	B-4	16.68	
		<u> </u>	<u>1,171.08</u>
			4,831.64
Decreased By Disbursements:			
State of New Jersey	B-5	128.40	
Animal Control Expenditures	B-3	423.00	
Amount Paid to Current Fund	B-4	1,407.01	
		<u> </u>	<u>1,958.41</u>
Balance December 31, 2012	B		\$ <u><u>2,873.23</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2011	B	\$	775,596.04
Increased By Receipts:			
Third Party Lien Redemption		\$	45,931.09
Tax Sale Premiums			35,300.00
Street Paving Deposits			93,951.20
State Share of Marriage Licenses			1,000.00
2012 Budget Appropriation - Accumulated Absences			49,751.00
Borough Beautification Contribution			500.00
Deposits for Unemployment Compensation			30,500.00
Fire Prevention Trust Deposits - 2.12-A			2,219.92
Fire Prevention Fees - 2.12			3,301.93
Planning Board Escrow Fees			2,700.00
Third Party Construction Inspections			134,875.00
Zoning Board Fees			5,000.00
Deposits for Recreation Commission			176,781.00
Deposits for Parking Offenses Adjudication Act			1,708.00
DCA State Training Fees			6,853.00
Forfeited Funds - Interest			57.66
Tourist Development Commission - Fees			68,336.25
Due from/to Current Fund			38,811.69
			<u>697,577.74</u>
			1,473,173.78
Decreased By Disbursements:			
State Share of Marriage Licenses			875.00
Unemployment Claims			26,426.33
Recreation Commission - Expenses			178,805.43
Street Opening - Performance Surety			4,000.00
Street Opening - Maintenance Surety			600.00
Street Paving Expenditures			79,108.75
Fire Prevention Fees - 2.12			1,200.00
Zoning Board Fees			2,000.00
Third Party Construction Inspections			154,541.00
Police Forfeiture Expenditures			2,468.63
DCA State Training Fees			8,183.00
Accumulated Absences Payments			45,730.58
Borough Beautification			125.00
Third Party Lien Redemption			63,560.26
Tax Sale Premiums			9,100.00
Tourist Development Commission			64,754.85
Due from/to Current Fund			40,764.17
			<u>682,243.00</u>
Balance December 31, 2012	B	\$	<u>790,930.78</u>

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

Balance December 31, 2011	<u>Ref.</u> B		\$	2,265.00
Increased By:				
Animal Control Fees Collected	B-1	\$		1,029.00
				1,029.00
				3,294.00
Decreased By:				
Statutory Excess Due to Current Fund	B-4			576.00
Animal Control Expenditures	B-1			423.00
				999.00
Balance December 31, 2012	B		\$	2,295.00

License Fees Collected	<u>Year</u>			
	2010			1,050.00
	2011			1,245.00
		\$		2,295.00

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

Balance December 31, 2011	<u>Ref.</u> B		\$ 1,391.36
Increased By:			
Statutory Excess - Due to Current Fund	B-3	\$ 576.00	
Other - Interest Due to Current Fund	B-1	16.68	
		<hr/>	<hr/>
			592.68
			<hr/> 1,984.04
Decreased By:			
Amount Paid to Current Fund	B-1	1,407.01	
		<hr/>	<hr/>
			1,407.01
Balance December 31, 2012	B		<hr/> <hr/> \$ 577.03

SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

Balance December 31, 2011	<u>Ref.</u> B		\$ 4.20
Increased By:			
Collected in 2012	B-1	\$ 125.40	
		<hr/>	<hr/>
			125.40
			<hr/> 129.60
Decreased By:			
Paid to State of New Jersey	B-1	128.40	
		<hr/>	<hr/>
			128.40
Balance December 31, 2012	B		<hr/> <hr/> \$ 1.20

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

Balance December 31, 2011	<u>Ref.</u> C		\$ 3,827,593.15
Increased By Receipts:			
Bond Anticipation Notes	C-9	\$ 2,344,100.00	
Due from NJEIT		71,195.00	
Due to Current Fund	C-3	11,443.88	
Premiums Received at Note Sale		32,502.00	
Budget Appropriations:			
Capital Improvement Fund	C-4	350,000.00	
		<hr/>	<hr/>
			2,809,240.88
			6,636,834.03
Decreased By Disbursements:			
Improvement Authorizations	C-7	3,314,947.93	
Fund Balance to Current Fund	C-1	32,186.00	
Due to Current Fund	C-3	12,015.48	
		<hr/>	<hr/>
			3,359,149.41
Balance December 31, 2012	C		\$ <u><u>3,277,684.62</u></u>

**BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
ANALYSIS OF CASH**

Ord. Number	Improvement/Authorizations	Receipts			Disbursements			Transfers		Balance Dec. 31, 2012
		Balance Dec. 31, 2011	Budget Appropriations	Bonds, Notes and Grants	Misc.	Improvement Authorizations	Misc.	From	To	
	Fund Balance	\$ 168,074.27	\$	\$	\$ 32,502.00	\$	\$ 32,186.00	\$ 40,000.00	\$ 494,387.60	\$ 622,777.87
	Capital Improvement Fund	239,228.09	350,000.00		11,443.88		12,015.48	317,700.00		271,528.09
	Due to Current Fund	1,793.16								1,221.56
	Reserve for Encumbrances	49,379.61						49,379.61	360,549.34	360,549.34
	<u>Improvement Authorizations</u>									
815	Construction of Bike Path and Pedestrian Way	2,814.52						2,814.52		-
927	Various Improvements: H. Extend Storm Sewer Outfall Lines K. Replace Roofs	69,251.04 17,375.00						69,251.04 17,375.00		- -
934	Various Improvements: B. Acquire Light Assemblies	-								-
953	Various Improvements B. Borough Hall Improvements F. Storm Water Drain System	- -							125.00	125.00
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	15,000.00						15,000.00		-
995	Various Improvements B. Sanitary Sewer Main C. Purchase of 911 Equipment	50,000.00 9,879.41						9,879.41		50,000.00
1020	Various Improvements B. Replace Sewer Outfall Mains C. New Sanitary Sewer Mains	40,000.00 20,112.32						40,000.00 20,112.32		- -
1034	Various Improvements B. Purchase of Ambulance C. New Sanitary Sewer Mains D. Storm Sewer - Jefferson/St. Louis	- 52,373.90 -								- 41,869.90 -
1042	Installation of Sewer/Storm Mains	339,080.72						182,170.43	56,910.29	100,000.00

**BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2012
	Balance Dec. 31, 2011	Budget Appropriations	Bonds, Notes and Grants	Improvement Authorizations	Misc.	From	To		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1045 Sanitary Sewer Main Replacement	1,000.00					1,000.00			-
1058 Beach Patrol Headquarters	2,894.17					2,894.17	232.38		232.38
1061 Various Improvements	551,401.49			554,026.49			2,225.00		(400.00)
B. Rambler Rd. Beachfront Park	228,434.00								228,434.00
C. Sanitary Sewer Mains									
1066 Storm Sewer Replacement	10,000.00								10,000.00
1071 Various Improvements	-						264.00		-
A. Purchase Trash Packer	-								264.00
B. Construction of Storage Room									
1077 Improvements to Storm Water and Sanitary Sewerage Systems	429,099.53		71,195.00	94,686.51					405,608.02
1078 Various Improvements	12,743.34								12,743.34
A. Replace Storm Sewers	325,000.00			293,427.29					31,572.71
B. Providing for Handicapped Access	3,644.75								3,644.75
D. Purchase Real Property									
1086 Acquisition of Public Works Equip.	16,321.67								16,321.67
1092 Various Improvements:									
A. Purchase of Vehicular Equipment	23,382.00								23,382.00
B. Improve Public Buildings	67,033.50								15,496.01
C. Purchase Land	3,580.00								3,580.00
D. Improvement to Various Streets	150,713.06			13,496.74					137,216.32
1095/ Purchase of Equipment, Reconfiguration Amended b; of Parking Area and Improve Public 1102 Buildings	63,973.77			12,474.08			7,787.19		59,286.88
1110 Purchase Public Safety Equipment	46,638.46								46,638.46
1112 Various Improvements:									
A. Purchase Trash Packer	25,918.27			4,620.02			4,620.02		25,918.27
B. Improve Swimming Pool									-
C. Improvements to Storm Sewer System - New Jersey and Bayview Drive	183,958.90			27,698.45					156,260.45
D. Improvements to Storm Sewer System - Cresse Avenue	100,000.00			80,269.39		2,450.00			17,280.61
1121 Acquisition of EMS Building	2,094.13								2,094.13
1127 Assist County in Establishing a Free Public Library in Wildwood Crest	-								-
1128 Improvements to Crest Pier Recreation Center	671,383.77			638,650.06			4,620.02		37,353.73

**BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2012
	Balance Dec. 31, 2011	Budget Appropriations	Bonds, Notes and Grants	Misc.	Improvement Authorizations	Misc.	From	To	
1130 Various Improvements:	\$ 9,300.00	\$	\$ 185,700.00	\$	\$ 195,000.00	\$	\$ 1,570.82	\$	\$ -
A. Purchase Real Property	(61,375.00)		90,400.00		2,017.09				25,437.09
B. Purchase Backhoe	8,400.00		166,600.00		157,583.11				17,416.89
C. Purchase Ambulance	6,000.00		119,000.00		447,067.94			1,500.00	125,000.00
D. Replace Storm Sewer Pipes	(263,193.41)		857,100.00						148,338.65
E. Replace Sanitary Sewer Pipes									
1134 Acquisition of Pick-up Truck and Beach Utility Vehicle	994.00				28,006.00			28,006.00	994.00
1140 Acquire Public Works Equip.					90,626.00		23,051.93	119,000.00	5,322.07
1143 Various Improvements:			152,000.00		151,701.10			8,000.00	8,298.90
A. Acquisition of Playground Equip.			142,500.00		676.56			7,500.00	149,323.44
B. Improvements to DPW Building			47,500.00		47,580.52			2,500.00	2,419.48
C. Improvements to Nesbitt Center									
1145 Public Works Vehicular Equip, and Public Benches					44,968.22		63,858.88	125,000.00	16,172.90
1147 Various Improvements:			205,200.00		974.24			10,800.00	215,025.76
A. Acquisition of Real Property			285,000.00		17,584.96		259,287.71	15,000.00	23,127.33
B. Police Communications Equip.			93,100.00		442.02			4,900.00	97,557.98
C. Acquire Emergency Generator									
1149 Improve Sanitary Sewerage System					267,419.36		10,330.00		(277,749.36)
1150 Construct Beach Walkways					25,000.00			25,000.00	-
1152 Construct Beachfront Park								40,000.00	40,000.00
	\$ 3,827,593.15	\$ 350,000.00	\$ 2,415,295.00	\$ 43,945.88	\$ 3,314,947.93	\$ 44,201.48	\$ 1,262,016.55	\$ 1,262,016.55	\$ 3,277,684.62
	C			C-1/C-2	C-7				C

Ref.

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

Balance December 31, 2011	<u>Ref.</u> C		\$ 239,228.09
Increased By:			
Current Fund Budget Appropriation	A-3:C-2	\$ 350,000.00	
		<u>350,000.00</u>	<u>589,228.09</u>
Decreased By:			
Appropriations to Finance Improvement Authorizations	C-7	317,700.00	
		<u>317,700.00</u>	<u>271,528.09</u>
Balance December 31, 2012	C		\$ <u><u>271,528.09</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2011	<u>Ref.</u> C		\$ 22,277,153.15
Increased By:		\$ -	
		<u>-</u>	<u>22,277,153.15</u>
Decreased By:			
Serial Bonds Paid	C-8	2,290,000.00	
U.S.D.A. Bonds Paid	C-8A	18,142.73	
NJEIT Loans Paid	C-8B	216,780.17	
		<u>2,524,922.90</u>	<u>19,752,230.25</u>
Balance December 31, 2012	C		\$ <u><u>19,752,230.25</u></u>

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

Ord. Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Balance Dec. 31, 2012	Bond Anticipation Note	Analysis of Balance	
						Expenditures	Unexpended Improvement Authorization
1061	Various Improvements B. Rambler Rd. Beachfront Park	\$ 400.00	\$	400.00	\$	400.00	\$
1092	Various Improvements: A. Purchase of Vehicular Equipment B. Improve Public Buildings C. Purchase Land D. Improvement to Various Streets	295,200.00 1,580,600.00 190,400.00 380,800.00		295,200.00 1,580,600.00 190,400.00 380,800.00	295,200.00 1,580,600.00 190,400.00 380,800.00		
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	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	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	185,700.00 90,400.00 166,600.00 119,000.00 857,100.00		
1143	Various Improvements: A. Acquire Playground Equip. B. Improvements to DPW Building C. Improvements to Nesbitt Center		152,000.00 142,500.00 47,500.00	152,000.00 142,500.00 47,500.00	152,000.00 142,500.00 47,500.00		

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

Ord. Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Balance Dec. 31, 2012	Bond Anticipation Note	Analysis of Balance	
						Expenditures	Unexpended Improvement Authorization
1147	Various Improvements: A. Acquisition of Real Property B. Police Communications Equip. C. Acquire of Emergency Generator		205,200.00 285,000.00 93,100.00	205,200.00 285,000.00 93,100.00	205,200.00 285,000.00 93,100.00		
1149	Improve Sanitary Sewerage System		13,000,000.00	13,000,000.00		277,749.36	12,722,250.64
		<u>\$ 6,794,500.00</u>	<u>\$ 13,925,300.00</u>	<u>\$ 20,719,800.00</u>	<u>\$ 7,719,400.00</u>	<u>\$ 278,149.36</u>	<u>\$ 12,722,250.64</u>
	Ref.	C	C-7	C			
	Improvement Authorizations - Unfunded						\$ 13,923,576.37
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued						\$
	Ordinance 1092 (A)					23,382.00	
	Ordinance 1092 (B)					15,496.01	
	Ordinance 1092 (C)					3,580.00	
	Ordinance 1092 (D)					137,216.32	
	Ordinance 1112 (A)					25,918.27	
	Ordinance 1112 (C)					156,260.45	
	Ordinance 1112 (D)					17,280.61	
	Ordinance 1128					37,353.73	
	Ordinance 1130 (B)					25,437.09	
	Ordinance 1130 (C)					17,416.89	
	Ordinance 1130 (D)					119,000.00	
	Ordinance 1130 (E)					148,338.65	
	Ordinance 1143 (A)					8,298.90	
	Ordinance 1143 (B)					142,500.00	
	Ordinance 1143 (C)					2,419.48	
	Ordinance 1147 (A)					205,200.00	
	Ordinance 1147 (B)					23,127.33	
	Ordinance 1147 (C)					93,100.00	
							<u>1,201,325.73</u>
							<u>\$ 12,722,250.64</u>

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

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2011		2012 Authorization			Balance December 31, 2012	
				Funded	Unfunded	General Capital Fund Balance	Capital Improvement Fund	Deferred Charges to Future Taxation	Paid/Charged or Cancelled	Funded
General Improvements:										
815	Construct Bike Path and Pedestrian Way	5/13/1996	\$ 22,002.00	\$ 2,814.52	\$ -	\$ -	\$ -	\$ 2,814.52	\$ -	\$ -
927	Various Improvements: H. Extend Storm Sewer Outfall Lines K. Replace Roots	2/12/2003	560,000.00 38,000.00	69,251.04 17,375.00	-	-	-	69,251.04 17,375.00	0.00	-
953	Various Improvements B. Improvements to Boro Hall	3/24/2004	1,555,000.00	-	-	-	-	(125.00)	125.00	-
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	15,000.00	-	-	-	15,000.00	-	-
995	Various Improvements B. Sanitary Sewer Main C. Purchase of 911 Equipment	2/8/2006	380,000.00 40,000.00	50,000.00 9,879.41	-	-	-	9,879.41	50,000.00	-
1020	Various Improvements B. Replace Sewer Outfall Mains C. New Sanitary Sewer Mains	10/25/2006	250,000.00 1,075,000.00	40,000.00 20,112.32	-	-	-	40,000.00 20,112.32	-	-
1034	Various Improvements C. New Sanitary Sewer Mains D. Storm Sewer - Jefferson/St. Louis	3/21/2007	820,000.00 820,000.00	52,373.90	-	-	-	10,504.00	41,869.90	-
1042	Installation of Sewer/Storm Mains	7/25/2007	2,900,000.00	339,080.72	-	-	-	239,080.72	100,000.00	-
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	2,894.17	-	-	-	2,661.79	232.38	-
1061	Various Improvements B. Rambler Rd. Beachfront Park C. Sanitary Sewer Mains	6/11/2008	800,000.00 3,500,000.00	551,401.49 228,434.00	400.00	-	-	551,801.49	228,434.00	-
1066	Storm Sewer Replacement	1/14/2009	240,000.00	10,000.00	-	-	-	-	10,000.00	-
1071	Various Improvements B. Construction of Storage Room	3/25/2009	50,000.00	-	-	-	-	(264.00)	264.00	-
1077	Improvements to Storm Water and Sanitary Sewerage Systems	7/8/2009	6,500,000.00	500,294.53	-	-	-	94,686.51	405,608.02	-

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

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2011		2012 Authorization			Balance December 31, 2012	
				Funded	Unfunded	General Capital Fund Balance	Capital Improvement Fund	Deferred Charges to Future Taxation	Funded	Unfunded
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	\$ 12,743.34 325,000.00 3,644.75	\$ - - -	\$ - -	\$ - -	293,427.29	\$ 12,743.34 31,572.71 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	23,382.00 67,033.50 3,580.00 150,713.06				51,537.49 13,496.74	23,382.00 15,486.01 3,580.00 137,216.32	
1095/ Amended by 1102	Purchase of Equipment, Reconfiguration of Parking Area and Improve Public Buildings	3/24/2010	200,000.00	63,973.77				4,686.89	59,286.88	
1110	Purchase Public Safety Equipment	11/22/2010	100,000.00	46,638.46					46,638.46	
1112	Various Improvements: A. Purchase Trash Packer C. Improvements to Storm Sewer System - New Jersey and Bayview Drive D. Improvements to Storm Sewer System - Cresse Avenue	11/22/2010	225,000.00 1,100,000.00 100,000.00	- - 4,800.00	25,918.27 183,958.90 95,200.00			- 27,698.45 82,719.39	- 156,260.45 17,280.61	25,918.27
1121	Acquisition of EMS Building	3/9/2011	80,000.00	2,094.13					2,094.13	
1128	Improvements to Crest Pier Recreation Center	6/8/2011	1,500,000.00		671,383.77			634,030.04		37,353.73
1130	Various Improvements: A. Purchase Real Property B. Purchase Backhoe C. Purchase Ambulance D. Replace Storm Sewer Pipes E. Replace Sanitary Sewer Pipes	8/10/2011	1,490,000.00	9,300.00 8,400.00 6,000.00	185,700.00 29,025.00 166,600.00 119,000.00 593,906.59			195,000.00 3,587.91 157,583.11 445,567.94	- 25,437.09 17,416.89 119,000.00 148,338.65	
1134	Acquisition of Pick-up Truck and Beach Utility Vehicle	11/21/2011	29,000.00	994.00					994.00	
1140	Acquire Public Works Equip.	1/25/2012	119,000.00			119,000.00		113,677.93	5,322.07	
1143	Various Improvements: A. Acquisition of Playground Equip. B. Improvements to DPW Building C. Improvements to Nesbitt Center	3/7/2012	360,000.00			8,000.00 7,500.00 2,500.00		151,701.10 676.56 47,580.52	152,000.00 142,500.00 47,500.00	8,288.90 142,500.00 2,419.48

**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, 2011	Increased	Decreased	Balance Dec. 31, 2012
			Date	Amount					
General Improvement Bonds of 2002	10/1/2002	\$ 5,082,000	10/1/13	\$ 332,000.00	3.050%	\$ 1,032,000.00	\$ 700,000.00	\$	332,000.00
General Improvement Bonds of 2007	9/1/2006	6,000,000	9/1/13	1,270,000.00	3.750%	3,770,000.00	840,000.00		2,930,000.00
			9/1/14	1,660,000.00	3.750%				
General Improvement Bonds of 2009	11/5/2009	13,135,000	11/1/13	800,000.00	3.000%	11,785,000.00	750,000.00		11,035,000.00
			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%						
						\$ 16,587,000.00	\$ 2,290,000.00	\$	14,297,000.00
					Ref.	C	C-5		C

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

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds				Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012		
			Date	Outstanding December 31, 2012	Interest Rate	Amount						
New Jersey Environmental Infrastructure Trust - Series 2010- Fund Loan	3/10/2010	\$ 3,476,677			0.000%	\$			\$ 3,182,043.38	\$	176,780.17	\$ 3,005,263.21
				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		Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
			Date	Amount					
New Jersey Environmental Infrastructure Trust - Series 2010A- Trust Loan	3/10/2010	\$ 1,135,000	8/1/13-15	\$ 45,000.00	5.000%	\$ 1,095,000.00	\$	\$ 40,000.00	\$ 1,055,000.00
			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%					
						\$ 4,277,043.38	\$	\$ 216,780.17	\$ 4,060,263.21
						C	C-5	C-5	C
					Ref.				

**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, 2011	Increased	Decreased	Balance Dec. 31, 2012
1092	Various Improvements: A. Purchase of Vehicular Equipment B. Improve Public Buildings C. Purchase Land D. Improvement to Various Streets	10/21/2010	10/16/2012	10/16/2013	1.25% \$	295,200.00 1,580,600.00 190,400.00 380,800.00	295,200.00 1,580,600.00 190,400.00 380,800.00	295,200.00 1,580,600.00 190,400.00 380,800.00	295,200.00 1,580,600.00 190,400.00 380,800.00
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	10/20/2011	10/16/2012	10/16/2013	1.25%	214,200.00 142,800.00	214,200.00 142,800.00	214,200.00 142,800.00	214,200.00 142,800.00
1128	Improvements to Crest Pier Recreation Facility	10/20/2011	10/16/2012	10/16/2013	1.25%	1,428,500.00	1,428,500.00	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	10/16/2012	10/16/2012	10/16/2013	1.25%	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	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
1143	Various Improvements: A. Acquisition of Playground Equipment B. Improvements to DPW Building C. Improvements to Nesbitt Center	10/16/2012	10/16/2012	10/16/2013	1.25%	152,000.00 142,500.00 47,500.00	152,000.00 142,500.00 47,500.00	152,000.00 142,500.00 47,500.00	152,000.00 142,500.00 47,500.00
1147	Various Improvements: A. Acquisition of Real Property B. Police Communications Equipment C. Acquisition of Emergency Generator	10/16/2012	10/16/2012	10/16/2013	1.25%	205,200.00 285,000.00 93,100.00	205,200.00 285,000.00 93,100.00	205,200.00 285,000.00 93,100.00	205,200.00 285,000.00 93,100.00
					Ref.	\$ 5,375,300.00	\$ 7,719,400.00	\$ 5,375,300.00	\$ 7,719,400.00
									C
				Renewals Issued for Cash		\$ 5,375,300.00	\$ 5,375,300.00	\$ 5,375,300.00	
						\$ 2,344,100.00			
						\$ 7,719,400.00	\$ 5,375,300.00	\$ 5,375,300.00	

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

Ord. Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Bonds, Notes or Grants Issued	Balance Dec. 31, 2012
1061	Various Improvements: B. Handicapped Access Improvements	\$ 400.00	\$	\$	400.00
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	-
1143	Various Improvements: A. Acquisition of Playground Equipment B. Improvements to DPW Building C. Improvements to Nesbitt Center		152,000.00 142,500.00 47,500.00	152,000.00 142,500.00 47,500.00	-
1147	Various Improvements: A. Acquisition of Real Property B. Police Communications Equipment C. Acquisition of Emergency Generator		205,200.00 285,000.00 93,100.00	205,200.00 285,000.00 93,100.00	-
1149	Improve Sanitary Sewerage System		13,000,000.00		13,000,000.00
		\$ 1,419,200.00	\$ 13,925,300.00	\$ 2,344,100.00	\$ 13,000,400.00
		C	C-7	C	C
			Bond Anticipation Notes	\$ 2,344,100.00	
				\$ 2,344,100.00	

BOROUGH OF WILDWOOD CREST

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 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:

- Emergency Medical Billing Service
- Sewer Repairs
- Purchase of 2012 John Deere Gator
- West Cresse Ave. Drainage Improvements
- Purchase of John Deere 6430, 4 Wheel Beach Tractor
- Sidewalks, Curbs and Gutters
- Building, Plumbing and Electrical Sub-Code Inspection

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 January 4, 2012, 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 24, 2012 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>
2012	None
2011	None
2010	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 2012 and 2013 Taxes	15
Delinquent Taxes	15
Payments of Sewer Rents	15
Delinquent Sewer Rents	15
Total	<u>60</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
Certified Public Accountant
Registered Municipal Accountant
No. 427

June 28, 2013