

**BOROUGH OF WEST WILDWOOD**

**COUNTY OF CAPE MAY**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2009**



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**BOROUGH OF WEST WILDWOOD**

**PART 1**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**



**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Borough of West Wildwood, in the County of Cape May, State of New Jersey as of December 31, 2009, and the related statements of operations and changes in fund balance-- regulatory basis for the year then ended, and the related statement of revenues-- regulatory basis, statement of expenditures-- regulatory basis for the year ended December 31, 2009. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2009 and 2008, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, except for the effect on the financial statements of the omission described in the third paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2009 and 2008, and the results of its operations and changes in fund balance of such funds-- regulatory basis for the years then ended, and the revenues-- regulatory basis, expenditures-- regulatory basis of the various funds, for the year ended December 31, 2009 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

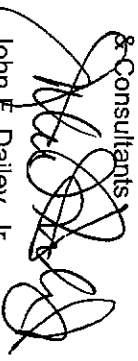
In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2010 on our consideration of the Borough of West Wildwood, in the County of Cape May, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of West Wildwood's basic financial statements. The supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
June 21, 2010





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

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

We have audited the financial statements (regulatory basis) of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 21, 2010, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, records for general fixed assets were not maintained as required by N.J.A.C. 5-30-5.6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Borough of West Wildwood's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Recommendations, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Recommendations to be a material weakness: 2009-02.



A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Recommendations to be significant deficiencies: 2009-01, 2009-02 and 2009-03.

**Compliance and Other Matters**

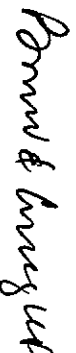
As part of obtaining reasonable assurance about whether the Borough of West Wildwood's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which are described in the accompanying Schedule of Findings and Recommendations as findings no.: 2009-02, 2009-03 and 2009-04.

We noted a matter that we have reported to management of the Borough in a separate letter dated June 21, 2010.

The Borough of West Wildwood's response to the findings identified in our report are described in the accompanying Schedule of Findings and Recommendations. We did not audit the Borough of West Wildwood's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of the Borough, the Division of Local Government Services and the Department of Community Affairs and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
June 21, 2010



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2009 and 2008

ASSETS:	Ref.	2009	2008
Regular Fund:			
Cash	SA-1	\$ 1,380,351.64	\$ 1,479,945.58
Change Fund	SA-3	200.00	200.00
		<u>1,380,551.64</u>	<u>1,480,145.58</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	164,695.95	188,772.06
Tax Title Liens Receivable	SA-5	27,887.37	18,344.61
Revenue Accounts Receivable	SA-6	587.85	505.04
Due from Dog License Fund	SB-2	62.88	30.47
Due from Water/Sewer Utility Operating Fund	SD-4	1,443.26	2,908.81
Due from Water/Sewer Utility Capital Fund		65,000.00	65,000.00
		<u>259,677.31</u>	<u>275,560.99</u>
Deferred Charges:			
Emergency Appropriations (40A:4-47)	SA-7	67,500.00	
Overexpenditure of Appropriation	SA-7	9,712.14	10,709.97
		<u>1,717,441.09</u>	<u>1,766,416.54</u>
Total Current Fund			
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-16	619,566.17	513,400.21
Due from Current Fund		48,474.18	50,992.15
		<u>668,040.35</u>	<u>564,392.36</u>
Total Federal and State Grant Fund			
Total Assets		<u>\$ 2,385,481.44</u>	<u>\$ 2,330,808.90</u>

(Continued)

## BOROUGH OF WEST WILDWOOD

## CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-8	\$ 164,118.22	\$ 315,913.26
Reserve for Encumbrances	A-3, SA-8	36,611.04	58,463.53
Due to State of New Jersey - DYFS	SA-10	75.00	100.00
Prepaid Taxes	SA-11	52,418.91	51,605.06
Tax Overpayments	SA-12	43,057.47	25,744.28
Due to County -- Added and Omitted Taxes	SA-14	2,049.25	4,976.67
Due to Federal and State Grant Fund		48,474.18	50,992.15
Due to Trust Fund	SB-6	8,914.42	19,576.24
Due to General Capital Fund	SC-5	104,851.54	70,503.22
		<u>460,570.03</u>	<u>597,874.41</u>
Reserves for Receivables and Other Assets		259,677.31	275,560.99
Fund Balance	A-1	997,193.75	892,981.14
		<u>1,717,441.09</u>	<u>1,766,416.54</u>
Total Current Fund			
Federal and State Grant Fund:			
Reserve for Federal and State Grants -- Unappropriated	SA-17	3,224.00	50,789.74
Reserve for Federal and State Grants -- Appropriated	SA-18	664,316.35	512,231.22
Reserve for Encumbrances	SA-18	500.00	1,371.40
		<u>668,040.35</u>	<u>564,392.36</u>
Total Federal and State Grant Fund			
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,385,481.44</u>	<u>\$ 2,330,808.90</u>

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

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b><u>Revenue and Other Income Realized</u></b>		
Fund Balance Utilized	\$ 275,000.00	\$ 343,000.00
Miscellaneous Revenues Anticipated	362,967.69	285,400.93
Receipts from Delinquent Taxes	193,529.04	164,513.73
Receipts from Current Taxes	2,971,901.29	3,002,910.36
Non-Budget Revenues	63,691.84	99,816.44
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	275,752.43	79,655.98
Statutory Excess in Dog License Fund -- Due from Dog License Fund	62.00	29.30
Cancelled Due State of New Jersey - Veterans and Senior Citizen's Deductions		4,345.00
Canceled Accounts Payable		2,029.00
Canceled Reserve for Property Sales		32,690.00
Liquidation of Reserve for:		
Due Dog License Fund		80.53
Due Trust Other		113.00
Due Water Sewer Utility Operating Fund	1,465.55	859.41
Total Income	<u>4,144,369.84</u>	<u>4,015,443.68</u>
<b><u>Expenditures</u></b>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	622,996.28	650,689.00
Other Expenses	667,490.72	730,794.00
Deferred Charges and Regulatory Expenditures Within "CAPS"	166,333.97	104,738.00
Operations Excluded from "CAPS":		
Other Expenses	221,191.74	198,695.61
Capital Improvements Excluded from "CAPS"	270,200.00	253,000.00
Municipal Debt Service Excluded from "CAPS"	114,495.62	141,139.64
County Taxes	648,148.97	589,266.62
County Added and Omitted Taxes	2,049.25	4,976.67
Local District School Tax	1,107,755.50	1,066,688.00
Refund Prior Revenue	11,962.77	
Creation of Reserves for:		
Due Dog License Fund	32.41	
Total Expenditures	<u>3,832,657.23</u>	<u>3,739,987.54</u>
Excess in Revenue	311,712.61	275,456.14

(Continued)

**BOROUGH OF WEST WILDWOOD**  
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred		
Charges to the Budget of the Succeeding Year	<u>67,500.00</u>	
Regulatory Excess to Fund Balance	379,212.61	275,456.14
<u>Fund Balance</u>		
Balance Jan. 1	\$ 892,981.14	\$ 960,525.00
Decreased by:	1,272,193.75	1,235,981.14
Utilization as Anticipated Revenue	<u>275,000.00</u>	<u>343,000.00</u>
Balance December 31	<u>\$ 997,193.75</u>	<u>\$ 892,981.14</u>

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



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2009

	<u>Anticipated Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 275,000.00	-	\$ 275,000.00	-
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	1,020.00		1,020.00	
Other	20,000.00		24,087.00	\$ 4,087.00
Interest and Costs on Taxes	34,044.79		25,440.95	(8,603.84)
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax				
Relief Aid (N.J.S.A. 52:27D-118.35)	565.00		565.00	
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	51,364.00		50,779.00	(585.00)
Supplemental Energy Receipts Tax			585.00	585.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements Offset with Appropriations:				

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2009

Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations: N.J. Transportation Trust Fund Authority Act Public Area Recycling Arts Regrant Award Clean Communities Program Urban Enterprise Zone-Railroad Bridge Budget CMCMUA Recycling Rebate Grant Recycling Tonnage Grant Atlantic County Municipal Joint Insurance Fund Body Armour Fund Urban Enterprise Zone Family Festival Unappropriated Reserves: Cape May County Recreation Grant Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items: Uniform Fire Safety Act	Anticipated	Special	Realized	Excess or (Deficit)
	Budget	N.J.S.A. 40A:4-87		
	\$ 148,000.00	\$	148,000.00	
	4,000.00	50,000.00	4,000.00	
	3,402.00		3,402.00	
	789.74		789.74	
	4,299.00		4,299.00	
	50,000.00		50,000.00	
<b>Total Miscellaneous Revenues</b>	<b>317,484.53</b>	<b>50,000.00</b>	<b>362,967.69</b>	<b>\$ (4,516.84)</b>
Receipts from Delinquent Taxes	130,000.00	-	193,529.04	63,529.04

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2009

	<u>Anticipated Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	\$ 1,441,815.25	-	\$ 1,432,334.64	\$ (9,480.61)
Budget Totals	2,164,299.78	\$ 50,000.00	2,263,831.37	49,531.59
Non-Budget Revenues			63,691.84	63,691.84
	<u>\$ 2,164,299.78</u>	<u>\$ 50,000.00</u>	<u>\$ 2,327,523.21</u>	<u>\$ 113,223.43</u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2009

Analysis of Realized Revenues

## Allocation of Current Tax Collections:

Revenue from Collections	\$ 2,971,901.29
Allocated to:	
Schools and County Taxes	<u>1,757,953.72</u>
Balance for Support of Municipal Budget Appropriations	1,213,947.57
Add: Appropriation "Reserve for Uncollected Taxes"	<u>218,387.07</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 1,432,334.64</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 193,529.04</u>

Analysis of Non-Budget Revenues

Revenue Accounts Receivable:	
Cable Television Franchise Tax	\$ 5,750.60

## Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:	
Interest Earned on Deposits	
Current Fund	\$ 9,901.09
Dog License Fund	0.81
Trust Other Fund	719.70
General Capital Fund	<u>651.68</u>
	11,273.28
Tax Sale Advertisements	973.28

## Clerk:

Street Openings	90.00
Bulk Trash	107.00
Tax Searches	340.00
Police Reports	38.00
Copies and Maps	142.25
Reimbursements	1,975.00
Planning and Zoning	714.00
Fees & Permits	50.00
Marriage License	6.00
Refunds	2,315.24
Dumpster Permits	<u>200.00</u>

5,977.49

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2009

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Municipal Court:		\$ 15,580.25
Fines and Costs		
Treasurer:		
Receipts:		
Due State of New Jersey -- Veterans	\$ 305.00	
and Senior Citizens - Administrative Fee		
Other Miscellaneous	<u>20,577.52</u>	
		20,882.52
Collections made by the Water/Sewer Utility Operating Fund		
Other Miscellaneous		1,443.26
Collections made by the Trust Other Fund		
Other Miscellaneous		<u>1,811.16</u>
		<u>\$ 63,691.84</u>

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

**BOROUGH OF WEST WILDWOOD  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2009**

	Budget	Budget After Modification	Expended	Encumbered	Reserved	Unexpended Balance Canceled	Over- Expended
OPERATIONS -- WITHIN "CAPS"							
General Government Functions:							
Mayor and Commissioners							
Salaries and Wages	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00				
Other Expenses	10,000.00	11,000.00	10,750.25		\$ 111.35		\$ 138.40
Municipal Clerk							
Salaries and Wages	80,113.00	80,113.00	78,303.06				1,809.94
Other Expenses (Emergency 40A:4-47 \$18,000.00)	13,900.00	31,900.00	21,000.28		732.94		10,166.78
Financial Department							
Salaries and Wages	28,042.00	27,710.90	27,710.90				331.10
Other Expenses	17,100.00	17,100.00	17,082.30				17.70
Audit Services							
Computerized Data Processing	17,500.00	17,500.00	17,500.00				
Collection of Taxes	10,000.00	10,000.00	8,152.06				1,847.94
Salaries and Wages	55,595.00	56,095.00	55,898.67				196.33
Other Expenses	7,200.00	7,200.00	6,450.63		717.91		31.46
Assessment of Taxes							
Other Expenses	20,040.00	20,040.00	19,773.44		266.56		
Legal Services and Costs	28,000.00	20,222.28	20,222.28				
Other Expenses (Emergency 40A:4-47 \$15,000.00)	30,000.00	92,777.72	60,931.28		16,802.03		15,044.41
Engineering Services							
Other Expenses	5,000.00	5,000.00	1,200.00		3,500.00		300.00
Land Use Administration:							
Planning Board							
Salaries and Wages	7,000.00	8,200.00	8,166.44		400.00		33.56
Other Expenses (Emergency 40A:4-47 \$2,000.00)	4,800.00	6,800.00	5,756.58				643.42
Code Enforcement and Administration:							
Other Code Enforcement							
Salaries and Wages	6,500.00	6,500.00	5,979.10				520.90
Other Expenses	200.00	200.00	180.00				20.00

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2009

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>	<u>Over- Expended</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>		
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>							
<b>Insurance:</b>							
Liability Insurance	\$ 18,507.00	\$ 13,282.59	\$ 13,282.59				
Worker's Compensation	38,866.00	32,030.41	32,030.41				
Group Employee Insurance	160,000.00	135,000.00	131,915.23		\$ 3,084.77		
<b>Public Safety Functions:</b>							
<b>Police Department</b>							
Salaries and Wages	295,903.00	277,303.00	286,848.87				\$ 9,545.87
Other Expenses	24,300.00	21,480.15	16,128.71	\$ 2,849.59	2,501.85		
<b>Office of Emergency Management</b>							
Other Expenses	4,500.00	306.45	306.45				
Aid to Volunteer Fire Companies	2,600.00	2,600.00	\$2,600.00				
<b>Fire Department</b>							
Salaries and Wages							
Other Expenses	15,500.00	15,500.00	14,585.61	153.00	761.39		
<b>Municipal Prosecutor's Office</b>							
Salaries and Wages (Emergency 40A:4-47 \$500.00)	1,000.00	2,500.00	2,500.00				
<b>Municipal Court</b>							
Salaries and Wages (Emergency 40A:4-47 \$8,000.00)	4,100.00	15,800.00	15,700.00		100.00		
Other Expenses	500.00	500.00	323.96		176.04		
<b>Public Defender</b>							
Other Expenses	500.00	500.00			500.00		
<b>Public Work Functions:</b>							
<b>Public Works</b>							
Salaries and Wages	90,221.00	110,221.00	110,182.48		38.52		
Other Expenses	43,500.00	47,500.00	44,209.53	3,230.07	60.40		
<b>Buildings and Grounds</b>							
Other Expenses (Emergency 40A:4-47 \$4,000.00)	18,000.00	27,000.00	21,455.74	1,047.83	4,496.43		
<b>Health and Human Services Functions:</b>							
<b>Animal Control Services</b>							
Other Expenses	2,500.00	3,000.00	2,410.31	122.00	467.69		

(Continued)

**BOROUGH OF WEST WILDWOOD  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2009**

	Budget	Budget After Modification	Expended	Encumbered	Paid or Charged	Reserved	Unexpended Balance Canceled	Over-Expended
Park and Recreation Functions:								
Other Expenses	\$ 2,500.00	\$ 2,500.00	\$ 2,465.05				\$ 34.95	
Maintenance of Parks								
Other Expenses	2,000.00	2,000.00	1,968.57				31.43	
Landfill/Solid Waste Disposal Costs								
Tipping Fees	35,000.00	46,100.00	46,022.30				77.70	
Unclassified:								
Celebration of Public Events	4,000.00	4,000.00	4,000.00					
Other Expenses								
Accumulated Sick Time	20,000.00							
Utility Expenses and Bulk Purchases:								
Electricity	21,000.00	24,000.00	20,746.05				3,253.95	
Street Lighting	22,000.00	18,000.00	15,669.28				2,330.72	
Telephone / Communications	24,000.00	27,000.00	26,886.45		\$ 279.82		2,783.84	
Natural Gas	12,000.00	12,173.40	9,389.56				3,082.45	
Gasoline / Diesel	21,000.00	13,500.00	10,203.65			213.90		
Total Operations - within "CAPS"	1,242,987.00	1,290,487.00	1,214,888.07		30,427.00		54,884.07	9,712.14
Total Operations -- Within "CAPS"	1,242,987.00	1,290,487.00	1,214,888.07		30,427.00		54,884.07	9,712.14
Detail:								
Salaries and Wages	634,474.00	622,996.28	629,511.80				3,030.95	9545.87
Other Expenses	608,513.00	667,490.72	585,376.27		30,427.00		51,853.72	166.27
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"								
Deferred Charges:								
Overexpenditure of Appropriation	10,709.97	10,709.97	10,709.97					
Regulatory Expenditures:								
Contribution to:								
Police and Firemen's Retirement System	41,935.00	41,935.00	41,935.00					
Public Employees' Retirement System	33,189.00	33,189.00	33,189.00					
Unemployment Comp Ins (NJSA 43:21-3 et seq)	15,000.00	35,000.00	30,673.40				4,326.60	
(Emergency 40A:4-47 \$20,000.00)								
Social Security System (O.A.S.I.)	45,500.00	45,500.00	45,274.52				225.48	

(Continued)



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2009

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>	<u>Over- Expended</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>		
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS" (CONT'D)							
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"	\$ 146,333.97	\$ 166,333.97	\$ 161,781.89	-	\$ 4,552.08	-	-
 Total General Appropriations for Municipal Purposes -- Within "CAPS"	 1,389,320.97	 1,456,820.97	 1,376,669.96	 \$ 30,427.00	 59,436.15	 -	 \$9,712.14
OPERATIONS -- EXCLUDED FROM "CAPS"							
Interlocal Municipal Service Agreements:							
Police Dispatcher	35,000.00	35,000.00	34,000.00		1,000.00		
Garbage and Trash Removal	43,000.00	43,000.00	25,279.88	6,184.04	11,536.08		
Wildwood - Construction Official	15,000.00	15,000.00	12,872.96		2,127.04		
Ambulance Fee	15,000.00	15,000.00	\$13,000.00		2,000.00		
Public and Private Programs							
Atlantic County Joint Insurance Fund	3,402.00	3,402.00	3,402.00				
Cap May County Cultural and Heritage Program	4,299.00	4,299.00	4,299.00				
Clean Communities Program	4,000.00	4,000.00	4,000.00				
Municipal Alliance - Local Share	701.00	701.00	701.00				
Body Armor Fund	789.74	789.74	789.74				
Unappropriated Reserves:							
Cape May County Recreation Grant	50,000.00	50,000.00	50,000.00				
Urban Enterprize Zone - Railroad Budget (40A:4-87 \$50,000.00+)		50,000.00	50,000.00				

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2009**

	Budget	Budget After Modification	Expended	Paid or Charged	Unexpended Balance	Over-Expended
<b>OPERATIONS -- EXCLUDED FROM "CAPS" (CONTD)</b>						
Total Operations -- Excluded from "CAPS"	\$ 171,191.74	\$ 221,191.74	\$ 198,344.58	\$ 6,184.04	\$ 16,663.12	-
Detail:						
Other Expenses	171,191.74	221,191.74	198,344.58	6,184.04	16,663.12	-
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>						
Improvements to Public Buildings and Grounds	100,000.00	100,000.00	11,981.05	-	88,018.95	-
Public and Private Programs Offset by Revenues	170,200.00	170,200.00	170,200.00	-	-	-
New Jersey Transportation Trust Fund Authority Act	270,200.00	270,200.00	182,181.05	-	88,018.95	-
<b>MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"</b>						
Payment of Bond Anticipation Notes and Capital Notes	96,200.00	96,200.00	18,295.62	-	704.38	-
Interest on Notes	19,000.00	19,000.00	18,295.62	-	-	-
Total Municipal Debt Service -- Excluded from "CAPS"	115,200.00	115,200.00	114,495.62	-	704.38	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	556,591.74	606,591.74	495,021.25	6,184.04	104,682.07	-
Subtotal General Appropriations Reserve for Uncollected Taxes	1,945,912.71	2,063,412.71	1,871,691.21	36,611.04	164,118.22	704.38
Total General Appropriations (Carried Forward)	\$ 2,164,299.78	\$ 2,281,799.78	\$ 2,090,078.28	\$ 36,611.04	\$ 164,118.22	\$ 9,712.14

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2009

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>	<u>Over- Expended</u>
				<u>Encumbered</u>	<u>Reserved</u>		
Total General Appropriations (Brought Forward)	\$ 2,164,299.78	\$ 2,281,799.78	\$ 2,090,078.28	\$ 36,611.04	\$ 164,118.22	\$ 704.38	\$ 9,712.14
Appropriation by 40A:4-87		\$ 50,000.00					
Appropriation by 40A:4-46		67,500.00					
Budget		<u>2,164,299.78</u>					
		<u>\$ 2,281,799.78</u>					
Deferred Charges			\$ 10,709.97				
Reserve for Federal and State Grants -- Appropriated			283,391.74				
Reserve for Uncollected Taxes			218,387.07				
Due Trust Other Fund			26,445.28				
Disbursements			<u>1,551,144.22</u>				
			<u>\$ 2,090,078.28</u>				

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

**BOROUGH OF WEST WILDWOOD  
TRUST FUNDS**

Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
As of December 31, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS:</b>			
Dog License Fund:			
Cash	SB-1	\$ 152.48	\$ 141.47
Other Funds:			
Cash	SB-1	143,418.01	123,740.93
Due from Current Fund	SB-5	8,914.42	19,576.24
Total Other Funds		152,332.43	143,317.17
Total Assets		\$ 152,484.91	\$ 143,458.64
<b>LIABILITIES AND RESERVES:</b>			
Dog License Fund:			
Due to Current Fund	SB-2	\$ 62.88	\$ 30.47
Reserve for Dog License Fund Expenditures	SB-3	83.00	111.00
Due to State of New Jersey -- Registration Fees	SB-4	6.60	
Total Dog License Fund		152.48	141.47
Other Funds:			
Miscellaneous Trust Reserves	SB-6	152,332.43	143,317.17
Total Other Funds		152,332.43	143,317.17
Total Liabilities and Reserves		\$ 152,484.91	\$ 143,458.64

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

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2009 and 2008

ASSETS:	Ref.	2009	2008
Cash			
Deferred Charges to Future Taxation:			
Unfunded	SC-1, SC-2	\$ 52,352.80	\$ 153,950.23
New Jersey Transportation Trust Fund Authority	SC-3	2,544,000.00	790,200.00
Act Receivable	SC-4	1,220,000.00	35,000.00
Due from Current Fund	SC-5	104,851.54	70,503.22
<b>Total Assets</b>		<b><u>\$ 3,921,204.34</u></b>	<b><u>\$ 1,049,653.45</u></b>
<b>LIABILITIES, RESERVES</b>			
<b>AND FUND BALANCE:</b>			
Improvement Authorizations:			
Funded	SC-6	\$ 1,220,000.00	
Unfunded	SC-6	2,190,831.45	\$ 443,080.56
Capital Improvement Fund		124,450.00	124,450.00
Bond Anticipation Notes	SC-7	384,000.00	480,200.00
Fund Balance	C	1,922.89	1,922.89
<b>Total Liabilities and Reserves</b>		<b><u>\$ 3,921,204.34</u></b>	<b><u>\$ 1,049,653.45</u></b>

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

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

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2009 and 2008

ASSETS:	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Operating Fund:			
Cash	SD-1	\$ 258,489.37	\$ 285,853.67
Receivables with Full Reserves:			
Sewer Consumer Accounts Receivable	SD-5	48,165.33	38,864.33
Water Consumer Accounts Receivable	SD-6	3,529.38	11,792.47
		51,694.71	50,656.80
Total Operating Fund		310,184.08	336,510.47
Capital Fund:			
Cash	SD-1	16,822.09	16,738.21
Fixed Capital	SD-7	5,070,813.00	5,070,813.00
Fixed Capital Authorized and Uncompleted	SD-8	100,000.00	100,000.00
Due from Water Sewer Utility Operating Fund	SD-15	5,515.67	599.55
		5,193,150.76	5,188,150.76
Total Capital Fund		5,193,150.76	5,188,150.76
Total Assets		\$ 5,503,334.84	\$ 5,524,661.23

(Continued)

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

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2009 and 2008

LIABILITIES, RESERVES AND FUND BALANCE:	Ref.	2009	2008
Operating Fund:			
Appropriation Reserves	D-3, SD-9	\$ 30,465.79	\$ 38,023.36
Reserve for Encumbrances	D-3		29,844.85
Sewer Rent Overpayments	SD-10	12,309.81	4,779.15
Water Rent Overpayments	SD-11	350.21	2,419.39
Prepaid Sewer Rents	SD-12	717.73	11,439.84
Prepaid Water Rents	SD-13		6,599.72
Accrued Interest on Bonds and Notes	SD-14	42,319.77	43,133.71
Due to Current Fund	SD-4	1,443.26	2,908.81
Due to Water Sewer Utility Capital Fund	SD-15	5,515.67	599.55
		<u>93,122.24</u>	<u>139,748.38</u>
Reserve for Receivables		51,694.71	50,656.80
Fund Balance	D-1	165,367.13	146,105.29
Total Operating Fund		<u>310,184.08</u>	<u>336,510.47</u>
Capital Fund:			
Due Current Fund		65,000.00	65,000.00
Capital Improvement Fund	SD-16	11,000.00	6,000.00
Improvement Authorizations:			
Funded	SD-17	7,087.76	7,087.76
Unfunded	SD-17	15,250.00	15,250.00
Deferred Reserve for Amortization		24,000.00	24,000.00
Reserve for Amortization	SD-18	2,862,223.77	2,819,317.00
General Serial Bonds	SD-19	2,208,589.23	2,251,496.00
Total Capital Fund		<u>5,193,150.76</u>	<u>5,188,150.76</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,503,334.84</u>	<u>\$ 5,524,661.23</u>

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

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2009 and 2008

<u>Revenue and Other Income Realized</u>	<u>2009</u>	<u>2008</u>
Surplus Utilized		\$ 26,325.00
Rents	\$ 479,177.09	794,124.80
Miscellaneous	56,455.95	29,324.81
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>53,616.50</u>	<u>54,633.39</u>
Total Income	<u>589,249.54</u>	<u>904,408.00</u>
<u>Expenditures</u>		
Operating		
Capital Improvements	402,865.64	601,312.00
Debt Service	15,000.00	15,000.00
Regulatory Expenditures	148,122.06	148,154.71
Deferred Charges	4,000.00	13,400.00
	<u>7,229.00</u>	
Total Expenditures	<u>569,987.70</u>	<u>785,095.71</u>
Regulatory Excess to Surplus	19,261.84	119,312.29
<u>Fund Balance</u>		
Balance January 1	<u>146,105.29</u>	<u>53,118.00</u>
Decreased by:		
Utilized as Revenue in Sewer Utility Operating Budget	165,367.13	172,430.29
Balance December 31	<u>\$ 165,367.13</u>	<u>\$ 146,105.29</u>

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



**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2009

	Anticipated <u>Budget</u>	Realized	Excess or <u>(Deficit)</u>
Rents - Water	\$ 50,000.00	\$ 91,261.53	\$ 41,261.53
Rents - Sewer	438,647.30	387,915.56	(50,731.74)
Miscellaneous	16,653.00	12,774.67	(3,878.33)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services: City of Wildwood - Shared Services Agreement	<u>65,522.00</u>	43,681.28	<u>(21,840.72)</u>
	<u>\$ 570,822.30</u>	<u>\$ 535,633.04</u>	<u>\$ (35,189.26)</u>
<u>Analysis of Realized Revenues:</u>			
Miscellaneous:			
Collector:			
Sewer Connections		\$ 1,000.00	
Interest and Costs on Delinquent Rents		<u>9,968.87</u>	
			\$ 10,968.87
Treasurer:			
Receipts -- Interest Earned on Deposits		1,721.92	
Interest Earned on Deposits		83.88	
Interest Earned In the Water Sewer Capital Fund		<u>1,805.80</u>	
			<u>\$ 12,774.67</u>

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

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2009**

	Appropriations				Unexpended Balance
	Budget After Modification	Expended	Encumbered	Reserved	
Water / Sewer Operating:					
Salaries and Wages	\$ 51,265.00	\$ 51,265.00	\$ 50,689.99	\$ 575.01	
Other Expenses	351,910.00	351,600.64	331,911.78	19,688.86	
Total Operating	403,175.00	402,865.64	382,601.77	20,263.87	
Capital Improvements:					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		
Capital Outlay	10,000.00	10,000.00		10,000.00	
Total Capital Improvements	15,000.00	15,000.00	5,000.00	10,000.00	
Debt Service:					
Payment of Bond Principal	42,906.77	42,906.77	42,906.77		
Interest on Bonds	105,740.53	106,049.89	105,215.29		
Total Debt Service	148,647.30	148,956.66	148,122.06	-	834.60
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	4,000.00	4,000.00	3,798.08	201.92	
Total Appropriations	\$ 570,822.30	\$ 570,822.30	\$ 539,521.91	\$ 30,465.79	\$ 834.60
Disbursements		\$ 429,306.62			
Due Water Sewer Utility Capital Fund		5,000.00			
Accrued Interest on Bonds and Notes		105,215.29			
		\$ 539,521.91			

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

**BOROUGH OF WEST WILDWOOD**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2009**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Borough of West Wildwood was incorporated in April 21, 1920 and is located in southeastern portion of Cape May County. The Borough is a small island that is connected to the City of Wildwood and bordered by The City of North Wildwood and Middle Borough. The population estimate by the US Department of Census as of July 2006 is 408. The Borough provides the following services: public safety, recreation, public improvements, planning and zoning and general administrative services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The cash management plan adopted by the Borough of West Wildwood requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

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

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

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

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

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

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Cape May, Borough of West Wildwood School District, Borough of West Wildwood Fire District No. 1 and Borough of West Wildwood Fire District No. 2. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

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

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

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

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

**Expenditures (Cont'd)** - Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

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

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. As of December 31, 2009, none of the Borough's bank balances of \$1,936,807.72 was exposed to custodial credit risk.

**Note 3: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Tax Rate	\$ 1.17	\$ 1.45	\$ 1.44	\$ 1.44	\$ 1.39
Apportionment of Tax Rate:					
Municipal	0.405	0.695	0.684	0.682	0.672
County	0.238	0.271	0.259	0.236	0.216
Local School	0.528	0.487	0.497	0.522	0.502

Note 3: PROPERTY TAXES (CONT'D)Assessed Valuation

2009	\$ 273,542,044.00
2008	219,431,624.00
2007	214,772,552.00
2006	206,431,507.00
2005	201,571,529.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2009	\$ 3,205,226.59	\$ 2,971,901.29	92.72%
2008	3,207,173.17	3,002,910.36	93.63%
2007	3,142,521.00	2,962,289.00	94.26%
2006	3,041,411.00	2,880,452.00	94.71%
2005	2,850,203.00	2,667,667.00	93.60%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2009	\$ 27,887.37	\$ 164,695.95	\$ 192,583.32	6.01%
2008	18,344.61	188,772.06	207,116.67	6.46%
2007	16,160.00	176,064.00	192,224.00	6.12%
2006	16,201.00	165,814.00	182,015.00	5.98%
2005	13,976.00	141,804.00	155,780.00	5.47%

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

<u>Year</u>	<u>Number</u>
2009	7
2008	4
2007	4
2006	4



**Note 4: WATER / SEWER UTILITY SERVICE CHARGES**

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

**Sewer Utility Service Charges**

Year	Balance Beginning of Year		Levy	Total	Cash Collections
	Receivable	Liens			
2009	\$ 38,864.33	-	\$ 395,404.22	\$ 434,268.55	\$ 393,633.88
2008	60,357.00	-	496,519.00	556,876.00	518,011.67
2007	47,873.00	-	475,327.00	523,200.00	463,575.00
2006	29,540.00	-	453,820.00	483,360.00	427,706.00
2005	46,862.00	-	442,690.00	489,552.00	441,401.00

**Water Utility Service Charges**

Year	Balance Beginning of Year		Levy	Total	Cash Collections
	Receivable	Liens			
2009	\$ 11,792.47	-	\$ 269,597.85	\$ 281,390.32	\$ 93,073.87
2008	44,890.00	-	243,015.60	287,905.60	276,113.13
2007	29,069.00	-	300,424.00	329,493.00	285,336.00
2006	15,591.00	-	208,867.00	224,458.00	196,110.00
2005	29,238.00	-	188,520.00	217,758.00	199,030.00

**Note 5: FUND BALANCES APPROPRIATED**

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

Year	Balance Dec. 31	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
<b>Current Fund</b>			
2009	\$ 929,693.75	\$ 575,000.00	61.85%
2008	892,981.14	275,000.00	30.80%
2007	960,525.00	343,000.00	35.71%
2006	895,150.00	350,000.00	39.10%
2005	308,196.00	150,000.00	48.67%
<b>Water/Sewer Operating Fund</b>			
2009	\$ 165,367.13	\$ 100,500.00	60.77%
2008	146,105.00		0.00%
2007	53,118.00	26,325.00	49.56%
2006	24,852.00		0.00%
2005	80,347.00	66,530.00	82.80%

**Note 6: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2009:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 66,506.14	\$ 162,240.14
Federal and State Grant Fund	48,474.18	
Dog License Fund		62.88
Trust-Other Funds	8,914.42	
General Capital Fund	104,851.54	
Water/Sewer Utility Operating Fund		6,958.93
Water/Sewer Utility Capital Fund	<u>5,515.67</u>	<u>65,000.00</u>
	<u>\$ 234,261.95</u>	<u>\$ 234,261.95</u>

**Note 7: PENSION PLANS**

The Borough of West Wildwood contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. Also, there is the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. No employees participate in the DCRP for 2009. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 7: PENSION PLANS (CONT'D)

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

Public Employees Retirement System

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by Borough</u>
2009	\$25,463.00	\$ 16,472.00	\$41,935.00		\$41,935.00
2008	14,148.00	10,903.00	25,051.00	\$ 5,010.20	20,040.80 (1)
2007	11,663.00	6,057.00	17,720.00	7,088.00	10,632.00 (1)

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

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

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

Police and Firemen's Retirement System

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by Borough</u>
2009	\$17,357.00	\$ 15,832.00	\$33,189.00		\$33,189.00
2008	22,693.00	13,410.00	36,103.00		36,103.00
2007	16,546.00	8,256.00	24,802.00	\$ 4,960.40	19,841.60 (1)

**Pension Deferral** – Public Law 2009, c.19 (S-21) was enacted on March 17, 2009 and allowed 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 PFRS obligations for payments due in the State fiscal year ending June 30, 2009. The payments were due on April 1, 2009 (with a grace period until April 30).

The amount will be repaid starting in April of 2012 over a 15 year period. The amount will fluctuate based on pension system investment earnings on the deferred amount.

The Borough did not defer any portions of their pension payments during 2009.

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

**Note 7: PENSION PLANS (CONT'D)**

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

As of December 31, 2009, no employees of the Borough participate in this pension plan.

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

(1) Under the provisions of Chapter 108, P.L. 2003 the Borough's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Borough is paying 100% of the total normal contribution and accrued liability.

**Note 8: OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 9, the Borough provides post employment health care benefits, at its cost, to certain police officers and firefighters. This entitlement requires that police officers retire from service with the Borough, be covered by any collective bargaining agreement between the Borough and the Fraternal Order of Police, Garden State Lodge No. 3 and have served at least twenty-five years as a police officer in any capacity and in any jurisdiction in which that service is eligible for credit in the Police and Firemen's Pension System. The entitlement for firefighters requires that they retire from service with the Borough, be covered by any collective bargaining agreement between the Borough and the Firemen's Mutual Benevolent Association, Local No. 64 and have served at least twenty-five years as a firefighter in the Borough. The health care benefits will be in a form consistent with that provided to all active members of the Borough Police and Fire Department whose service is covered by any collective bargaining agreement between the Borough and the Fraternal Order of Police, Garden State Lodge No. 3 or the Firemen's Mutual Benevolent Association, Local No. 64.

The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2009, there were no retired employees who received this benefit.

**Note 9: COMPENSATED ABSENCES**

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

The Borough of West Wildwood compensates employees for unused sick leave upon termination or retirement. The current policy provides that upon separation of service in good standing from the Borough, employees may either utilize or sell back to the Borough, at the then current rate of pay of the employee, up to fifty percent (50%) of the employee's unused accumulated sick days up to a maximum of ten thousand (\$10,000) dollars.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2009, accrued benefits for compensated absences are valued at \$93,191.30.

**Note 10: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

Note 11: CAPITAL DEBTSummary of Debt

	<u>Year 2009</u>	<u>Year 2008</u>	<u>Year 2007</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 384,000.00	\$ 480,200.00	\$ 452,200.00
Water / Sewer Utility:			
Bonds and Notes	2,208,589.23	2,251,496.00	2,292,396.00
Total Issued	<u>2,592,589.23</u>	<u>2,731,696.00</u>	<u>2,744,596.00</u>
<u>Authorized but not issued</u>			
General:			
Bonds and Notes	2,160,200.00	310,200.00	
Water / Sewer Utility:			
Bonds and Notes	76,000.00	76,000.00	76,000.00
Total Authorized but Not Issued	<u>2,236,200.00</u>	<u>386,200.00</u>	<u>76,000.00</u>
Total Issued and Authorized but Not Issued	<u>4,828,789.23</u>	<u>3,117,896.00</u>	<u>2,820,596.00</u>
Deductions:			
Self-liquidating Debt	2,013,432.03	2,327,496.00	2,368,396.00
Net Debt	<u>\$ 2,815,357.20</u>	<u>\$ 790,400.00</u>	<u>\$ 452,200.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 0.94%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water / Sewer Utility	\$ 2,284,589.23	\$ 2,013,432.03	\$ 271,157.20
General	<u>2,544,200.00</u>		<u>2,544,200.00</u>
	<u>\$ 4,828,789.23</u>	<u>\$ 2,013,432.03</u>	<u>\$ 2,815,357.20</u>

Net Debt \$2,815,357.20 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$300,370,816.00 equals 0.94%

Note 11: **CAPITAL DEBT (CONT'D)**

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

3% of Equalized Valuation Basis (Municipal)	\$ 9,011,124.48
Net Debt	<u>2,815,357.20</u>
Remaining Borrowing Power	<u><u>\$ 6,195,767.28</u></u>

**Calculation of "Self-Liquidating Purpose,"**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$ 542,264.44
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Operating and Maintenance Cost Debt Service	\$ 406,865.64
	<u>148,956.66</u>

Total Deductions	<u>555,822.30</u>
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Deficit in Revenue	<u>\$ (13,557.86)</u>
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**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Year</u>	<u>Water/Sewer Utility</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 44,969.14	\$ 103,966.86
2011	47,131.63	101,804.37
2012	49,399.15	99,536.85
2013	51,776.86	97,159.15
2014	54,270.16	94,665.85
2015-2019	313,210.34	431,469.64
2020-2024	396,507.60	348,172.38
2025-2029	502,239.13	242,440.86
2030-2034	560,222.20	111,292.28
2034-2038	188,665.68	17,254.33
	<u>\$ 2,208,391.89</u>	<u>\$ 1,647,762.57</u>

**Note 12: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2009, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>2010 Budget</u> <u>Appropriation</u>
Current Fund:		
Emergency Authorizations (40A:4-47)	\$ 67,500.00	\$ 67,500.00
Overexpenditure of Appropriation	<u>9,712.14</u>	<u>9,712.14</u>
	<u>\$ 77,212.14</u>	<u>\$ 77,212.14</u>

The appropriations in the 2010 Budget as adopted are not less than that required by the statutes.

**Note 13: JOINT INSURANCE POOL**

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

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

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.

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2009, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund  
Greentree Centre/525 Lincoln Drive West  
P.O. Box 489  
Marlton, New Jersey 08053



**Note 14: NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

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

<u>Year</u>	<u>Borough</u>		<u>Ending</u>
	<u>Contributions</u>	<u>Reimbursed</u>	
2009	\$ 30,711.43	(1)	\$ 1,244.39
2008	10,043.57		2,960.30
2007	5,096.00		29,235.00

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2009.

(1) The Current Fund paid and was reimbursed the amounts from unemployment, thus the transactions did not go through the Borough's Unemployment Trust Fund.

**Note 15: 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 16: SUBSEQUENT EVENTS**

Subsequent to December 31, 2009, the Borough is in negotiations for several tax appeals on file against the Borough. When resolved, the appeals may result in a material reduction in assessment and the cancellation and refund of property taxes paid.

Subsequent to December 31, 2009 the Borough of West Wildwood authorized additional Bonds and Notes as follows:

<u>General Capital:</u>	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Bonds and Notes:		June 7 <sup>th</sup> , 2010	\$1,510,000.00



**SUPPLEMENTAL EXHIBITS**



**SUPPLEMENTAL EXHIBITS**  
**CURRENT FUND**



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Current Cash  
 Per N.J.S. 40A:5-5 -- Treasurer  
 For the Year Ended December 31, 2009

	<u>Current Fund</u>	Federal and State <u>Grant Fund</u>
Balance December 31, 2008		
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 20,882.52	
Collector	3,200,541.07	
Revenue Accounts Receivable	114,245.43	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	15,250.00	
Due State of New Jersey -- DYFS	50.00	
Due Current Fund		\$ 25,418.97
Due Dog License Fund	30.40	
Due Trust - Other Fund	377.99	
Due General Capital Fund	35,000.00	
Due Sewer Utility Operating Fund	2,908.81	
Federal and State Grants Receivable		<u>106,759.04</u>
	<u>3,389,286.22</u>	<u>\$ 132,178.01</u>
Decreased by Disbursements:		
2009 Appropriations	1,551,144.22	
2008 Appropriation Reserves	98,624.36	
Refunds - Tax Overpayments	5,819.47	
County Taxes Payable	648,148.97	
Due State of New Jersey -- DYFS	75.00	
Due County for Added and Omitted Taxes	4,976.67	
Local School District Taxes Payable	1,107,755.50	
Refund of Prior Year Revenue	11,962.77	
Due Federal and State Grant Fund	25,418.97	
Due Trust -- Other Fund	34,954.23	
Reserve for Federal and State Grants -- Appropriated		<u>132,178.01</u>
	<u>3,488,880.16</u>	<u>132,178.01</u>
Balance December 31, 2009	<u>\$ 1,380,351.64</u>	<u>-</u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Current Cash  
 Per N.J.S. 40A:5-5 - Collector  
 For the Year Ended December 31, 2009

<b>Increased by:</b>	
Taxes Receivable	\$ 3,097,289.50
Prepaid Taxes	52,418.91
Tax Overpayments	24,418.43
Revenue Accounts Receivable:	
Miscellaneous Revenue Not Anticipated	\$ 973.28
Interest and Costs on Taxes	<u>25,440.95</u>
	<u>26,414.23</u>
<b>Decreased by:</b>	
Payments to Treasurer	3,200,541.07
	<u><u>\$ 3,200,541.07</u></u>



14600

Exhibit SA-3

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Schedule of Change Funds  
For the Year Ended December 31, 2009

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<u>Office</u>	<u>Amount</u>
Treasurer	<u>\$ 200.00</u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
**Statement of Taxes Receivable**  
**For the Year Ended December 31, 2009**

Year	Balance December 31, 2008	2009 Levy	Added Taxes	2008 Collections	2009 New Jersey State of	Transferred to Tax Title Liens	Over- Payments Applied	Cancelled	Balance December 31, 2009
2007	\$ 106.11								106.11
2008	\$ 188,665.95	\$ 16,799.12		\$ 193,529.04	\$ 8,020.85		\$ 3,915.18		106.11
2009	\$ 188,772.06		\$ 16,799.12	\$ 51,605.06	\$ 15,250.00	\$ 1,285.77			164,589.84
	\$ 188,772.06	\$ 3,205,226.84	\$ 16,799.12	\$ 51,605.06	\$ 3,097,289.50	\$ 15,250.00	\$ 8,020.85	\$ 1,285.77	\$ 72,650.89
	\$ 188,772.06	\$ 3,205,226.84	\$ 16,799.12	\$ 51,605.06	\$ 3,097,289.50	\$ 15,250.00	\$ 8,020.85	\$ 1,285.77	\$ 72,650.89

**Analysis of 2009 Property Taxes**

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

\$ 3,203,177.59  
 2,049.25  
\$ 3,205,226.84

Tax Levy:  
 Local District School Tax  
 County Taxes:

1,107,755.50

\$ 521,593.49

94,165.07

32,390.41

2,049.25

Net County Taxes  
 County Library Tax  
 County Open Space Tax  
 Due County for Added and Omitted Taxes

650,198.22

1,441,815.25

5,457.87

1,447,273.12

\$ 3,205,226.84

Local Tax for Municipal Purposes Levied

Total County Taxes  
 Local Tax for Municipal Purposes  
 Add: Additional Tax Levied

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2009

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Balance December 31, 2008	\$ 18,344.61
Increased by:	
Interest and Costs Accrued by Sale of December 14, 2009	1,521.91
Transfers from Taxes Receivable	<u>8,020.85</u>
Balance December 31, 2009	<u><u>\$ 27,887.37</u></u>

**BOROUGH OF WEST WILWOOD**  
**CURRENT FUND**  
**Statement of Revenue Accounts Receivable**  
**For the Year Ended December 31, 2009**

	Balance	Accrued in	Collections	Treasurer	Due from	Due from	Due from	Capital	Balance
	December 31, 2008	2009	Collector		Dog License	Trust - Other	General	December 31, 2009	
Clerk:									
Licenses:									
Alcohol Beverages	\$ 1,020.00			\$ 1,020.00					
Other		24,087.00		24,087.00					
Tax Collector:									
Interest and Costs on Taxes		25,440.95	\$ 25,440.95						
Miscellaneous Revenue Not Anticipated		973.28	973.28						
Treasurer:									
Consolidated Municipal Property Tax Relief Aid	565.00				565.00				
Energy Receipts Tax	50,779.00				50,779.00				
Supplemental Energy Receipts Tax	585.00				585.00				
Non Budgeted Revenue:									
Cable Television Franchise Tax	5,750.60				5,750.60				
Interest Earned on Deposits	11,273.28				9,901.09	\$ 0.81	\$ 719.70	\$ 651.68	
Clerk:									
Other	5,977.49				5,977.49				
Municipal Court:									
Fines and Costs	505.04	15,663.06		15,663.06					
	\$ 505.04	\$ 142,114.66	\$ 26,414.23	\$ 114,245.43	\$ 0.81	\$ 719.70	\$ 651.68	\$ 587.85	\$ 587.85

14600

Exhibit SA-7

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Deferred Charges  
 For the Year Ended December 31, 2009

	Balance December 31, 2008	Added in 2009	Raised in 2009 Budget	Balance December 31, 2009
Emergency Authorizations (40A:4-47)	\$ 10,709.97	\$ 67,500.00	\$ 10,709.97	\$ 67,500.00
Overexpenditure of Appropriations	\$ 10,709.97	\$ 9,712.14	\$ 10,709.97	\$ 9,712.14
	<u>\$ 10,709.97</u>	<u>\$ 77,212.14</u>	<u>\$ 10,709.97</u>	<u>\$ 77,212.14</u>

**BOROUGH OF WEST WILDWOOD  
CURRENT FUND  
Statement of 2008 Appropriation Reserves  
For the Year Ended December 31, 2009**

OPERATIONS -- WITHIN "CAPS" General Government Functions: Mayor and Commissioners	Encumbered	Reserved	Modification	Expended	Lapsed
	Balance	December 31, 2008	After		Balance
		Reserved	Modification		
Salaries and Wages	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 10,853.93	\$ 1,000.00
Other Expenses		9,074.38	10,928.31		74.38
Municipal Clerk			3,636.25		3,636.25
Salaries and Wages	237.70	21.17	258.87	237.70	21.17
Other Expenses					
Financial Department		2,731.19	2,731.19		2,731.19
Salaries and Wages	1,912.39	4,521.21	6,433.60	3,925.41	2,508.19
Other Expenses					
Data Processing		792.26	792.26		792.26
Other Expenses					
Collection of Taxes		4,918.90	4,918.90		4,918.90
Salaries and Wages	382.90	314.91	697.81	382.60	315.21
Other Expenses					
Assessment of Taxes		32,439.44	39,439.44	21,702.44	17,737.00
Other Expenses					
Legal Services and Costs		165.64	165.64		165.64
Salaries and Wages	1,862.00	1,500.00	13,362.00	6,907.38	6,454.62
Other Expenses					
Engineering Services		5,817.25	5,817.25	2,566.50	3,250.75
Other Expenses					
Land Use Board		333.40	333.40		333.40
Salaries and Wages	32.08	2,292.63	2,324.71	32.08	2,292.63
Other Expenses					

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of 2008 Appropriation Reserves  
For the Year Ended December 31, 2009

	Balance December 31, 2008		Balance After Modification	Expended	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Other Code Enforcement					
Salaries and Wages		\$ 1,541.59	\$ 1,541.59		\$ 1,541.59
Other Expenses		180.00	180.00		180.00
Insurance					
Liability Insurance		6,623.00	6,623.00		6,623.00
Worker's Compensation		2,465.00	2,465.00		2,465.00
Group Employee Insurance		39,629.79	28,629.79	\$ 23,954.32	4,675.47
Police Department					
Salaries and Wages		37,638.67	37,638.67		37,638.67
Other Expenses	\$ 1,186.95	51,209.77	38,396.72	6,417.19	31,979.53
Office of Emergency Management					
Other Expenses	54.97	1,623.06	1,678.03	54.97	1,623.06
Fire Department					
Salaries and Wages		2,750.02	2,750.02		2,750.02
Other Expenses	1,505.99	933.44	2,439.43		2,439.43
Municipal Court					
Salaries and Wages		700.00	700.00		700.00
Other Expenses		15,494.05	15,494.05		15,494.05
Public Defender					
Other Expenses		350.00	350.00		350.00
Public Works					
Salaries and Wages		35,112.29	35,112.29		35,112.29
Other Expenses	4,024.15	6,340.41	10,364.56	4,732.99	5,631.57
Buildings and Grounds					
Salaries and Wages		4,797.00	4,797.00		4,797.00
Other Expenses	2,133.43	2,165.08	4,298.51	2,619.66	1,678.85
Animal Control Services					
Other Expenses	1,151.98	107.96	1,259.94	1,201.98	57.96

(Continued)

**BOROUGH OF WEST WILDWOOD  
CURRENT FUND  
Statement of 2008 Appropriation Reserves  
For the Year Ended December 31, 2009**

	Balance December 31, 2008	Encumbered	Reserved	Modification After Balance	Expended	Balanced Lapsed
<b>OPERATIONS -- WITHIN "CAPS" (CONTD)</b>						
Parks and Recreation Functions:						
Other Expenses	\$ 577.74			\$ 577.74		\$ 577.74
Maintenance of Parks			120.18			120.18
Other Expenses			120.18			
Landfill/Solid Waste Disposal Costs			2,988.20	4,634.45	\$ 1,744.25	2,890.20
Other Expenses						
Celebration of Public Events	\$ 1,646.25					
Other Expenses			850.17	1,435.17		850.17
Utility Expenses and Bulk Purchases:						
Electricity	976.89		1,509.19	2,486.08	976.89	1,509.19
Street Lighting	1,918.68		1,898.37	3,817.05	1,918.68	1,898.37
Telephone	894.79		62.14	4,956.93	3,156.91	1,800.02
Gas (Natural and Propane)	1,242.84		3,804.09	5,046.93	1,242.84	3,804.09
Gasoline/Diesel	2,421.17		2,232.57	8,653.74	3,410.64	5,243.10
<b>Total Operations -- Within "CAPS"</b>	58,463.53		260,822.97	319,286.50	98,624.36	220,662.14
<b>DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</b>						
Contributions to:						
New Jersey Supplemental Disability Insurance (SDI)	25,000.00		5,097.35	25,000.00	5,097.35	25,000.00
Social Security System (O.A.S.I.)			30,097.35	30,097.35		30,097.35
<b>Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"</b>	-		30,097.35	30,097.35	-	30,097.35
<b>Total General Appropriations for Municipal Purposes -- Within "CAPS"</b>	58,463.53		290,920.32	349,383.85	98,624.36	250,759.49



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of 2008 Appropriation Reserves  
For the Year Ended December 31, 2009

	Balance December 31, 2008		Balance After Modification	Expended	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
<b>OPERATIONS -- EXCLUDED FROM "CAPS"</b>					
Regulatory Expenditures:					
Contribution to:					
Police and Firemen's Retirement System		\$ 0.20	\$ 0.20		\$ 0.20
Recycling Tax		1,260.00	1,260.00		1,260.00
Interlocal Municipal Service Agreements					
Police Dispatcher		2,000.00	2,000.00		2,000.00
Garbage & Trash Removal		132.74	132.74		132.74
Wildwood - Construction Official		6,100.00	6,100.00		6,100.00
Ambulance Fee		2,500.00	2,500.00		2,500.00
Total Operations -- Excluded from "CAPS"	-	11,992.94	11,992.94	-	11,992.94
<b>CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"</b>					
Police Equipment		13,000.00	13,000.00		13,000.00
	\$ 58,463.53	\$ 315,913.26	\$ 374,376.79	\$ 98,624.36	\$ 275,752.43

**BOROUGH OF WEST WILDWOOD**  
CURRENT FUND  
Statement of Due to State of New Jersey  
Veterans' and Senior Citizens' Deductions  
For the Year Ended December 31, 2009

Increased by:  
Receipts

\$ 15,250.00

Decreased by:  
Accrued In 2008  
Deductions per Tax Billing

\$ 15,250.00

**BOROUGH OF WEST WILDWOOD**  
**TRUST - OTHER FUND**  
Statement of Due to State of New Jersey -- Division of Youth and Family Services  
For the Year Ended December 31, 2009

---

Balance December 31, 2008	\$ 100.00
Increased by:	
Receipts	<u>50.00</u>
Decreased by:	
Disbursements	<u>150.00</u>
Balance December 31, 2009	<u>\$ 75.00</u>
<u>Analysis of Balance December 31, 2009</u>	
Fourth Quarter 2009	<u>\$ 75.00</u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Prepaid Taxes  
 For the Year Ended December 31, 2009

Balance December 31, 2008 (2009 Taxes)	\$ 51,605.06
Increased by:	
Receipts -- Collector	52,418.91
Decreased by:	
Application to Taxes Receivable	104,023.97
Balance December 31, 2009 (2010 Taxes)	\$ 52,418.91

## Exhibit SA-12

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Tax Overpayments  
 For the Year Ended December 31, 2009

Balance December 31, 2008	\$ 25,744.28
Increased by:	
Receipts -- Collector	24,418.43
Decreased by:	
Disbursements -- Refunded	\$ 5,819.47
Application to Taxes Receivable:	
2009 Taxes Receivable	1,285.77
Balance December 31, 2009	7,105.24
	\$ 43,057.47

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of County Taxes Payable  
 For the Year Ended December 31, 2009

<b>2009 Levy:</b>	
Net County Taxes	\$ 521,593.49
County Library Tax	94,165.07
Open Space Tax	<u>32,390.41</u>
	\$ 648,148.97
Decreased by:	
Disbursements	<u><u>\$ 648,148.97</u></u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Due County for Added and Omitted Taxes  
 For the Year Ended December 31, 2009

Balance December 31, 2008	\$ 4,976.67
Increased by:	
County Share of 2009 Levy:	
Added Assessments (R.S. 54:4-63.1 et seq.)	<u>2,049.25</u>
Decreased by:	
Disbursements	<u>7,025.92</u>
	<u>4,976.67</u>
Balance December 31, 2009	<u><u>\$ 2,049.25</u></u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Local School District Taxes  
 For the Year Ended December 31, 2009

---

Increased by:	
2009 Levy -- Calender Year	\$ 1,107,755.50
Decreased by:	
Disbursements	<u>\$ 1,107,755.50</u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Federal, State and Other Grant Fund  
 Statement of Federal, State and Other Grants Receivable  
 For the Year Ended December 31, 2009

	Balance December 31, 2008	Accrued	Received	Canceled	Balance December 31, 2009
<b>State Grants:</b>					
New Jersey Transportation --					
Trust Fund Authority Act -					
Arton Avenue Reconstruction	\$ 36,801.00	\$ 148,000.00			\$ 184,801.00
Urban Enterprise Zone - Administration	1,167.01		\$ 1,152.97		14.04
Urban Enterprise Zone - Projects:					
Family Festival	2,210.00	4,299.00			6,509.00
Family Festival Year 3	32,250.00				32,250.00
Police Year 1	2,776.00				2,776.00
26th Street Bulkhead	128,047.00		95,718.76		32,328.24
Railroad Bridge		50,000.00			50,000.00
Clean Communities Program		4,000.00	4,000.00		
Recycling Tonnage Grant	952.20		663.31		288.89
Small Cities ADA	303,610.00				303,610.00
<b>Total State Programs</b>	<u>507,813.21</u>	<u>206,299.00</u>	<u>101,535.04</u>	<u>-</u>	<u>612,577.17</u>
<b>Total Federal &amp; State Programs</b>	<u>507,813.21</u>	<u>206,299.00</u>	<u>101,535.04</u>	<u>-</u>	<u>612,577.17</u>
<b>Other Grants:</b>					
Joint Insurance Fund	5,500.00	3,402.00	2,000.00		6,902.00
CMC/MUA Public Area Recycling Grant	87.00	3,224.00	3,224.00		87.00
Cape May County Art Regrant	5,587.00	6,626.00	5,224.00	-	6,989.00
<b>Total All Grants</b>	<u>\$ 513,400.21</u>	<u>\$ 212,925.00</u>	<u>\$ 106,759.04</u>	<u>-</u>	<u>\$ 619,566.17</u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Federal, State and Other Grant Fund  
 Statement of Reserves for Federal, State and Other Grants - Unappropriated  
 For the Year Ended December 31, 2009

<u>Grant</u>	<u>Balance</u> <u>December 31, 2008</u>	<u>Federal, State</u> <u>and Other</u> <u>Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Revenue in</u> <u>2009</u>	<u>Balance</u> <u>December 31, 2009</u>
State Grants:				
New Jersey Transportation --				
Trust Fund Authority Act -				
Arion Avenue Reconstruction	\$ 148,000.00	\$ 148,000.00	\$ 148,000.00	
Urban Enterprise Zone - Projects:				
Family Festival		4,299.00	4,299.00	
Railroad Bridge		50,000.00	50,000.00	
Body Armor	\$ 789.74	789.74	789.74	
Clean Communities Program		4,000.00	4,000.00	
Other Grants:				
Joint Insurance Fund		3,402.00	3,402.00	
Arts Regrant Award		3,224.00	3,224.00	\$ 3,224.00
Cape May Co. Recreation Grant	50,000.00		50,000.00	
<b>Total All Grants</b>	<u>\$ 50,789.74</u>	<u>\$ 212,925.00</u>	<u>\$ 260,490.74</u>	<u>\$ 3,224.00</u>



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
**Federal, State and Other Grant Fund**  
**Statement of Reserves for Federal, State and Other Grants - Appropriated**  
**For the Year Ended December 31, 2009**

Grant	Balance December 31, 2008		Transferred - 2009 Budget Appropriations	Expenditures	Encumbered	Balance December 31, 2009
	Appropriated	Reserve for Encumbrances				
<b>Federal Grants:</b>						
Seatbelt Enforcement	\$ 2,000.00					\$ 2,000.00
DARE Police Grant	315.00					315.00
Municipal Stormwater Regulation Program	5,321.00					5,321.00
<b>Total Federal Grants</b>	<b>7,636.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,636.00</b>
<b>State Grants:</b>						
NJ Transportation Fund Authority Act						
Trust Fund Authority Act - Project No. 7803	(5,602.70)					(5,602.70)
Trust Fund Authority Act - Avenue J	2,677.00					2,677.00
Trust Fund Authority Act - 2006	79,206.00					79,206.00
Trust Fund Authority Act - Arion Ave. Reconstruction	10,568.66		\$ 170,200.00	\$ 25,431.57		155,337.09
Urban Enterprise Zone - Administration	15,012.37			12,040.78		2,971.59
Urban Enterprise Zone - Projects:						
Family Festival	2,300.00		4,299.00			6,599.00
Family Festival Year 3	924.00					924.00
Police Year 1	31,089.00					31,089.00
26th Street Bulkhead	32,328.00					32,328.00
Railroad Bridge			50,000.00	37,440.00		12,560.00
CMC Recreation Grant	1,278.00		50,000.00	48,619.00		2,659.00
SLA HEOP	2,406.00					2,406.00
Clean Communities Program	5,785.94	939.40	4,000.00	3,843.66		6,881.68*
Stormwater Grant	4,531.00					4,531.00
Recycling Tonnage Grant	777.00					777.00
Body Armour Fund			789.74			789.74
Drunk Driving Enforcement Fund	2,730.00					2,730.00
Small Cities ADA	303,610.00					303,610.00
<b>Total State Grants</b>	<b>489,620.27</b>	<b>939.40</b>	<b>279,288.74</b>	<b>127,375.01</b>	<b>-</b>	<b>642,473.40</b>
<b>Other Grants:</b>						
Joint Insurance Fund	1,511.77	432.00	3,402.00	432.00		4,913.77
Municipal Alliance Grant	300.00					300.00
Municipal Alliance Grant - Local Share	100.00		701.00	701.00		100.00
CMCMUA Recycling Rebate Grant	5,889.61					5,889.61
CMCMUA Public Area Recycling Grant	1,097.00					1,097.00
Defibrillator Grant	500.00					500.00
Cape May County Art Regrant	1,067.00			3,670.00	500.00	(3,103.00)
Cape May County - Fishing Pier & Park	4,509.57					4,509.57
	14,974.95	432.00	4,103.00	4,803.00	500.00	14,206.95
<b>Total All Grants</b>	<b>\$ 512,231.22</b>	<b>\$ 1,371.40</b>	<b>\$ 283,391.74</b>	<b>\$ 132,178.01</b>	<b>\$ 500.00</b>	<b>\$ 664,316.35</b>



**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**



**BOROUGH OF WEST WILDWOOD**  
**TRUST FUNDS**  
 Statement of Trust Fund Cash  
 Per N.J.S. 40A:5-5 -- Treasurer  
 For the Year Ended December 31, 2009

	<u>Dog License</u>	<u>Other</u>
Balance December 31, 2008	\$ 141.47	\$ 123,740.93
Increased by Receipts:		
Reserve for Dog License Fund Expenditures	\$ 34.00	
State Registration Fees	29.40	
Due Current Fund	0.81	
Miscellaneous Trust Reserves		\$ 35,673.93
	<u>64.21</u>	<u>821,659.82</u>
	205.68	857,333.75
Decreased by Disbursements:		
State Registration Fees	22.80	
Due Current Fund	30.40	
Miscellaneous Trust Reserves		377.99
	<u>53.20</u>	<u>837,278.68</u>
	152.48	981,074.68
Balance (Deficit) December 31, 2009	<u>\$ 152.48</u>	<u>\$ 837,656.67</u>
	<u><u>152.48</u></u>	<u><u>143,418.01</u></u>

**BOROUGH OF WEST WILDWOOD**  
**DOG LICENSE FUND**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2009

Balance December 31, 2008	\$	30.47
Increased by:		
Statutory Excess in Reserve for Dog License Expenditures	\$	62.00
Receipts--Interest Earned on Deposits		0.81
		<u>62.81</u>
Decreased by:		
Disbursements-Interfund Loans Returned		93.28
		<u>30.40</u>
Balance December 31, 2009	\$	<u><u>62.88</u></u>

**BOROUGH OF WEST WILDWOOD**  
**DOG LICENSE FUND**  
 Statement of Reserve for Dog License Fund Expenditures  
 For the Year Ended December 31, 2009

Balance December 31, 2008	\$ 111.00
Increased by:	
Receipts:	
Dog License Fees Collected	34.00
Decreased by:	
Expenditures under R.S. 4:19-15.11:	145.00
Due Current	62.00
Balance December 31, 2009	\$ 83.00

Dog License Fees Collected:

Year	
2007	\$ 43.00
2008	40.00
	\$ 83.00

**BOROUGH OF WEST WILDWOOD**

**DOG LICENSE FUND**

Statement of Due to State of New Jersey -- Registration Fees  
For the Year Ended December 31, 2009

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Increased by:	
Receipts	\$ 29.40
Decreased by:	
Disbursements	29.40
	<u>22.80</u>
Balance December 31, 2009	<u>\$ 6.60</u>



**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2009

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Balance December 31, 2008	\$ 153,950.23
Increased by Receipts:	
Due Current Fund	<u>651.68</u>
Decreased by Disbursements:	
Improvement Authorizations	<u>154,601.91</u>
	<u>102,249.11</u>
Balance December 31, 2009	<u><u>\$ 52,352.80</u></u>

BOROUGH OF WEST WILDWOOD  
GENERAL CAPITAL FUND  
Analysis of General Capital Cash  
For the Year Ended December 31, 2009

	Receipts		Disbursements		
	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	From To	
Balance (Overdraft) December 31, 2008					Balance (Overdraft) December 31, 2009
Act Receivable					
New Jersey Transportation Trust Fund Authority					
	\$ (35,000.00)			\$ 35,000.00	\$ (1,220,000.00)
Due Current Fund					
Capital Improvement Fund					
Fund Balance	124,450.00				124,450.00
Improvement Authorizations:					
Ordinance Number					
450 Various Road Improvements	481.00				481.00
475 Various Capital Improvements	48,415.73	\$ 36,178.74			12,236.99
482 Improvements to Bay Avenue and Other Streets	84,183.83	66,070.37			18,113.46
497 Various Improvements to the 26th Street Bulkhead					1,220,000.00
<b>Total</b>	<b>\$ 153,950.23</b>	<b>\$ 102,249.11</b>	<b>\$ -</b>	<b>\$ 1,255,000.00</b>	<b>\$ 52,352.80</b>
Miscellaneous	651.68				651.68
Anticipation Notes					
Bond Anticipation Notes					

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -- Unfunded  
 For the Year Ended December 31, 2009

Ordinance Number	Improvement Description	Balance December 31, 2008	2009 Authorizations	Funded by Budget Appropriation	Balance December 31, 2009	Analysis of Balance December 31, 2009		Unexpended Improvement Authorizations
						Bond Anticipation Notes	Expenditures	
	General Improvements:							
450	Various Road Improvements	\$ 330,000.00		\$ 66,200.00	\$ 263,800.00	\$ 264,000.00	\$ 200.00	
475	Various Capital Improvements	300,200.00		10,000.00	290,200.00	40,000.00		\$ 250,200.00
482	Improvements to Bayonne Avenue and Other Streets	160,000.00		20,000.00	140,000.00	80,000.00		60,000.00
497	Various Improvements to the 26th Street Bulkhead		<u>\$ 1,850,000.00</u>		<u>1,850,000.00</u>			<u>1,850,000.00</u>
		<u>\$ 790,200.00</u>	<u>\$ 1,850,000.00</u>	<u>\$ 96,200.00</u>	<u>\$ 2,544,000.00</u>	<u>\$ 384,000.00</u>	<u>200.00</u>	<u>\$ 2,160,200.00</u>
	Improvement Authorizations - Unfunded							\$ 2,190,831.45
	Less:							
	Unexpended proceeds of Bond Anticipation Note:							
	Ordinance - 450					\$ 281.00		
	Ordinance - 475					12,236.99		
	Ordinance - 482					<u>18,113.46</u>		
								<u>30,631.45</u>
								<u>\$ 2,160,200.00</u>

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of New Jersey Transportation Trust Fund Authority Act Receivable  
 For the Year Ended December 31, 2009

Balance December 31, 2008	\$ 35,000.00
Increased by:	
Accrued in 2009	1,220,000.00
Decreased by:	
Collections made by Current Fund	35,000.00
Balance December 31, 2009	\$ 1,220,000.00

**BOROUGH OF WEST WILDWOOD**  
GENERAL CAPITAL FUND  
Statement of Due from Current Fund  
For the Year Ended December 31, 2009

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Balance December 31, 2008	\$ 70,503.22
Increased by:	
Collections made by the Current Fund	<u>35,000.00</u>
	105,503.22
Decreased by:	
Receipts:	
Interest Earned on Deposits	<u>651.68</u>
Balance December 31, 2009	<u><u>\$ 104,851.54</u></u>

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
**Statement of Improvement Authorizations**  
**For the Year Ended December 31, 2009**

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance December 31, 2008		2009 Authorizations		Paid or Charged	Balance December 31, 2009
				Funded	Unfunded	New Jersey to Future Transportation Trust Fund	Unfunded Taxation -		
450	Various Road Improvements	5/24/05	\$ 560,000.00	\$ 281.00				\$ 281.00	
475	Various Capital Improvements	2/1/08	316,000.00	298,615.73		\$ 36,178.74		262,436.99	
482	Improvements to Bay Avenue and Other Streets	4/2/08	300,000.00	144,183.83		66,070.37		78,113.46	
497	Various Improvements to the 26th Street Bulkhead	10/2/09	1,850,000.00					1,850,000.00	
				\$ 443,080.56	\$ 1,220,000.00	\$ 1,850,000.00	\$ 102,249.11	\$ 2,190,831.45	\$ 1,220,000.00

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds Anticipation Notes  
 For the Year Ended December 31, 2009

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2008	Renewals	Renewals	Paid by Budget Appropriation	Balance December 31, 2009
General Improvements:										
450	Various Road Improvements	10/20/2005	10/16/2008	10/16/2009	3.81%	\$ 330,200.00		\$ 264,000.00	\$ 66,200.00	
		10/20/2005	10/16/2009	10/15/2010	2.34%		\$ 264,000.00			\$ 264,000.00
475	Various Capital Improvement	10/16/2008	10/16/2008	10/16/2009	3.81%	50,000.00		40,000.00	10,000.00	
		10/16/2008	10/16/2009	10/15/2010	2.34%		40,000.00			40,000.00
482	Improvement to Bayonne Avenue and Other Streets	10/16/2008	10/16/2008	10/16/2009	3.81%	100,000.00		80,000.00	20,000.00	
		10/16/2008	10/16/2009	10/15/2010	2.34%		80,000.00			80,000.00
						<u>\$ 480,200.00</u>	<u>\$ 384,000.00</u>	<u>\$ 384,000.00</u>	<u>\$ 96,200.00</u>	<u>\$ 384,000.00</u>

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized but not Issued  
 For the Year Ended December 31, 2009

Ordinance Number	Improvement Description	Balance December 31, 2008	2009 Authorizations	Balance December 31, 2009
475	Various Capital Improvements	\$ 250,200.00		\$ 250,200.00
482	Improvements to Bay Avenue and Other Streets	60,000.00		60,000.00
497	Various Improvements to the 26th Street Bulkhead		\$ 1,850,000.00	1,850,000.00
	<b>General Improvements:</b>			
		\$ 310,200.00	\$ 1,850,000.00	\$ 2,160,200.00



**BOROUGH OF WEST WILDWOOD**  
**TRUST - OTHER FUND**  
 Statement of Due from Current Fund  
 For the Year Ended December 31, 2009

	<u>Total</u>	<u>Tax Title Lien Redemption</u>	<u>Unemployment Compensation Insurance</u>	<u>Payroll</u>	<u>Parks and Grounds</u>	<u>Uniform Fire</u>	<u>Law Enforcement</u>	<u>Trust Other</u>
Balance December 31, 2008 Due from	\$ 19,576.24	\$ (95.32)	-	\$ (216.75)	\$ (2.98)	\$ (52.48)	\$ (10.46)	\$ 19,954.23
Increased by:								
Receipts :								
Interest Earned on Deposits	719.70	157.71		295.90	3.02	24.95	10.47	227.65
Collections made on behalf of Current Fund:								
Revenue Accounts Receivable	1,811.16			1,811.16				
Interfund Loans Received	34,954.23		\$ 15,000.00					19,954.23
	<u>37,485.09</u>	<u>157.71</u>	<u>15,000.00</u>	<u>2,107.06</u>	<u>3.02</u>	<u>24.95</u>	<u>10.47</u>	<u>20,181.88</u>
	<u>(17,908.85)</u>	<u>(253.03)</u>	<u>(15,000.00)</u>	<u>(2,323.81)</u>	<u>(6.00)</u>	<u>(77.43)</u>	<u>(20.93)</u>	<u>(227.65)</u>
Decreased by:								
Disbursements:								
Interest Earned on Deposits	377.99	95.32		216.75	2.98	52.48	10.46	
Collections made on behalf of Current Fund:								
Revenue Accounts Receivable	-							
Payments made on behalf of the Current Fund	26,445.28			26,445.28				
	<u>26,823.27</u>	<u>95.32</u>	<u>-</u>	<u>26,662.03</u>	<u>2.98</u>	<u>52.48</u>	<u>10.46</u>	<u>-</u>
Balance December 31, 2009 Due from	<u>\$ 8,914.42</u>	<u>\$ (157.71)</u>	<u>\$ (15,000.00)</u>	<u>\$ 24,338.22</u>	<u>\$ (3.02)</u>	<u>\$ (24.95)</u>	<u>\$ (10.47)</u>	<u>\$ (227.65)</u>

**BOROUGH OF WEST WILDWOOD**  
**TRUST - OTHER FUND**  
 Statement of Miscellaneous Trust Reserves  
 For the Year Ended December 31, 2009

	Increased by		Decreased by	
	Receipts	Interfund	Disbursements	Balance
	Dec. 31, 2008	Interfund	Disbursements	Dec. 31, 2009
Unemployment Compensation Insurance	\$ 2,960.30	\$ 38.03	\$ 1,753.94	\$ 1,244.39
Payroll Deductions Payable	45,185.81	\$ 24,634.12	810,591.99	56,782.27
Tax Title Lien Redemption	18,731.77	14,559.91	14,559.91	18,731.77
Uniform Fire Safety Code	5,681.28	8,232.55	10,112.84	3,800.99
Planning and Zoning	10,249.01			10,249.01
Housing Rehabilitation	3,842.00			3,842.00
Law Enforcement	2,084.00			2,084.00
Accumulated Absences	40,250.00			40,250.00
Bricks and Benches	3,527.00			3,527.00
Parks and Grounds	495.00	375.00	160.00	710.00
Festival Donations	10,311.00	900.00	100.00	11,111.00
<b>Due Current Fund</b>	\$ 143,317.17	\$ 821,659.82	\$ 837,278.68	\$ 152,332.43
		\$ 24,634.12		\$ 24,634.12

**SUPPLEMENTAL EXHIBITS**  
**GENERAL CAPITAL FUND**



**SUPPLEMENTAL EXHIBITS**

**WATER / SEWER UTILITY FUND**



**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY FUND**  
 Statement of Water / Sewer Utility Cash  
 Per N.J.S. 40A:5-5 -- Treasurer  
 For the Year Ended December 31, 2009

	Operating	Capital
Balance December 31, 2008	\$ 285,853.67	\$ 16,738.21
Increased by Receipts:		
Due Current Fund	\$ 1,443.26	
Due Water Sewer Utility Operating Fund Collector	522,616.40	\$ 83.88
Interest Earned on Deposits and Investments	1,721.92	
	525,781.58	83.88
Decreased by Disbursements:		
Due Current Fund		
2009 Appropriations	2,908.81	
2008 Appropriation Reserves	429,306.62	
Refund - Overpayments	14,251.71	
Accrued Interest on Bonds and Notes	649.51	
	106,029.23	
	553,145.88	-
Balance December 31, 2009	\$ 258,489.37	\$ 16,822.09

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Water / Sewer Utility Cash  
 Per N.J.S.A. 40A:5-5 Collector  
 For the Year Ended December 31, 2009

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Receipts:	
Water Consumer Accounts Receivable	\$ 85,054.48
Sewer Consumer Accounts Receivable	382,194.04
Prepaid Sewer Rents	717.73
Miscellaneous Revenue:	
Sewer Connection Fees	1,000.00
Shared Services Agreement - Wildwood	43,681.28
Interest and Costs on Delinquent Rents	9,968.87
	\$ 522,616.40
Decreased by:	
Payments to Treasurer	\$ 522,616.40



**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Analysis of Water / Sewer Utility Capital Cash  
 For the Year Ended December 31, 2009

	Balance (Overdraft) December 31, 2008	Receipts Miscellaneous	Transfers From	To	Balance (Overdraft) December 31, 2009
Due Water / Sewer Utility Operating Fund	\$ (599.55)	\$ 83.88	\$ 83.88		(599.55)
Due Current Fund	65,000.00				65,000.00
Capital Improvement Fund	6,000.00			\$ 83.88	6,083.88
Improvement Authorizations:					
Ordinance					
Number					
97-04;	15,250.00				15,250.00
03-04	(68,912.24)				(68,912.24)
Various Capital Improvements	\$ 16,738.21	\$ 83.88	\$ 83.88	\$ 83.88	\$ 16,822.09

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2009

Balance December 31, 2008	\$ 2,908.81
Increased by:	
Collections made on behalf of the Current Fund -	
Tax Deposits	1,443.26
	4,352.07
Decreased by:	
Disbursements - Interfund Loans Returned	2,908.81
Balance December 31, 2009	\$ 1,443.26

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
**Statement of Sewer Consumer Accounts Receivable**  
**For the Year Ended December 31, 2009**

Balance December 31, 2008		\$ 38,864.33
Increased by:		
Sewer Rents Levied	\$ 395,404.22	
Transferred - Overpayments	<u>7,530.66</u>	
		<u>402,934.88</u>
Decreased by:		
Receipts -- Collector	382,194.04	
Prepayments Applied	<u>11,439.84</u>	
		<u>393,633.88</u>
Balance December 31, 2009		<u>\$ 48,165.33</u>

Exhibit SD-6

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
**Statement of Water Consumer Accounts Receivable**  
**For the Year Ended December 31, 2009**

Balance December 31, 2008		\$ 11,792.47
Increased by:		
Water Rents Levied		<u>269,597.85</u>
		281,390.32
Decreased by:		
Receipts -- Collector	\$ 85,054.48	
Cancelled	184,787.07	
Prepayments Applied	6,599.72	
Overpayments Applied	<u>1,419.67</u>	
		<u>277,860.94</u>
Balance December 31, 2009		<u>\$ 3,529.38</u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Schedule of Fixed Capital  
 As of December 31, 2009

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Distribution Main and Accessories	\$ 106,148.00
Fire Hydrants	315.00
Water Main and Accessories	215,000.00
General Improvements	4,749,350.00
	<u>\$ 5,070,813.00</u>

**Exhibit SD-8**

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Schedule of Fixed Capital Authorized and Uncompleted  
 As of December 31, 2009

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	<u>Ordinance</u> <u>Date</u>	<u>Amount</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
General Improvements:				
426	Improvements to Water / Sewer System	4/17/2003	\$ 20,000.00	\$ 20,000.00
467	Repairs to Glenwood Avenue Water Main	4/4/2007	80,000.00	80,000.00
				<u>\$ 100,000.00</u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
**Statement of Appropriation Reserves**  
**For the Year Ended December 31, 2009**

	Balance December 31, 2008		Balance After Modification	Disbursed	Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salary and Wages		\$ 10,559.15	\$ 10,559.15		\$ 10,559.15
Other Expenses	\$ 29,844.85	16,445.14	46,289.99	\$ 14,251.71	32,038.28
<b>Total Operating</b>	<b>29,844.85</b>	<b>27,004.29</b>	<b>56,849.14</b>	<b>14,251.71</b>	<b>42,597.43</b>
Capital Improvements:					
Capital Outlay		10,000.00	10,000.00		10,000.00
<b>Total Operating</b>	<b>-</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>-</b>	<b>10,000.00</b>
Deferred Charges and Regulatory Expenditures:					
Regulatory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		619.07	619.07		619.07
Unemployment Compensation		400.00	400.00		400.00
	<b>-</b>	<b>1,019.07</b>	<b>1,019.07</b>	<b>-</b>	<b>1,019.07</b>
	<b>\$ 29,844.85</b>	<b>\$ 38,023.36</b>	<b>\$ 67,868.21</b>	<b>\$ 14,251.71</b>	<b>\$ 53,616.50</b>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Sewer Rent Overpayments  
 For the Year Ended December 31, 2009

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Balance December 31, 2008	\$ 4,779.15
Increased by:	
Transfer -- Overpayments	<u>7,530.66</u>
Balance December 31, 2009	<u><u>\$ 12,309.81</u></u>

Exhibit SD-11

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Water Rent Overpayments  
 For the Year Ended December 31, 2009

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Balance December 31, 2008	\$ 2,419.39
Decreased by:	
Refunds	\$ 649.51
Overpayments Applied	<u>1,419.67</u>
Balance December 31, 2009	<u><u>2,069.18</u></u> <u>\$ 350.21</u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Prepaid Sewer Rents  
 For the Year Ended December 31, 2009

Balance December 31, 2008	\$ 11,439.84
Increased by:	
Receipts -- Collector	717.73
Decreased by:	
Prepayments Applied	12,157.57
Balance December 31, 2009	\$ 717.73

Exhibit SD-13

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Prepaid Water Rents  
 For the Year Ended December 31, 2009

Balance December 31, 2008	\$ 6,599.72
Decreased by:	
Prepayments Applied	\$ 6,599.72

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Accrued Interest on Bonds and Notes  
 For the Year Ended December 31, 2009

<hr/>					
Balance December 31, 2008					\$ 43,133.71
Increased by:					
Budget Appropriation					<u>105,215.29</u>
Decreased by:					148,349.00
Interest Paid:					
Disbursed					<u>106,029.23</u>
Balance December 31, 2009					<u>\$ 42,319.77</u>
Principal					
Outstanding					
<u>December 31, 2009</u>					<u>Amount</u>
Serial Bonds:					
1992 Issue:					
456,055.12			12/31/2009	114	\$ 8,123.48
1994 Issue:					
807,598.34			12/31/2009	141	14,233.92
1998 Issue:					
944,935.77			12/31/2009	169	<u>19,961.77</u>
					<u>\$ 42,319.17</u>



**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Statement of Due from Water / Sewer Utility Operating Fund  
 For the Year Ended December 31, 2009

	\$
Balance December 31, 2008	599.55
Increased by:	
Capital Improvement Fund	5,000.00
Decreased by:	
Interest Earned on Deposits	83.88
Balance December 31, 2009	\$ 5,515.67

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Statement of Capital Improvement Fund  
 For the Year Ended December 31, 2009

	\$
Balance December 31, 2008	6,000.00
Increased by:	
2009 Budget Appropriations -- Due Water / Sewer Utility Operating Fund	5,000.00
Balance December 31, 2009	\$ 11,000.00

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Schedule of Improvement Authorizations  
 For the Year Ended December 31, 2009

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance</u>	
				<u>Funded</u>	<u>Dec. 31, 2009</u> <u>Unfunded</u>
General Improvements: Improvement to Water / Sewer System	426	4/17/2003	\$ 20,000.00		\$ 15,250.00
Repairs to Glenwood Avenue Water Main	467	4/4/2007	\$ 80,000.00	\$ 7,087.76	
			\$ 7,087.76	\$ 15,250.00	

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2009

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Balance December 31, 2008	\$ 2,819,317.00
Increased by:	
Serial Bonds Paid by:	
Budget Appropriation	<u>42,906.77</u>
Balance December 31, 2009	<u><u>\$ 2,862,223.77</u></u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Statement of Waste and Water Disposal Systems for Rural Communities Serial Bonds  
 For the Year Ended December 31, 2009

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2009	Interest Rate	Balance		Decreased	Balance December 31, 2009
					December 31, 2008	December 31, 2009		
General Obligation Bond	9/17/1992	\$ 562,600.00	3/8/2010 9/8/2010 3/8/2011 9/8/2011 3/8/2012 9/8/2012	5.625%	\$ 422,900.28	\$ 465,578.00	\$ 9,522.88	\$ 456,055.12
General Obligation Bond	8/12/1994	1,000,000.00	2/12/2010 8/12/2010 2/12/2011 8/12/2011 2/12/2012 8/12/2012	4.500%	750,616.82	824,832.00	17,233.66	807,598.34
General Obligation Bond	1/15/1998	1,095,000.00	1/5/2010 7/15/2010 1/5/2011 7/15/2011 1/5/2012 7/15/2012	4.500%	893,374.87	961,086.00	16,150.23	944,935.77
			2013 to 2038			\$ 2,251,496.00	\$ 42,906.77	\$ 2,208,589.23

**BOROUGH OF WEST WILDWOOD**

**PART 2**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**



**BOROUGH OF WEST WILDWOOD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2009**

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***Schedule of Financial Statement Findings***

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

**Finding No. 2009-1**

**Condition**

The Borough's bank reconciliations are not complete and accurate.

**Criteria**

Good internal control practices require that bank reconciliations have all of its outstanding items addressed and accounted for in a timely matter. As such, bank reconciliations should not have items reconciling to the balance per the bank sans deposits in transit and outstanding checks.

**Effect**

Without proper internal controls over the preparation of bank reconciliations, adjustments that have no bearing on the financial position of the Borough could be added or deducted to reconcile the bank balance to the general ledger balance.

**Cause**

Without the timely recording of transactions in the general ledger, the carrying of and creation of adjustments are needed to reconcile to the bank balance each month.

**Recommendation**

The Borough should establish proper internal controls over the preparation of complete and accurate bank reconciliations.

**View of Responsible Officials and Planned Corrective Action**

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

**BOROUGH OF WEST WILDWOOD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2009**

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***Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2009-2**

**Condition**

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

**Criteria**

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

**Effect**

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

**Cause**

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

**Recommendation**

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

**View of Responsible Officials and Planned Corrective Action**

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



**BOROUGH OF WEST WILDWOOD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2009**

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***Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2009-3**

**Condition**

Through our testing of expenditures, the following conditions were revealed:

- 1) There were several instances in which purchase orders were missing proper authorization.
- 2) The open purchase orders of the Borough were not being reviewed on a timely basis.
- 3) The Borough did not adopt an ordinance for the approval of the payment of claims per N.J.S. 40A:5-17a.

**Criteria**

The Borough's purchase vouchers should be approved and have completed and proper authorization. The Borough should also on a timely basis review open purchase orders for validity. Also, an ordinance describing the process for payment of claims should be adopted per N.J.S. 40A:5-17a.

**Effect**

Without proper internal controls over the aspects of the purchasing cycle, fraudulent and unknown purchases could occur without the Borough's knowledge.

**Cause**

The lack of adequate internal controls over the proper procedures over the payment and approval of the Borough's bills by not establishing a payment of claims ordinance, approval on all purchase vouchers and the adequate monitoring of all open purchases.

**Recommendation**

That the Borough establish adequate internal controls over the proper authorization of each purchase voucher and procedures to monitor open purchase vouchers for validity. Also, the Borough should pass an ordinance establishing the process for the payment of claims as per N.J.S. 40A:5-17a.

**View of Responsible Officials and Planned Corrective Action**

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

**BOROUGH OF WEST WILDWOOD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2009**

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***Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2009-4**

**Condition**

The Borough overexpended a budget line-item from the 2009 budget by \$9,712.14.

**Criteria**

New Jersey Laws and regulations require a legal appropriation prior to commitment of expenditure of the Borough's funds.

**Effect**

The Borough is not in compliance with the New Jersey laws and regulations covering budgeting and expending of Borough funds.

**Cause**

There was a failure to have effective controls in place over budgeting for appropriations and expending funds from the Borough's appropriations.

**Recommendation**

That the Borough establish effective controls over budgeting and over expenditures to assure that a legal appropriation is sufficient to cover expenditure prior to the commitment and or disbursement of funds.

**View of Responsible Officials and Planned Corrective Action**

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

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

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

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2008-1**

**Condition**

The general ledger for each fund was not properly maintained and as a result numerous audit adjustments were needed in order to achieve proper presentation in the financial statements.

**Current Status**

This condition has been resolved.

**Finding No. 2008-2**

**Condition**

The Borough's bank reconciliations are not complete and accurate.

**Current Status**

This condition still exists as reported in Finding No. 2009-1.

**Planned Corrective Action**

All bank reconciliations are complete and accurate.

**Finding No. 2008-3**

**Condition**

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

**Current Status**

This condition still exists as reported in Finding No. 2009-2.

**Planned Corrective Action**

Fixed assets will be updated for building values.

**Finding No. 2008-4**

**Condition**

The Borough does not maintain records with respect to accumulated absences.

**Current Status**

This condition has been resolved.

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

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**Finding No. 2008-5**

**Condition**

Through our testing of expenditures, the following conditions were revealed:

- 1) Several months bills did not have proper approval through the minutes.
- 2) Borough officials were not being provided all the proper information prior to the payment of bills at the monthly meetings.
- 3) A delay in the payment of bills has led to interruptions in vendor provided services.
- 4) There were several instances in which purchase orders were missing proper authentication.

**Current Status**

The first three conditions of this section have been resolved; refer to Finding No. 2009-3 for expenditure conditions.

**Planned Corrective Action**

Working on a plan to make proper corrections.

**Finding No. 2008-6**

**Condition**

Several of the Borough employee's W-4s were incomplete or improperly completed.

**Current Status**

This condition has been resolved.

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

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bonds</u>
Dr. Herbert Frederick	Mayor	
Scott Golden	Commissioner	
Gerard McNamara	Commissioner	
Judson Moore	Administrator/ Chief Financial Officer	(A)
Dorothy A. Tomlin	Municipal Clerk, Tax Collector	(A)
	Treasurer, Registrar of Vital Statistics	
Elizabeth J. O'Hala	Deputy Municipal Clerk,	(A)
	Assistant Tax Collector, Payroll Clerk	
Kathleen J. Sharkey	Utility Collector	(A)
Maria Sharkey	Computer Clerk	(A)
Laura J. Kassinger	Court Administrator, Violations Clerk	(A)
Tammy Lomonica	Deputy Court Administrator	(A)
Joseph M. Gallagher	Tax Assessor	
Louis J. Belasco Jr.	Judge of the Municipal Court	
Paul Baldini	Solicitor	(A)

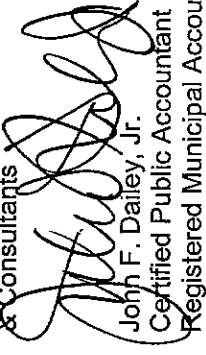
(A) Individuals are covered by a Public Officials Bond for amounts in excess of the amount required by to be individually bonded up to \$1,000,000.00 through the Atlantic County Municipal Joint Insurance Fund.

**APPRECIATION**

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

Respectfully submitted,

**BOWMAN & COMPANY LLP**  
Certified Public Accountants  
& Consultants



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



