

THANE BOURNE-BROWN  
Active CFO  
2012-07-06

BOROUGH OF WEST WILDWOOD

COUNTY OF CAPE MAY

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2011



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**BOROUGH OF WEST WILDWOOD**

**PART 1**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**



**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, 2011 and 2010, and the related statements of operations and changes in fund balance-- regulatory basis for the years then ended, and the related statement of revenues-- regulatory basis, statement of expenditures-- regulatory basis for the year ended December 31, 2011. 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.



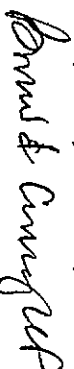
In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with 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, 2011 and 2010, 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, 2011 and 2010, 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, 2011 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 28, 2012 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 on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information, directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds 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 28, 2012





**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 West Wildwood  
West Wildwood, New Jersey

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, 2011, and have issued our report thereon dated June 28, 2012, 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 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**

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

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 deficiencies described in the accompanying Schedule of Findings and Recommendations to be material weaknesses as findings no.: 2011-1 and 2011-2.



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 as findings no.: 2011-3 and 2011-4.

**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.: 2011-2 and 2011-3.

We noted a matter that we have reported to management of the Borough in a separate letter dated June 28, 2012.

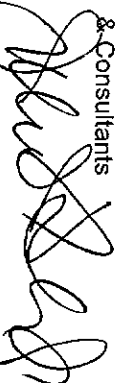
The Borough of West Wildwood's responses to the findings identified in our report are described in the accompanying Schedule of Findings and Recommendations. We did not audit the Borough of West Wildwood's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the Borough, others within the Borough, the Division of Local Government Services, and 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 28, 2012



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2011 and 2010

ASSETS:	Ref.	2011	2010
Regular Fund:			
Cash	SA-1	\$ 1,084,614.26	\$ 385,552.02
Change Fund	SA-3	200.00	200.00
Due from State of New Jersey --			
Veterans' and Senior Citizens' Deductions	SA-4	91.85	
		<u>1,084,906.11</u>	<u>385,752.02</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	133,509.47	214,409.26
Tax Title Liens Receivable	SA-6	138,916.10	32,150.46
Revenue Accounts Receivable	SA-7	711.22	1,070.07
Due from Dog License Fund	SB-2	417.94	2,269.16
Due from Trust Other Fund	SB-5		31,835.46
Due from General Capital Fund	SC-5		290,746.95
Due from Water/Sewer Utility Operating Fund	SD-17	65,000.00	105,769.84
Due from Water/Sewer Utility Capital Fund	D	65,000.00	65,000.00
		<u>338,554.73</u>	<u>743,251.20</u>
Deferred Charges:			
Emergency Appropriations (40A:4-47)	SA-8	254,750.00	119,130.00
Deficit in Operations	SA-8		49,233.59
Overexpenditure of Appropriation Reserves	SA-8	1,614.83	1,110.58
Overexpenditure of Appropriation	SA-8	97,485.52	83,320.23
Due Federal and State Grant Fund:			
Overexpenditure of Appropriated Reserve	SA-8		301.00
		<u>353,850.35</u>	<u>253,095.40</u>
Total Current Fund		<u>1,777,311.19</u>	<u>1,382,098.62</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-17	557,688.89	681,566.17
Due from Current Fund	SA-20	179,217.12	23,685.93
Total Federal and State Grant Fund		<u>736,906.01</u>	<u>705,252.10</u>
Total Assets		<u>\$ 2,514,217.20</u>	<u>\$ 2,087,350.72</u>

**BOROUGH OF WEST WILDWOOD**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-9	\$ 248,731.24	\$ 67,026.39
Reserve for Encumbrances	A-3, SA-9	171,325.59	42,153.96
Accounts Payable	SA-10	7,763.12	5,788.56
Due to State of New Jersey - DYFS	SA-11	50.00	150.00
Prepaid Taxes	SA-12	51,397.29	57,335.72
Tax Overpayments	SA-13	36,172.69	20,513.11
Due to County -- Added and Omitted Taxes	SA-15	767.38	
Due to Federal and State Grant Fund	SA-20	179,217.12	23,685.93
		<u>695,424.43</u>	<u>216,653.67</u>
Reserves for Receivables and Other Assets		338,554.73	743,251.20
Fund Balance	A-1	743,332.03	422,193.75
		<u>1,777,311.19</u>	<u>1,382,098.62</u>
Total Current Fund			
Federal and State Grant Fund:			
Reserve for Federal and State Grants -- Unappropriated	SA-18	34,342.96	1,920.17
Reserve for Federal and State Grants -- Appropriated	SA-19	702,063.05	702,831.93
Reserve for Encumbrances	SA-19	500.00	500.00
		<u>736,906.01</u>	<u>705,252.10</u>
Total Federal and State Grant Fund			
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,514,217.20</u>	<u>\$ 2,087,350.72</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>Revenue and Other Income Realized</b>		
Fund Balance Utilized	\$ 156,572.00	\$ 575,000.00
Miscellaneous Revenues Anticipated	530,121.78	277,128.63
Receipts from Delinquent Taxes	162,032.10	150,784.47
Receipts from Current Taxes	3,185,516.39	2,983,422.01
Non-Budget Revenues	319,259.59	112,628.02
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	72,020.31	116,240.55
Statutory Excess in Dog License Fund -- Due from Dog License Fund		45.00
Refund of Prior Year Expenditures		77,224.96
Adjustment to Prior Year Due County for Added and Omitted Taxes		1,632.75
Liquidation of Reserve for:		
Due Trust Other Fund	295.00	
Due Water Sewer Utility Operating Fund	823.51	
Total Income	<u>4,426,640.68</u>	<u>4,294,106.39</u>
<b>Expenditures</b>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	666,935.50	782,854.00
Other Expenses	1,121,189.64	812,729.02
Deferred Charges and Regulatory Expenditures Within "CAPS"	320,872.81	236,386.85
Operations Excluded from "CAPS":		
Other Expenses	60,721.17	160,803.00
Capital Improvements Excluded from "CAPS"		247,000.00
Deferred Charges excluded from "CAP"	112,005.59	33,000.00
Municipal Debt Service Excluded from "CAPS"	36,084.36	19,498.41
County Taxes	586,871.03	552,445.77
County Added and Omitted Taxes	767.38	286.97
Local District School Tax	1,395,050.50	1,262,783.00
Refund Prior Revenue		
Overexpenditure of Appropriation Reserves	1,614.83	1,110.58
Federal and State Grant Fund --		
Overexpenditure of Appropriated Reserve		301.00
Deductions Disallowed by Collector -- Prior Year Taxes	250.00	
Creation of Reserves for:		
Due Dog License Fund	417.94	2,206.28
Due Trust Other Fund		31,835.46
Due General Capital Fund		293,946.69
Due Water/Sewer Utility Operating Fund		110,014.76
Total Expenditures	<u>4,302,780.75</u>	<u>4,547,201.79</u>
		(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**

Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Excess in Revenue	\$ 123,859.93	
Deficit in Revenue		\$ (253,095.40)
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred		
Charges to the Budget of the Succeeding Year	<u>353,850.35</u>	<u>203,861.81</u>
Regulatory Excess to Fund Balance	477,710.28	
Deficit in Operations to be Raised in Budget of Succeeding Year		<u>\$ (49,233.59)</u>
<u>Fund Balance</u>		
Balance Jan. 1	<u>422,193.75</u>	<u>\$ 997,193.75</u>
Decreased by:	899,904.03	997,193.75
Utilization as Anticipated Revenue	<u>156,572.00</u>	<u>575,000.00</u>
Balance December 31	<u>\$ 743,332.03</u>	<u>\$ 422,193.75</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, 2011

	<u>Anticipated Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 156,572.00	-	\$ 156,572.00	-
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	840.00		1,020.00	\$ 180.00
Other	23,000.00		27,767.00	4,767.00
Interest and Costs on Taxes	32,300.93		29,380.71	(2,920.22)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	40,531.00		40,531.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Unappropriated Reserves:				
Arts Regrant Award	355.00		355.00	
Body Armor Replacement Fund	1,565.17		1,565.17	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Reserve for Due from Dog License Fund	2,269.16		2,269.16	
Reserve for Due from Trust Other Funds	31,540.46		31,540.46	
Reserve from General Capital Fund	290,746.95		290,746.95	
Reserve for Due from Water Sewer Utility Operating Fund	104,946.33		104,946.33	
Total Miscellaneous Revenues	528,095.00	-	530,121.78	2,026.78
Receipts from Delinquent Taxes	178,000.00	-	162,032.10	(15,967.90)

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
**Statement of Revenues -- Regulatory Basis**  
**For the Year Ended December 31, 2011**

	Anticipated	Special	Realized	Excess or (Deficit)
	Budget	N.J.S.A. 40A:4-87		
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	\$ 1,367,833.00	-	\$ 1,467,674.57	\$ 99,841.57
Budget Totals	2,230,500.00	-	2,316,400.45	85,900.45
Non-Budget Revenues			319,259.59	319,259.59
	\$ 2,230,500.00	-	\$ 2,635,660.04	\$ 405,160.04

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**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2011

<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	\$ 3,185,516.39	
Allocated to:		
Schools and County Taxes	<u>1,982,688.91</u>	
Balance for Support of Municipal Budget Appropriations	1,202,827.48	
Add: Appropriation "Reserve for Uncollected Taxes"	<u>264,847.09</u>	
Amount for Support of Municipal Budget Appropriations	<u>\$ 1,467,674.57</u>	
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	<u>\$ 162,032.10</u>	
Licenses -- Other:		
Mercantile Licenses	<u>\$ 27,767.00</u>	
<u>Analysis of Non-Budget Revenues</u>		
Revenue Accounts Receivable:		
Cable Television Franchise Tax	\$ 5,712.35	
Interest Earned on Deposits		
Current Fund	\$ 4,659.68	
Dog License Fund	4.74	
Trust Other Fund	843.89	
General Capital Fund	<u>7,989.62</u>	
		13,497.93
Tax Sale Advertisements		
Clerk:		
Street Openings	1,335.00	
Bulk Trash	164.00	
Police Reports	15.00	
Copies and Maps	126.05	
Reimbursements	4,907.21	
Planning and Zoning	630.00	
Marriage License	12.00	
Sale of Assets	105,400.00	
Dumpster Permits	<u>350.00</u>	
Collected by Trust Other Fund		112,939.26
		<u>123,951.00</u>

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2011

Analysis of Non-Budget Revenues (Cont'd)

Revenue Accounts Receivable (Cont'd):	
Municipal Court:	
Fines and Costs	\$ 12,559.36
 Treasurer:	
Receipts:	
Due State of New Jersey -- Veterans	\$ 335.00
and Senior Citizens - Administrative Fee	50,264.69
Other Miscellaneous	<u>50,599.69</u>
	<u>\$ 319,259.59</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, 2011

	<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"</b>							
<b>General Government Functions:</b>							
<b>General Administration</b>							
Salaries and Wages	\$ 35,000.00	\$ 35,000.00	\$ 34,248.12		\$ 751.88		
Other Expenses	35,000.30	35,000.30	28,690.68	\$ 6,250.00	59.62		
<b>Mayor and Commissioners</b>							
Salaries and Wages	20,600.00	20,600.00	20,455.30		144.70		
<b>Municipal Clerk</b>							
Salaries and Wages	91,475.00	91,475.00	81,156.57		10,318.43		
Other Expenses	10,800.00	10,800.00	10,466.53	322.92	10.55		
<b>Financial Department</b>							
Salaries and Wages	53,000.00	53,000.00	45,639.53		7,360.47		
Other Expenses	8,500.00	8,721.50	7,471.50		1,250.00		
<b>Audit Services</b>							
Data Processing	35,000.00	35,000.00	35,000.00				
<b>Other Expenses</b>							
	12,500.00	12,500.00	12,469.00		31.00		
<b>Collection of Taxes</b>							
Salaries and Wages	67,540.00	58,798.00	47,156.27		11,641.73		
Other Expenses	2,000.00	2,854.12	3,159.65	110.98			\$ 416.51
<b>Assessment of Taxes</b>							
Other Expenses	15,000.00	13,924.38	11,246.03		2,678.35		
<b>Legal Services and Costs</b>							
Salaries and Wages	35,000.00	35,000.00	35,000.00				
Other Expenses (Emergency \$254,750.00+)	77,812.82	332,562.82	181,107.09	52,500.00	98,955.73		
<b>Engineering Services</b>							
Other Expenses	5,000.00	5,000.00	2,786.69		2,213.31		
<b>Land Use Administration:</b>							
<b>Planning Board</b>							
Salaries and Wages	7,500.00	7,500.00	7,333.42		166.58		
Other Expenses	1,000.00	1,000.00	910.00		90.00		
<b>Insurance:</b>							
Liability Insurance	25,000.00	25,000.00	24,852.00		148.00		
Worker's Compensation	45,000.00	45,000.00	28,702.13		16,297.87		
Group Employee Insurance	170,000.00	131,333.00	198,402.01				67,069.01
Unemployment Compensation Insurance	30,000.00	30,000.00	28,856.11		1,143.89		

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(Continued)

BOROUGH OF WEST WILWOOD  
 CURRENT FUND  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2011

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

	Budget	Budget After Modification	Expended	Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled	Over-Expended
Public Safety Functions:								
Police Department	\$ 214,122.50	\$ 214,122.50	\$ 16,000.00	\$ 203,018.51	\$ 151.36		\$ 11,103.99	
Salaries and Wages								
Other Expenses								
Office of Emergency Management	3,500.00	200.00	143.66				56.34	
Aid to Volunteer Fire Companies	300.00	300.00					300.00	
Fire Department	3,800.00	3,800.00	2,045.02			1078.00	676.98	
Other Expenses								
Municipal Prosecutor's Office	2,500.00	500.00					500.00	
Salaries and Wages								
Municipal Court	4,100.00	4,100.00	989.30	4,100.00			473.55	
Salaries and Wages								
Other Expenses	1,500.00	1,500.00				\$37.15		
Public Defender	500.00	500.00	150.00				350.00	
Public Work Functions:								
Salaries and Wages	158,840.00	146,840.00	133,879.03				12,960.97	
Public Works	29,300.00	20,451.00	17,155.23			629.52	2,666.25	
Other Expenses								
Solid Waste Collection	51,000.00	51,000.00	37,800.00			12,600.00	600.00	
Buildings and Grounds	15,500.00	113,816.00	14,818.13			83,340.11	15,657.76	
Other Expenses								
Health and Human Services Functions:								
Animal Control Services	2,500.00	3,757.00	3,756.96				0.04	
Other Expenses								
Park and Recreation Functions:								
Parks and Recreation	1,500.00	1,000.00	557.04			93.02	349.94	
Other Expenses								
Maintenance of Parks	1,000.00	1,000.00	815.50				184.50	
Other Expenses								
Celebration of Public Events	2,000.00	2,000.00	1,992.80				7.20	
Other Expenses								

(Continued)

BOROUGH OF WEST WILDWOOD  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2011

	<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>		
OPERATIONS -- WITHIN "CAPS" (CONT'D)							
Utility Expenses and Bulk Purchases:							
Electricity	\$ 21,000.00	\$ 21,000.00	\$ 19,639.73		\$ 1,360.27		
Street Lighting	23,000.00	23,000.00	17,469.49		5,530.51		
Telephone / Communications	20,000.00	24,684.00	24,267.61	\$ 97.98	318.41		
Natural Gas	11,000.00	11,000.00	6,966.32	54.55	3,979.13		
Gasoline / Diesel	22,000.00	22,000.00	20,951.70		1,048.30		
Landfill / Solid Waste Disposal Costs:							
Landfill Fees	48,000.00	48,000.00	20,294.95		27,705.05		
<b>Total Operations - within "CAPS"</b>	<b>1,435,690.62</b>	<b>1,720,639.62</b>	<b>1,391,209.00</b>	<b>157,265.59</b>	<b>239,650.55</b>	<b>-</b>	<b>\$ 67,485.52</b>
Detail:							
Salaries and Wages	689,677.50	666,935.50	611,986.75	-	54,948.75	-	
Other Expenses	746,013.12	1,053,704.12	779,222.25	157,265.59	184,701.80	-	67,485.52
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"							
Deferred Charges:							
Emergency Authorizations	56,358.00	56,358.00	56,358.00				
Overexpenditure of Appropriation	83,320.23	83,320.23	83,320.23				
Overexpenditure of Appropriation Reserves	1,110.58	1,110.58	1,110.58				
Overexpenditure of Appropriation Reserves -- Federal and State Grant Fund	301.00	301.00	301.00				
Regulatory Expenditures:							
Contribution to:							
Police and Firemen's Retirement System	69,633.00	69,633.00	69,633.00				
Public Employees' Retirement System	25,150.00	25,150.00	25,150.00				
Social Security System (O.A.S.I.)	55,000.00	55,000.00	46,919.31		8,080.69		
New Jersey Unemployment Compensation	45,000.00		30,000.00				30,000.00
<b>Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"</b>	<b>335,872.81</b>	<b>290,872.81</b>	<b>312,792.12</b>	<b>-</b>	<b>8,080.69</b>	<b>-</b>	<b>30,000.00</b>
<b>Total General Appropriations for Municipal Purposes within "CAPS"</b>	<b>1,771,563.43</b>	<b>2,011,512.43</b>	<b>1,704,001.12</b>	<b>157,265.59</b>	<b>247,731.24</b>	<b>-</b>	<b>97,485.52</b>

(Continued)

**BOROUGH OF WEST WILDWOOD  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2011**

	Budget	Budget After Modification	Expended	Paid or Charged	Encumbered	Reserved	Unexpended Balance	Canceled	Over-Expended
<b>OPERATIONS -- EXCLUDED FROM "CAPS"</b>									
Interlocal Municipal Service Agreements:									
Police Dispatcher	\$ 35,000.00	\$ 35,000.00	\$ 34,000.00	\$ 1,000.00					
Ambulance Fees		14,100.00	40.00			\$ 14,060.00			
Borough of Wildwood Court	9,000.00	9,000.00	9,000.00						
Public and Private Programs Offset by Revenues:									
Unappropriated Reserves:									
Arts Regrant Award	355.00	355.00	355.00						
Body Armor Replacement Fund	1,565.17	1,565.17	1,565.17						
Municipal Alliance Program		701.00	701.00						
Total Operations -- Excluded from "CAPS"	45,920.17	60,721.17	45,661.17	14,060.00		1,000.00			
Detail:									
Salaries and Wages									
Other Expenses	45,920.17	60,721.17	45,661.17	14,060.00		1,000.00			
<b>MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"</b>									
Payment of Bond Anticipation Notes and Capital Notes	7,750.72	7,752.00	7,752.00						
Interest on Notes	28,413.00	28,411.72	28,332.36					\$ 79.36	
Total Municipal Debt Service -- Excluded from "CAPS"	36,163.72	36,163.72	36,084.36						79.36
<b>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</b>									
Emergency Authorizations	62,772.00	62,772.00	62,772.00						
Deficit of Operations	49,233.59	49,233.59	49,233.59						
Total Deferred Charges -- Excluded from "CAPS"	112,005.59	112,005.59	112,005.59						
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	194,089.48	208,890.48	193,751.12	14,060.00		1,000.00			79.36
Subtotal General Appropriations Reserve for Uncollected Taxes	1,965,652.91	2,220,402.91	1,897,752.24						\$ 97,485.52
264,847.09	264,847.09	264,847.09							
Total General Appropriations (Carried Forward)	\$ 2,230,500.00	\$ 2,485,250.00	\$ 2,162,599.33	\$ 171,325.59	\$ 248,731.24	\$ 79.36			\$ 97,485.52

(Continued)



BOROUGH OF WEST WILDWOOD  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2011

	<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>		
Total General Appropriations (Brought Forward)	\$ 2,230,500.00	\$ 2,485,250.00	\$ 2,162,599.33	\$ 171,325.59	\$ 248,731.24	\$ 79.36	\$ 97,485.52
Appropriation by 40A:4-46 Budget		\$ 254,750.00					
		<u>2,230,500.00</u>					
		<u>\$ 2,485,250.00</u>					
Refunds			\$ (6,851.19)				
Deferred Charges			253,095.40				
Reserve for Federal and State Grants -- Appropriated			1,920.17				
Reserve for Uncollected Taxes			264,847.09				
Due Trust Other Fund			124,783.00				
Due General Capital Fund			36,084.36				
Disbursements			<u>1,488,720.50</u>				
			<u>\$ 2,162,599.33</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, 2011 and 2010

ASSETS:	Ref.	<u>2011</u>	<u>2010</u>
Dog License Fund:			
Cash	SB-1	\$ 172.14	\$ 2,374.36
Deferred Charge:			
Deficit in Reserve for Dog License Fund Expenditures	SB-3	274.60	
Total Dog License Fund		<u>446.74</u>	<u>2,374.36</u>
Other Funds:			
Cash	SB-1	136,104.93	186,442.12
Total Other Funds		<u>136,104.93</u>	<u>186,442.12</u>
Total Assets		<u>\$ 136,551.67</u>	<u>\$ 188,816.48</u>
<b>LIABILITIES AND RESERVES:</b>			
Dog License Fund:			
Due to Current Fund	SB-2	\$ 417.94	\$ 2,269.16
Reserve for Dog License Fund Expenditures	SB-3		74.00
Due to State of New Jersey -- Registration Fees	SB-4	28.80	31.20
Total Dog License Fund		<u>446.74</u>	<u>2,374.36</u>
Other Funds:			
Due to Current Fund	SB-5		31,835.46
Reserve for Payroll Deductions Payable	SB-6	24,630.22	48,404.02
Miscellaneous Trust Reserves			
Unemployment Compensation Insurance	SB-7	16,197.47	9,224.72
Tax Title Lien Redemption	SB-7	19,838.40	19,839.19
Uniform Fire Safety Act Penalty Monies	SB-7	8,089.92	8,072.74
Planning and Zoning	SB-7	10,249.01	10,249.01
Small Cities Revolving Loan Fund	SB-7	3,842.00	3,842.00
Disposal of Forfeited Property	SB-7	2,137.93	2,084.00
Accumulated Absences	SB-7	40,250.00	40,250.00
Pavers, Park Benches & Park Equipment Donations	SB-7	10,869.98	12,640.98
Total Other Funds		<u>136,104.93</u>	<u>186,442.12</u>
Total Liabilities and Reserves		<u>\$ 136,551.67</u>	<u>\$ 188,816.48</u>

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

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2011 and 2010

ASSETS:	Ref.	2011	2010
Cash			
Deferred Charges to Future Taxation:			
Unfunded	SC-1, SC-2	\$ 277,225.94	\$ 705,332.97
Due from State of New Jersey - Department of Environmental Protection Receivable	SC-3	2,762,526.00	2,544,000.00
	SC-4		1,220,000.00
Total Assets		<u>\$ 3,039,751.94</u>	<u>\$ 4,469,332.97</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
Reserve for Payment of Debt Due to Current Fund	SC-2	\$ 136.53	
Improvement Authorizations:	SC-5		\$ 290,746.95
Funded	SC-6		
Unfunded	SC-6	1,572,028.27	1,220,000.00
Contracts Payable	SC-6	269,252.25	938,013.13
Capital Improvement Fund	SC-7	72,412.00	124,450.00
Bond Anticipation Notes	SC-8	1,124,000.00	1,894,200.00
Fund Balance	C	1,922.89	1,922.89
Total Liabilities and Reserves		<u>\$ 3,039,751.94</u>	<u>\$ 4,469,332.97</u>

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, 2011 and 2010

ASSETS:	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Cash	SD-1	\$ 103,700.41	\$ 238,337.97
		<u>103,700.41</u>	<u>238,337.97</u>
Receivables with Full Reserves:			
Sewer Consumer Accounts Receivable	SD-4	23,090.90	32,215.48
Water Consumer Accounts Receivable	SD-5		272.60
Sewer Liens Receivable	SD-6	1,409.51	717.51
Water Liens Receivable	SD-7	352.34	464.34
		<u>24,852.75</u>	<u>33,669.93</u>
Deferred Charges:			
Deficit in Operations	D-1	3,098.52	2,948.97
		<u>131,651.68</u>	<u>274,956.87</u>
Capital Fund:			
Cash	SD-1	23,299.24	23,183.06
Fixed Capital	SD-10	3,975,813.00	5,070,813.00
Fixed Capital Authorized and Uncompleted	SD-11	100,000.00	100,000.00
Due from Water Sewer Utility Operating Fund	SD-18	4,038.52	4,154.70
		<u>4,103,150.76</u>	<u>5,198,150.76</u>
Total Capital Fund		<u>\$ 4,234,802.44</u>	<u>\$ 5,473,107.63</u>

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2011 and 2010

LIABILITIES, RESERVES AND FUND BALANCE:	Ref.	2011	2010
Operating Fund:			
Appropriation Reserves	D-3, SD-12	\$ 47,109.65	\$ 19,643.76
Reserve for Encumbrances	D-3, SD-12	2,050.00	551.00
Sewer Rent Overpayments	SD-13	4,525.23	4,501.39
Water Rent Overpayments	SD-14	208.44	333.52
Prepaid Sewer Rents	SD-15	22,541.95	41,465.60
Accrued Interest on Bonds and Notes	SD-16	21,018.08	105,769.84
Due to Current Fund	SD-17	4,038.52	4,154.70
Due to Water Sewer Utility Capital Fund	SD-18	101,491.87	176,419.81
Reserve for Receivables		24,852.75	33,669.93
Fund Balance	D-1	5,307.06	64,867.13
<b>Total Operating Fund</b>		<b>131,651.68</b>	<b>274,956.87</b>
Capital Fund:			
Due Current Fund		65,000.00	65,000.00
Capital Improvement Fund	SD-19	16,000.00	16,000.00
Improvement Authorizations:			
Funded			
SD-20	SD-20	7,087.76	7,087.76
SD-20	SD-20	15,250.00	15,250.00
Unfunded			
Deferred Reserve for Amortization		24,000.00	24,000.00
Reserve for Amortization	SD-21	2,771,353.66	2,907,192.91
General Serial Bonds	SD-23	1,204,459.34	2,163,620.09
<b>Total Capital Fund</b>		<b>4,103,150.76</b>	<b>5,198,150.76</b>
<b>Total Liabilities, Reserves and Fund Balance</b>		<b>\$ 4,234,802.44</b>	<b>\$ 5,473,107.63</b>

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, 2011 and 2010

<u>Revenue and Other Income Realized</u>	<u>2011</u>	<u>2010</u>
Surplus Utilized	\$ 59,560.07	\$ 100,500.00
Rents	358,411.26	353,076.72
Miscellaneous	56,804.28	79,543.62
Other Credits to Income:		
Sewer Rent Overpayments Cancelled		
Unexpended Balance of Appropriation Reserves	19,643.76	27,998.96
<b>Total Income</b>	<u>494,419.37</u>	<u>561,119.30</u>
<u>Expenditures</u>		
Operating	366,076.44	400,976.44
Capital Improvements		15,000.00
Debt Service	128,482.48	148,081.83
Regulatory Expenditures	10.00	10.00
Deferred Charges	2,125.46	
<b>Total Expenditures</b>	<u>496,694.38</u>	<u>564,068.27</u>
Regulatory Excess to Surplus		
Deficit in Operations to be Raised in Budget of Succeeding Year	<u>\$ (2,275.01)</u>	<u>\$ (2,948.97)</u>
<u>Fund Balance</u>		
Balance January 1	\$ 64,867.13	\$ 165,367.13
Decreased by:	64,867.13	165,367.13
Utilized as Revenue in Sewer Utility Operating Budget	59,560.07	100,500.00
Balance December 31	<u>\$ 5,307.06</u>	<u>\$ 64,867.13</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, 2011

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Surplus Anticipated with Prior Written Consent of Director Local Governmental Services	\$ 59,560.07	\$ 59,560.07	-
Rents - Sewer	350,238.00	333,411.26	\$ (16,826.74)
Miscellaneous	15,217.00	27,213.79	11,996.79
Increase in Sewer Rents	25,000.00	25,000.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services: City of Wildwood - Shared Services Agreement	<u>67,987.00</u>	<u>29,590.49</u>	<u>(38,396.51)</u>
	<u>\$ 518,002.07</u>	<u>\$ 474,775.61</u>	<u>\$ (43,226.46)</u>
<u>Analysis of Realized Revenues:</u>			
Miscellaneous: Collector: Interest and Costs on Delinquent Rents	<u>\$ 7,525.98</u>		\$ 7,525.98
Treasurer: Receipts: Interest Earned on Deposits Excess Proceeds from Sale of Water Operating Fund Interest Earned In the Water Sewer Capital Fund		<u>2,006.73</u> <u>17,564.90</u> <u>116.18</u>	<u>19,687.81</u>
		<u>\$ 27,213.79</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, 2011**

	Appropriations		Paid or Charged		Unexpended Balance
	Budget After Modification	Expenditure	Encumbered	Reserved	Canceled
Water / Sewer Operating:					
Other Expenses	\$ 366,076.44	\$ 366,076.44	\$ 316,926.79	\$ 2,050.00	\$ 47,099.65
Total Operating	366,076.44	366,076.44	316,926.79	2,050.00	47,099.65
Debt Service:					
Payment of Bond Principal	47,131.63	48,764.10	48,764.10		
Interest on Bonds	102,658.54	101,026.07	79,718.38		
Total Debt Service	149,790.17	149,790.17	128,482.48	-	-
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	10.00	10.00			10.00
Total Regulatory Expenditures	10.00	10.00			10.00
Deficit in Operations in Prior Years	2,125.46	2,125.46			
Total Appropriations	\$ 518,002.07	\$ 518,002.07	\$ 447,534.73	\$ 2,050.00	\$ 47,109.65
Disbursements:					
Deferred Charge					
Accrued Interest on Bonds and Notes			2,125.46		
Due Current Fund			2,316.00		
			\$ 363,374.89		
					\$ 447,534.73

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, 2011**

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

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

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

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

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

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

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

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

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

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

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.

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**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 year 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 and the Borough of West Wildwood School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

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

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

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

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

**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 (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition.

As of December 31, 2011, none of the Borough's bank balances of \$1,639,311.88 were 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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax Rate	<u>\$ 1.311</u>	<u>\$ 1.219</u>	<u>\$ 1.171</u>	<u>\$ 1.453</u>	<u>\$ 1.440</u>
Apportionment of Tax Rate:					
Municipal	0.535	0.528	0.405	0.695	0.684
County	0.230	0.211	0.238	0.271	0.259
Local School	0.546	0.480	0.528	0.487	0.497

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

2011	\$ 255,446,568.00
2010	263,300,975.00
2009	273,542,044.00
2008	219,431,624.00
2007	214,772,552.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2011	\$ 3,363,554.78	\$ 3,185,516.39	94.71%
2010	3,211,296.64	2,983,422.01	92.90%
2009	3,205,226.59	2,971,901.29	92.72%
2008	3,207,173.17	3,002,910.36	93.63%
2007	3,142,521.00	2,962,289.00	94.26%

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>
2011	\$ 138,916.10	\$ 133,509.47	\$ 272,425.57	8.10%
2010	32,150.46	214,409.26	246,559.72	7.68%
2009	27,887.37	164,695.95	192,583.32	6.01%
2008	18,344.61	188,772.06	207,116.67	6.46%
2007	16,160.00	176,064.00	192,224.00	6.12%

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

<u>Year</u>	<u>Number</u>
2011	26
2010	8
2009	7
2008	4
2007	4

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

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

**Sewer Utility Service Charges**

Year	Balance Beginning of Year			Levy	Total	Cash Collections
	Receivable	Liens				
2011	\$ 32,215.48	\$ 717.51	\$	375,456.00	\$ 408,388.99	\$ 358,411.26
2010	48,165.33	-		334,217.60	382,382.93	349,687.95
2009	38,864.33	-		395,404.22	434,268.55	393,633.88
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

**Water Utility Service Charges**

Year	Balance Beginning of Year			Levy	Total	Cash Collections
	Receivable	Liens				
2011	\$ 272.60	\$ 464.34	\$	-	\$ 736.94	\$ 3,388.77
2010	3,529.38	-		404.59	3,933.97	93,073.87
2009	11,792.47	-		269,597.85	281,390.32	276,113.13
2008	44,890.00	-		243,015.60	287,905.60	285,336.00
2007	29,069.00	-		300,424.00	329,493.00	

**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>			
2011	\$ 743,332.03	\$ 377,350.55	50.78%
2010	422,193.75	156,572.00	37.09%
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%
<b>Water/Sewer Operating Fund</b>			
2011	\$ 5,307.06	-	0.00%
2010	64,867.13	\$ 59,560.07	91.82%
2009	165,367.13	100,500.00	60.77%
2008	146,105.00	-	0.00%
2007	53,118.00	26,325.00	49.56%

**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, 2011:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 65,417.94	\$ 179,217.12
Federal and State Grant Fund	179,217.12	
Dog License Fund		417.94
Water/Sewer Utility Operating Fund		4,038.52
Water/Sewer Utility Capital Fund	<u>4,038.52</u>	<u>65,000.00</u>
	<u>\$248,673.58</u>	<u>\$248,673.58</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2012, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 7: PENSION PLANS**

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

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. 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</u>		<u>Total</u>		<u>Paid by Borough</u>
	<u>Contribution</u>	<u>Accrued Liability</u>	<u>Liability</u>	<u>Liability</u>	
2011	\$10,788.00	\$ 14,362.00	\$25,150.00	\$25,150.00	
2010	17,432.00	17,009.00	34,441.00	34,441.00	
2009	25,463.00	16,472.00	41,935.00	41,935.00	

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

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

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

**Police and Firemen's Retirement System**

<u>Year</u>	<u>Normal</u>		<u>Total</u>		<u>Paid by Borough</u>
	<u>Contribution</u>	<u>Accrued Liability</u>	<u>Liability</u>	<u>Liability</u>	
2011	\$39,937.00	\$ 29,696.00	\$69,633.00	\$ 69,633.00	
2010	35,213.00	23,078.00	58,291.00	58,291.00	
2009	17,357.00	15,832.00	33,189.00	33,189.00	

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

**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. 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.

At December 31, 2011, no employees of the Borough participate in the DCRP plan.

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

**Note 8: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**

**Plan Description** - The Borough contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Several years ago, the Borough authorized participation in the SHBP's post-retirement benefit program through a resolution. Under the plan, any employee eligible for enrollment in the SHBP as an employee is eligible for employer paid coverage when retiring with 33 years or more of service to the Borough and has reached the age of 55 years. The retiree will continue to receive the same coverage that was received at the time of retirement; however the cost to the Borough is reduced when the retiree become Medicare eligible.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/](http://www.state.nj.us/treasury/pensions/).

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

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

The Borough contributions to SHBP for the years ended December 31, 2011, 2010, and 2009, were \$15,613.32, \$11,941.10, and none, respectively, which equaled the required contributions for each year. There were approximately 2 retired participants eligible at December 31, 2011 and 2010, and no retirees in 2009.

**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, 2011, accrued benefits for compensated absences are valued at \$57,844.87. The Borough maintains an Accumulated Leave Compensation Trust Fund and at December 31, 2011, \$40,250.00 has been reserved.

**Note 10: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

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

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<b><u>Issued</u></b>			
<u>General:</u>			
Bonds and Notes	\$ 1,124,000.00	\$ 1,894,200.00	\$ 384,000.00
Water / Sewer Utility:			
Bonds and Notes	1,204,459.34	2,163,620.09	2,208,589.23
Total Issued	<u>2,328,459.34</u>	<u>4,057,820.09</u>	<u>2,592,589.23</u>

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

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<b><u>Authorized but not issued</u></b>			
General:			
Bonds and Notes	\$ 1,638,726.00	\$ 650,000.00	\$ 2,160,200.00
Water / Sewer Utility:			
Bonds and Notes	76,000.00	76,000.00	76,000.00
Total Authorized but Not Issued	<u>1,714,726.00</u>	<u>726,000.00</u>	<u>2,236,200.00</u>
Total Issued and Authorized but Not Issued	<u>4,043,185.34</u>	<u>4,783,820.09</u>	<u>4,828,789.23</u>
Deductions:			
Self-liquidating Debt	884,593.14	1,920,661.49	2,013,432.03
Net Debt	<u>\$ 3,158,592.20</u>	<u>\$ 2,863,158.60</u>	<u>\$ 2,815,357.20</u>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.18%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water / Sewer Utility	\$ 1,280,459.34	\$ 884,593.14	\$ 395,866.20
General	<u>2,762,726.00</u>		<u>2,762,726.00</u>
	<u>\$ 4,043,185.34</u>	<u>\$ 884,593.14</u>	<u>\$ 3,158,592.20</u>

Net Debt \$3,158,592.20 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$268,052,970.33 equals 1.18%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 9,381,853.96
Net Debt	<u>3,158,592.20</u>
Remaining Borrowing Power	<u>\$ 6,223,261.76</u>

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

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

\$ 474,775.61

Operating and Maintenance Cost \$ 366,086.44  
 Debt Service 128,482.48

Total Deductions 494,568.92  
 Deficit in Revenue \$ (19,793.31)

**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>
2012	\$ 30,942.24	\$ 58,709.75
2013	32,480.05	57,171.96
2014	34,095.23	55,556.78
2015	35,791.71	53,860.27
2016	37,573.70	52,078.30
2017-2021	217,907.72	230,352.27
2022-2026	278,070.56	170,189.43
2027-2031	355,099.18	93,160.81
2032-2034	182,498.95	13,291.54
	<u>\$ 1,204,459.34</u>	<u>\$ 784,371.11</u>

**Note 12: SALE OF WATER OPERATION**

During 2011, the Borough sold the water operations of its Water Sewer Utility Fund to the Borough of Withwood. Proceeds from the sale were received in the amount of \$952,239.57. On December 12, 2011, the Borough paid its associated outstanding loan with the United States Department of Agriculture Rural Development for \$930,631.74 representing principal of \$908,764.58 and accrued interest of \$21,867.16.

**Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	<u>Balance Dec. 31, 2011</u>	<u>2012 Budget Appropriation</u>
Current Fund:		
Emergency Authorizations (40A:4-47)	\$ 254,750.00	\$ 254,750.00
Overexpenditure of Appropriation Reserves	1,614.83	1,614.83
Overexpenditure of Appropriations	<u>97,485.52</u>	<u>97,485.52</u>
Utility Fund:	<u>353,850.35</u>	<u>353,850.35</u>
Deficit in Operations	<u>3,098.52</u>	<u>3,098.52</u>
Total Deferred Charges	<u>\$ 356,948.87</u>	<u>\$ 356,948.87</u>

The appropriations in the 2012 Budget as adopted are not less than that required by the statutes.

**Note 14: 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.

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, 2011, which can be obtained from:

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

**Note 15: 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>Amounts</u>		<u>Ending Balance</u>
	<u>Borough Contributions</u>	<u>Reimbursed</u>	
2011	\$ 30,095.72	\$ 23,122.97	\$ 16,197.41
2010	33,992.85	26,012.58	9,224.66
2009	30,711.43 (1)	32,427.34 (1)	1,244.39

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

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2011.

**Note 16: LITIGATION**

The Borough is a defendant in several legal proceedings that are in various stages of litigation. With the exception of the items disclosed in Note 17, 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 17: SUBSEQUENT EVENTS**

Two of the legal proceedings referred to in Note 16 were resolved subsequent to December 31, 2011. As a result, \$310,431.17 was awarded to two employees in settlement of wrongful termination lawsuits. The Borough has not funded these settlements and, consequently, these amounts will be raised in subsequent years' budgets.





**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, 2011

	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2010	\$ 385,552.02	
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 50,599.69	
2011 Budget Appropriation Refunds	6,851.19	
Collector	3,378,744.92	
Revenue Accounts Receivable	205,188.65	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	16,750.00	
Due State of New Jersey -- DYFS	100.00	
Due Federal and State Grant Fund	155,531.19	
Due Current Fund		
Due Dog License Fund	2,274.96	
Due Trust - Other Fund	180,978.48	
Due General Capital Fund	262,652.11	
Due Sewer Utility Operating Fund	110,744.56	
Federal and State Grants Receivable		\$ 158,220.24
	<u>4,370,415.75</u>	<u>\$ 158,220.24</u>
	4,755,967.77	158,220.24
Decreased by Disbursements:		
2011 Appropriations	1,488,720.50	
2010 Appropriation Reserves	36,800.31	
Refunds - Tax Overpayments	9,186.42	
County Taxes Payable	586,871.03	
Due State of New Jersey -- DYFS	200.00	
Local School District Taxes Payable	1,395,050.50	
Due Current Fund		
Due Dog License Fund	419.00	155,531.19
Due Trust -- Other Fund	149,131.03	
Due Sewer Utility Operating Fund	4,974.72	
Reserve for Federal and State Grants -- Appropriated		2,689.05
	<u>3,671,353.51</u>	<u>158,220.24</u>
Balance December 31, 2011	<u>\$ 1,084,614.26</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, 2011

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Increased by:	
Taxes Receivable	\$ 3,273,120.92
Prepaid Taxes	51,397.29
Tax Overpayments	24,846.00
Revenue Accounts Receivable:	
Interest and Costs on Taxes	29,380.71
	3,378,744.92
Payments to Treasurer	\$ 3,378,744.92

14600

Exhibit SA-3

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Schedule of Change Funds  
For the Year Ended December 31, 2011

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

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Due from State of New Jersey  
Veterans' and Senior Citizens' Deductions  
For the Year Ended December 31, 2011

<hr/>	
Increased by:	
Receipts	\$ 16,750.00
Deductions Disallowed by the Collector:	
2010	\$ 250.00
2011	<u>158.15</u>
	<u>408.15</u>
	17,158.15
Decreased by:	
Accrued in 2011	
Deductions per Tax Billing	17,000.00
Deductions Allowed by Tax Collector	<u>250.00</u>
	<u>17,250.00</u>
Balance December 31, 2011	\$ <u><u>91.85</u></u>



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
**Statement of Taxes Receivable**  
**For the Year Ended December 31, 2011**

Year	Balance	2011 Levy	Added Taxes	Collections		Due from State of New Jersey	Transferred to Tax Title Liens	Over- Payments Applied	Canceled	Balance
	December 31, 2010			2010	2011					December 31, 2011
2009	\$ 13,911.48			\$	3.51		\$ 13,907.97			
2010	200,497.78		\$ 250.00		162,028.59		37,786.61			\$ 932.58
	214,409.26	-	250.00	-	162,032.10	-	51,694.58	-	-	932.58
2011		\$ 3,363,554.78		\$ 57,335.72	3,111,088.82	\$ 17,091.85	39,279.50		\$ 6,182.00	132,576.89
	\$ 214,409.26	\$ 3,363,554.78	\$ 250.00	\$ 57,335.72	\$ 3,273,120.92	\$ 17,091.85	\$ 90,974.08	-	\$ 6,182.00	\$ 133,509.47

Analysis of 2011 Property Taxes

Tax Yield:

General Purpose Tax	\$ 3,357,044.76
Added Taxes (54:4-63.1 et seq.)	<u>6,510.02</u>
	<u>\$ 3,363,554.78</u>

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Tax Levy:

Local District School Tax		1,395,050.50
County Taxes:		
Net County Taxes	\$ 483,048.40	
County Library Tax	77,203.79	
County Open Space Tax	26,618.84	
Due County for Added and Omitted Taxes	<u>767.38</u>	
Total County Taxes		587,638.41
Local Tax for Municipal Purposes	1,367,833.00	
Add: Additional Tax Levied	<u>13,032.87</u>	
		<u>1,380,865.87</u>
Local Tax for Municipal Purposes Levied		<u>\$ 3,363,554.78</u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2011

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Balance December 31, 2010

\$ 32,150.46

Increased by:

Interest and Costs Accrued by Sale of November 30, 2011

\$ 15,791.56

Transfers from Taxes Receivable

90,974.08

106,765.64

Balance December 31, 2011

\$ 138,916.10

BOROUGH OF WEST WILDWOOD  
CURRENT FUND  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2011

	Balance <u>December 31, 2010</u>	Accrued in 2011	<u>Collections</u>		Due from Dog License <u>Fund</u>	Due from Trust - Other <u>Fund</u>	Due from General Capital <u>Fund</u>	Balance <u>December 31, 2011</u>
			<u>Collector</u>	<u>Treasurer</u>				
Clerk:								
Licenses:								
Alcohol Beverages		\$ 1,020.00		\$ 1,020.00				
Other		27,767.00		27,767.00				
Tax Collector:								
Interest and Costs on Taxes		29,380.71	\$ 29,380.71					
Treasurer:								
Energy Receipts Tax		40,531.00		40,531.00				
Non Budgeted Revenue:								
Cable Television Franchise Tax		5,712.35		5,712.35				
Interest Earned on Deposits		13,497.93		4,859.68	\$ 4.74	\$ 843.89	\$ 7,989.62	
Clerk:								
Other		236,890.26		112,939.26		123,951.00		
Municipal Court:								
Fines and Costs	\$ 1,070.07	12,200.51		12,559.36				\$ 711.22
	<u>\$ 1,070.07</u>	<u>\$ 366,999.76</u>	<u>\$ 29,380.71</u>	<u>\$ 205,188.65</u>	<u>\$ 4.74</u>	<u>\$ 124,794.89</u>	<u>\$ 7,989.62</u>	<u>\$ 711.22</u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
**Statement of Deferred Charges**  
**For the Year Ended December 31, 2011**

	Balance December 31, 2010	Added in 2011	Raised in 2011 Budget	Balance December 31, 2011
Emergency Authorizations (40A:4-47)	\$ 119,130.00	\$ 254,750.00	\$ 119,130.00	\$ 254,750.00
Deficit in Operations	49,233.59		49,233.59	
Overexpenditure of Appropriation	1,110.58	1,614.83	1,110.58	1,614.83
Reserves	83,320.23	97,485.52	83,320.23	97,485.52
Overexpenditure of Appropriations	301.00		301.00	
Federal and State Grant Fund:				
Overexpenditure of Appropriated Reserve	\$ 253,095.40	\$ 353,850.35	\$ 253,095.40	\$ 353,850.35

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of 2010 Appropriation Reserves  
For the Year Ended December 31, 2011

	<u>Balance</u> <u>December 31, 2010</u>		<u>Balance</u> <u>After</u>		<u>Balanced</u> <u>Lapsed</u>	<u>Over-</u> <u>Expended</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Expended</u>		
<b>OPERATIONS -- WITHIN "CAPS"</b>						
General Government Functions:						
General Administration						
Salaries and Wages		\$ 19.88	\$ 19.88		\$ 19.88	
Other Expenses	\$ 2,440.21	405.10	2,845.31	\$ 2,573.17	272.14	
Mayor and Commissioners						
Salaries and Wages		166.00	166.00		166.00	
Municipal Clerk						
Salaries and Wages		0.86	0.86		0.86	
Other Expenses	62.11	3,787.28	3,849.39	5,464.22		\$ 1,614.83
Financial Department						
Salaries and Wages		3.30	3.30		3.30	
Other Expenses		809.88	809.88		809.88	
Audit Services						
Computerized Data Processing						
Other Expenses		2.00	2.00		2.00	
Collection of Taxes						
Salaries and Wages		0.32	0.32		0.32	
Other Expenses		332.12	332.12		332.12	
Assessment of Taxes						
Other Expenses		3.30	3.30		3.30	
Legal Services and Costs						
Salaries and Wages	31.18	1,185.09	1,216.27	1,095.37	120.90	
Other Expenses	11,439.06		11,439.06	11,439.06		
Land Use Administration						
Planning Board						
Salaries and Wages		166.57	166.57		166.57	
Other Expenses		151.51	151.51		151.51	
Insurance						
Group Employee Insurance	15,371.08		15,371.08		15,371.08	
Unemployment Compensation Insurance	1,974.56		1,974.56	1,974.56		

(Continued)

**BOROUGH OF WEST WILDWOOD  
CURRENT FUND  
Statement of 2010 Appropriation Reserves  
For the Year Ended December 31, 2011**

	Balance December 31, 2010	Balance After Modification	Expended	Balanced Lapsed	Over- Expended
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OPERATIONS -- WITHIN "CAPS" (CONTD)

Police Department					
Salaries and Wages	\$ 26,514.96	\$ 26,514.96	\$ 5,544.00	\$ 20,970.96	
Other Expenses		170.04	170.04		
Office of Emergency Management					
Other Expenses	44.10	44.10		44.10	
Aid to Volunteer Fire Companies	1,700.00	1,700.00		1,700.00	
Fire Department					
Other Expenses	14.45	14.45		14.45	
Municipal Prosecutor's Office					
Salaries and Wages	1,000.00	1,000.00		1,000.00	
Municipal Court					
Salaries and Wages	237.28	237.28		237.28	
Public Defender					
Other Expenses	450.00	450.00		450.00	
Public Works					
Salaries and Wages	52.38	52.38		52.38	
Other Expenses	4,008.97	11,989.17	8,042.33	3,946.84	
Buildings and Grounds					
Other Expenses	44.22	149.22		149.22	
Animal Control Services					
Other Expenses	417.96	417.96		417.96	
Parks and Recreation Functions:					
Other Expenses	1,576.79	1,576.79		1,576.79	
Maintenance of Parks					
Other Expenses	735.37	735.37		735.37	
Landfill/Solid Waste Disposal Costs					
Other Expenses	1,566.78	6,590.78	1,566.78	5,024.00	
Celebration of Public Events					
Other Expenses	0.22	0.22		0.22	

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of 2010 Appropriation Reserves  
For the Year Ended December 31, 2011

	Balance December 31, 2010		Balance After Modification	Expended	Balanced Lapsed	Over- Expended
	Encumbered	Reserved				
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>						
Utility Expenses and Bulk Purchases:						
Electricity		\$ 536.02	\$ 536.02		\$ 536.02	
Street Lighting		54.19	54.19		54.19	
Telephone	\$ 259.31		259.31	\$ 150.91	108.40	
Gas (Natural and Propane)	754.43	156.88	911.31	754.43	156.88	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	42,153.96	49,601.00	91,754.96	38,774.87	54,594.92	\$ 1,614.83
<b>OPERATIONS -- EXCLUDED FROM "CAPS"</b>						
Interlocal Municipal Service Agreements						
Police Dispatcher		683.00	683.00		683.00	
Garbage & Trash Removal		242.25	242.25		242.25	
Wildwood - Construction Official		15,000.00	15,000.00		15,000.00	
Ambulance Fee		1,500.00	1,500.00		1,500.00	
Total Operations -- Excluded from "CAPS"	-	17,425.25	17,425.25	-	17,425.25	-
<b>CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"</b>						
Improvements to Public Buildings and Grounds		0.14	0.14		0.14	-
	<u>\$ 42,153.96</u>	<u>\$ 67,026.39</u>	<u>\$ 109,180.35</u>	<u>\$ 38,774.87</u>	<u>\$ 72,020.31</u>	<u>\$ 1,614.83</u>
Accounts Payable Disbursed				\$ 1,974.56 36,800.31		
				<u>\$ 38,774.87</u>		

**BOROUGH OF WEST WILDWOOD**  
CURRENT FUND  
Statement of Accounts Payable  
For the Year Ended December 31, 2011

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Balance December 31, 2010	\$ 5,788.56
Increased by:	
Appropriation Reserves	<u>1,974.56</u>
Balance December 31, 2011	<u>\$ 7,763.12</u>



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Due to State of New Jersey -- Division of Youth and Family Services  
For the Year Ended December 31, 2011

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Balance December 31, 2010	\$ 150.00
Increased by:	
Receipts	<u>100.00</u>
Decreased by:	
Disbursements	<u>250.00</u>
Balance December 31, 2011	<u>\$ 50.00</u>
<u>Analysis of Balance December 31, 2011</u>	
Fourth Quarter 2010	<u>\$ 50.00</u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Prepaid Taxes  
 For the Year Ended December 31, 2011

<hr/>	
Balance December 31, 2010 (2011 Taxes)	\$ 57,335.72
Increased by:	
Receipts -- Collector	51,397.29
Decreased by:	
Application to Taxes Receivable	108,733.01
	57,335.72
Balance December 31, 2011 (2012 Taxes)	\$ 51,397.29

## Exhibit SA-13

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Tax Overpayments  
 For the Year Ended December 31, 2011

<hr/>	
Balance December 31, 2010	\$ 20,513.11
Increased by:	
Receipts -- Collector	24,846.00
Decreased by:	
Disbursements -- Refunded	45,359.11
	9,186.42
Balance December 31, 2011	\$ 36,172.69

14600

Exhibit SA-14

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of County Taxes Payable  
 For the Year Ended December 31, 2011

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2011 Levy:	
Net County Taxes	\$ 483,048.40
County Library Tax	77,203.79
Open Space Tax	<u>26,618.84</u>

Decreased by:		
Disbursements		<u>\$ 586,871.03</u>

Exhibit SA-15

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Due County for Added and Omitted Taxes  
 For the Year Ended December 31, 2011

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Increased by:		
County Share of 2011 Levy:		
Added Assessments (R.S. 54:4-63.1 et seq.)		<u>\$ 767.38</u>

**BOROUGH OF WEST WILDWOOD**  
CURRENT FUND  
Statement of Local School District Taxes  
For the Year Ended December 31, 2011

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Increased by:  
2011 Levy -- Calender Year

\$ 1,395,050.50

Decreased by:  
Disbursements

\$ 1,395,050.50

**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, 2011

	Balance December 31, 2010	Accrued	Received	Balance December 31, 2011
Federal Grants:				
Small Cities ADA	\$ 303,610.00			\$ 303,610.00
New Jersey Transportation –	243,801.00			243,801.00
Trust Fund Authority Act -	547,411.00	-	-	547,411.00
State Grants:				
Alcohol Education and Rehabilitation Fund		\$ 53.93	\$ 53.93	
Body Armor Replacement Fund		1,011.24	1,011.24	
Clean Communities Program		4,000.00	4,000.00	
Recycling Tonnage Grant	288.89	1,119.03	1,119.03	288.89
Urban Enterprise Zone - Administration	14.04	16,351.10	16,365.14	
Urban Enterprise Zone - Projects:				
Unappropriated Project		8,986.41	8,986.41	
Family Festival	6,509.00		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	32,328.24		32,328.24	
Railroad Bridge	50,000.00		50,000.00	
Total State Programs	124,166.17	31,521.71	155,398.99	288.89
Total Federal & State Programs	671,577.17	31,521.71	155,398.99	547,699.89
Other Grants:				
Joint Insurance Fund	9,902.00			9,902.00
CMC/MUA Recycling Rebate Grant		2,821.25	2,821.25	
CMC/MUA Public Area Recycling Grant	87.00			87.00
Cape May County Art Regrant				
Total All Grants	\$ 681,566.17	\$ 34,342.96	\$ 158,220.24	\$ 557,688.89

**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, 2011

Grant	Balance December 31, 2010	Federal, State and Other Grants Receivable	Realized as Revenue in 2011	Balance December 31, 2011
State Grants:				
Alcohol Education and Rehabilitation Fund	\$ 53.93	\$ 53.93	\$ 53.93	53.93
Body Armor Replacement Fund	1,565.17	1,011.24	1,565.17	1,011.24
Clean Communitites Program		4,000.00		4,000.00
Recycling Tonnage Grant		1,119.03		1,119.03
Urban Enterprise Zone - Administration		16,351.10		16,351.10
Urban Enterprise Zone - Unappropriated Project		8,986.41		8,986.41
	<u>1,565.17</u>	<u>31,521.71</u>	<u>1,565.17</u>	<u>31,521.71</u>
Other Grants:				
CMCMUA Recycling Rebate Grant	355.00	2,821.25	355.00	2,821.25
Arts Regrant Award				
	<u>355.00</u>	<u>2,821.25</u>	<u>355.00</u>	<u>2,821.25</u>
<b>Total All Grants</b>	<u>\$ 1,920.17</u>	<u>\$ 34,342.96</u>	<u>\$ 1,920.17</u>	<u>\$ 34,342.96</u>

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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, 2011

Grant	Balance December 31, 2010		Transferred - 2011 Budget Appropriations	Expenditures	Encumbered	Balance December 31, 2011
	Appropriated	Reserve for Encumbrances				
<b>Federal Grants:</b>						
NJ Transportation Fund Authority Act	\$ 262,505.15					\$ 262,505.15
Small Cities ADA	303,610.00					303,610.00
Sealbelt 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>573,751.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>573,751.15</b>
<b>State Grants:</b>						
Urban Enterprise Zone - Administration	2,971.59					2,971.59
Urban Enterprise Zone - Projects:						
Family Festival	6,599.00					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	12,560.00					12,560.00
SLA HEOP	2,406.00					2,406.00
Clean Communities Program	10,831.89			\$ 2,689.05		8,142.84
Stormwater Grant	4,531.00					4,531.00
Recycling Tonnage Grant	777.00					777.00
Body Armour Fund			\$ 1,565.17			1,565.17
Drunk Driving Enforcement Fund	2,730.00					2,730.00
<b>Total State Grants</b>	<b>107,747.48</b>	<b>-</b>	<b>1,565.17</b>	<b>2,689.05</b>	<b>-</b>	<b>106,623.60</b>
<b>Other Grants:</b>						
Joint Insurance Fund	6,557.12					6,557.12
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	121.00	\$ 500.00	355.00		\$ 500.00	476.00
CMC Recreation Grant	2,659.00					2,659.00
Cape May County - Fishing Pier & Park	4,509.57					4,509.57
	21,333.30	500.00	355.00	-	500.00	21,688.30
<b>Total All Grants</b>	<b>\$ 702,831.93</b>	<b>\$ 500.00</b>	<b>\$ 1,920.17</b>	<b>\$ 2,689.05</b>	<b>\$ 500.00</b>	<b>\$ 702,063.05</b>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Federal, State and Other Grant Fund  
Statement of Due From Current Fund  
For the Year Ended December 31, 2011

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Balance December 31, 2010	\$ 23,685.93
Increased by:	
Disbursements	<u>155,531.19</u>
Balance December 31, 2011	<u>\$ 179,217.12</u>



**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, 2011

	<u>Dog License</u>	<u>Other</u>
Balance December 31, 2010	\$ 2,374.36	\$ 186,442.12
Increased by Receipts:		
Reserve for Dog License Fund Expenditures	\$ 64.60	
State Registration Fees	47.40	
Due Bank		
Due Current Fund	4.74	
Reserve for Payroll Deductions Payable		\$ 273,925.92
Miscellaneous Trust Reserves		661,230.22
Unemployment Compensation Insurance		95.72
Tax Title Lien Redemption		65,199.79
Uniform Fire Safety Act Penalty Monies		7,488.00
Pavers, Park Benches & Park Equipment Donations		375.00
	<u>116.74</u>	<u>1,008,314.65</u>
	2,491.10	1,194,756.77
Decreased by Disbursements:		
Reserve for Dog License Fund Expenditures	49.80	
State Registration Fees	2,269.16	
Due Current Fund		
Reserve for Payroll Deductions Payable		275,707.45
Miscellaneous Trust Reserves		685,004.02
Unemployment Compensation Insurance		23,122.97
Uniform Fire Safety Act Penalty Monies		7,470.82
Tax Title Lien Redemption		65,200.58
Pavers, Park Benches & Park Equipment Donations		2,146.00
	<u>2,318.96</u>	<u>1,058,651.84</u>
Balance December 31, 2011	<u>\$ 172.14</u>	<u>\$ 136,104.93</u>

**BOROUGH OF WEST WILDWOOD**  
**DOG LICENSE FUND**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 2,269.16
Increased by:		
Receipts--Interest Earned on Deposits	4.74	
Payments made by Current Fund		
Reserve for Dog License Fund Expenditures	419.00	
		423.74
		2,692.90
Decreased by:		
Collections made by Current Fund --		
Reserve for Dog License Fund Expenditures	5.80	
Disbursements-Interfund Loans Returned	2,269.16	
		2,274.96
Balance December 31, 2011		\$ 417.94

**BOROUGH OF WEST WILDWOOD**  
**DOG LICENSE FUND**  
 Statement of Reserve for Dog License Fund Expenditures  
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	74.00
Increased by:		
Deferred Charge -- Deficit in Reserve for Dog License Fund Expenditures	\$	274.60
Receipts:		
Dog License Fees Collected		64.60
Due Current Fund:		
Collections made by Current Fund		5.80
		<u>345.00</u>
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Due Current:		419.00
Disbursed by the Current Fund		
		<u>\$ 419.00</u>
<u>Dog License Fees Collected:</u>		
<u>Year</u>		
2009	\$	34.00
2010		36.00
		<u>\$ 70.00</u>

**BOROUGH OF WEST WILDWOOD**  
**DOG LICENSE FUND**  
Statement of Due to State of New Jersey -- Registration Fees  
For the Year Ended December 31, 2011

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Balance December 31, 2010	\$ 31.20
Increased by:	
Receipts	<u>47.40</u>
Decreased by:	
Disbursements	<u>78.60</u>
	<u>49.80</u>
Balance December 31, 2011	<u><u>\$ 28.80</u></u>

BOROUGH OF WEST WILDWOOD  
TRUST - OTHER FUND  
Statement of Due to Current Fund  
For the Year Ended December 31, 2011

	<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, 2010	\$ (31,835.46)	\$ (312.27)	\$ (15,000.00)	\$ 23,909.63	\$ (8.88)	\$ (61.95)	\$ (20.94)	\$ (40,341.05)
Increased by:								
Receipts :								
Interest Earned on Deposits	843.89	171.22		111.55	1.08	49.74	10.53	499.77
Collections made on behalf of Current Fund:								
Sale of Assets	123,951.00	123,951.00						
Interfund Loans Received	149,131.03		30,000.00	118,987.63			43.40	100.00
	<u>273,925.92</u>	<u>124,122.22</u>	<u>30,000.00</u>	<u>119,099.18</u>	<u>1.08</u>	<u>49.74</u>	<u>53.93</u>	<u>599.77</u>
	<u>(305,761.38)</u>	<u>(124,434.49)</u>	<u>(45,000.00)</u>	<u>(95,189.55)</u>	<u>(9.96)</u>	<u>(111.69)</u>	<u>(74.87)</u>	<u>(40,940.82)</u>
Decreased by:								
Collections Made by Current Fund	53.93						53.93	
Interfund Loans Returned	180,924.45	124,434.49	15,000.00	406.55	9.96	111.69	20.94	40,940.82
Paid on behalf of the Current Fund:								
2011 Budget Appropriation	94,783.00			94,783.00				
2011 Budget Appropriations	30,000.00		30,000.00					
	<u>305,761.38</u>	<u>124,434.49</u>	<u>45,000.00</u>	<u>95,189.55</u>	<u>9.96</u>	<u>111.69</u>	<u>74.87</u>	<u>40,940.82</u>
Balance December 31, 2011	-	-	-	-	-	-	-	-

**BOROUGH OF WEST WILDWOOD**  
**TRUST - OTHER FUND**  
Statement of Reserve for Payroll Deductions Payable  
For the Year Ended December 31, 2011

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Balance December 31, 2010	\$ 48,404.02
Increased by:	
Receipts	<u>661,230.22</u>
Decreased by:	
Disbursements	<u>709,634.24</u>
Balance December 31, 2011	<u><u>\$ 24,630.22</u></u>



**BOROUGH OF WEST WILDWOOD**  
**TRUST - OTHER FUND**  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2011

	Balance <u>Dec. 31, 2010</u>	Increased by		Decreased by		Balance <u>Dec. 31, 2011</u>
		<u>Receipts</u>	Due Current <u>Fund</u>	<u>Disbursements</u>		
Unemployment Compensation Insurance	\$ 9,224.72	\$ 95.72	\$ 30,000.00	\$ 23,122.97	\$ 16,197.47	
Tax Title Lien Redemption	19,839.19	65,199.79		65,200.58	19,838.40	
Uniform Fire Safety Act Penalty Monies	8,072.74	7,488.00		7,470.82	8,089.92	
Escrow Deposits	10,249.01				10,249.01	
Small Cities Revolving Loan Fund	3,842.00				3,842.00	
Disposal of Forfeited Property	2,084.00		53.93		2,137.93	
Accumulated Absences	40,250.00				40,250.00	
Pavers, Park Benches & Park Equipment Donations	12,640.98	375.00		2,146.00	10,869.98	
	<u>\$ 106,202.64</u>	<u>\$ 73,158.51</u>	<u>\$ 30,053.93</u>	<u>\$ 97,940.37</u>	<u>\$ 111,474.71</u>	



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



**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of General Capital Cash  
 Per N.J.S. 40A:5-5 -- Treasurer  
 For the Year Ended December 31, 2011

<b>Balance December 31, 2010</b>		<b>\$ 705,332.97</b>
<b>Increased by Receipts:</b>		
Due Current Fund	\$ 7,989.52	
State of New Jersey - Environmental Protection Grant	762,384.53	
Miscellaneous	200.00	
Bond Anticipation Notes	<u>1,124,000.00</u>	
		<u>1,894,574.05</u>
<b>Decreased by Disbursements:</b>		
Due Current Fund	290,984.47	
Improvement Authorizations	137,496.61	
Bond Anticipation Notes	<u>1,894,200.00</u>	
		<u>2,322,681.08</u>
<b>Balance December 31, 2011</b>		<u><u>\$ 277,225.94</u></u>



**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -- Unfunded  
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance December 31, 2010	2011 Authorizations	Other Funding Sources	Balance December 31, 2011	Analysis of Balance December 31, 2011		Unexpended Improvement Authorizations
						Bond Anticipation Notes	Expenditures	
General Improvements:								
450	Various Road Improvements	\$ 233,800.00			\$ 233,800.00	\$ 233,800.00		
475, 499	Various Capital Improvements	300,200.00		\$ 2,688.00	297,512.00	297,512.00		
482	Improvements to Bayonne Avenue and Other Streets	160,000.00		5,264.00	154,736.00	154,736.00		
497	Various Improvements to the 26th Street Bulkhead	1,850,000.00		762,248.00	1,087,752.00	437,752.00		\$ 650,000.00
512	Various Capital Improvements	<u>                    </u>	<u>\$ 988,726.00</u>	<u>                    </u>	<u>988,726.00</u>	<u>                    </u>	<u>\$ 241,054.75</u>	<u>747,671.25</u>
		<u>\$ 2,544,000.00</u>	<u>\$ 988,726.00</u>	<u>\$ 770,200.00</u>	<u>\$ 2,762,526.00</u>	<u>\$ 1,123,800.00</u>	<u>\$ 241,054.75</u>	<u>\$ 1,397,671.25</u>
74	New Jersey Department of Environmental Protection Miscellaneous Budget Appropriation			<u>\$ 762,248.00</u> <u>200.00</u> <u>7,752.00</u>				
				<u>\$ 770,200.00</u>				
	Bond Anticipation Notes (Exh. SC-8)					\$ 1,124,000.00		
	Less: Excess Cash Pledged to the Payment of Notes					<u>200.00</u>		
						<u>\$ 1,123,800.00</u>		
	Improvement Authorizations - Unfunded							\$ 1,572,028.27
	Less:							
	Unexpended proceeds of Bond Anticipation Notes:							
	Ordinance - 450					\$ 191.00		
	Ordinance - 475, 499					15,757.58		
	Ordinance - 482					78,113.46		
	Ordinance - 497					<u>80,294.98</u>		
								<u>174,357.02</u>
								<u>\$ 1,397,671.25</u>

**BOROUGH OF WEST WILDWOOD  
GENERAL CAPITAL FUND**

Schedule of Due from State of New Jersey - Department of Environmental Protection  
For the Year Ended December 31, 2011

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Balance December 31, 2010	\$ 1,220,000.00
Decreased by:	
Canceled	<u>\$ 1,220,000.00</u>



**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 290,746.95
Increased by:	
Receipts:	
Interest Earned on Deposits	7,989.52
	298,736.47
Decreased by:	
Disbursements:	
Interfund Loans Returned	\$ 262,652.11
2011 Budget Appropriations - Interest on Notes	28,332.36
2011 Budget Appropriation - Bond Anticipation Notes	\$ 290,984.47
	7,752.00
	\$ 298,736.47

BOROUGH OF WEST WILDWOOD  
 GENERAL CAPITAL FUND  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance December 31, 2010		2011 Authorizations		Paid or Charged	Canceled	Balance December 31, 2011
				Funded	Unfunded	Fund Improvement to Future Capital Taxation - Unfunded	Unfunded			
450	Various Road Improvements	5/24/05	\$ 560,000.00	\$	191.00					191.00
475, 499	Various Capital Improvements	2/1/08 6/11/10	316,000.00		129,413.69		\$ 113,656.11			15,757.58
482	Improvements to Bay Avenue and Other Streets	4/2/08	300,000.00		78,113.46					78,113.46
497	Various Improvements to the 26th Street Bulkhead	10/2/09	1,850,000.00	\$ 1,220,000.00	730,294.98			\$ 1,220,000.00		730,294.98
512	Various Capital Improvements	11/16/11	1,040,764.00			\$ 52,038.00	\$ 988,726.00	293,092.75		747,671.25
				\$ 1,220,000.00	\$ 938,013.13	52,038.00	\$ 988,726.00	\$ 406,748.86		\$ 1,572,028.27
								\$ 137,486.61		
								269,252.25		
								\$ 406,748.86		

Disbursed  
 Contracts Payable

13800

Exhibit SC-7

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2011

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Balance December 31, 2010	\$ 124,450.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>52,038.00</u>
Balance December 31, 2011	<u><u>\$ 72,412.00</u></u>

BOROUGH OF WEST WILWOOD  
 GENERAL CAPITAL FUND  
 Statement of Bonds Anticipation Notes  
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Original Amount of Issue	Date of Issue	Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
450	Various Road Improvements	\$ 532,000.00	10/20/2005	10/1/5/2010	10/1/4/2011	10/1/2/2012	1.50%	\$ 234,000.00		\$ 234,000.00	\$ 234,000.00
475, 499	Various Capital Improvement	50,000.00	10/16/2008	10/1/5/2010	10/1/4/2011	10/1/2/2012	1.50%	300,200.00		300,200.00	297,512.00
482	Improvement to Bayonne Avenue and Other Streets	100,000.00	10/16/2008	10/1/5/2010	10/1/4/2011	10/1/2/2012	1.50%	160,000.00		160,000.00	154,736.00
497	Various Improvements to the 26th Street Bulkhead	1,200,000.00	06/07/2010	10/1/5/2010	10/1/4/2011	10/1/2/2012	1.50%	1,200,000.00		1,200,000.00	437,752.00
								\$ 1,894,200.00		\$ 1,894,200.00	\$ 1,124,000.00
											\$ 762,248.00
											200.00
											7,752.00
											\$ 1,124,000.00
											\$ 1,894,200.00
											\$ 1,124,000.00

Funded by Loan Proceeds  
 Paid by Capital Cash  
 Paid by Budget Appropriation  
 Renewals

General Improvements:

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized but not Issued  
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2010</u>	<u>2011 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Notes Paid From Notes Issued</u>	<u>Balance December 31, 2011</u>
General Improvements:						
450	Various Capital Improvements			\$ 234,000.00	\$ 234,000.00	
475, 499	Various Capital Improvements			297,512.00	297,512.00	
482	Improvements to Bay Avenue and Other Streets			154,736.00	154,736.00	
497	Various Improvements to the 26th Street Bulkhead	\$ 650,000.00		437,752.00	437,752.00	\$ 650,000.00
512	Various Capital Improvements		<u>\$ 988,726.00</u>			<u>988,726.00</u>
		<u>\$ 650,000.00</u>	<u>\$ 988,726.00</u>	<u>\$ 1,124,000.00</u>	<u>\$ 1,124,000.00</u>	<u>\$ 1,638,726.00</u>



**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, 2011

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	\$ 238,337.97	\$ 23,183.06
Increased by Receipts:		
Due Current Fund	\$ 2,658.72	
Due Water Sewer Utility Operating Fund	934,674.67	\$ 116.18
Due Water Sewer Utility Capital Fund	418,171.86	
Collector	17,564.90	
Excess Proceeds from Sale of Water Operating Utility	2,006.73	
Interest Earned on Deposits and Investments	<u>1,375,076.88</u>	<u>116.18</u>
	1,613,414.85	23,299.24
Decreased by Disbursements:		
Due Current Fund	110,744.56	
Due Water Sewer Utility Capital Fund	934,674.67	
2011 Appropriations	363,374.89	
2010 Appropriation Reserves	551.00	
Refund - Overpayments	203.42	
Accrued Interest on Bonds and Notes	<u>100,165.90</u>	
	<u>1,509,714.44</u>	
Balance December 31, 2011	<u>\$ 103,700.41</u>	<u>\$ 23,299.24</u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Water / Sewer Utility Cash  
 Per N.J.S.A. 40A:5-5 Collector  
 For the Year Ended December 31, 2011

<b>Receipts:</b>	
Water Consumer Accounts Receivable	\$ 358,411.26
Sewer Consumer Accounts Receivable	61.34
Water Rent Overpayments	40.84
Prepaid Sewer Rents	22,541.95
Miscellaneous Revenue:	
Shared Services Agreement - Wildwood	29,590.49
Interest and Costs on Delinquent Rents	<u>7,525.98</u>
	\$ 418,171.86
Decreased by:	
Payments to Treasurer	<u><u>\$ 418,171.86</u></u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Analysis of Water / Sewer Utility Capital Cash  
 For the Year Ended December 31, 2011

	Balance (Overdraft) <u>December 31, 2010</u>	Receipts <u>Miscellaneous</u>	Transfers		Balance (Overdraft) <u>December 31, 2011</u>
			<u>From</u>	<u>To</u>	
Due Water / Sewer Utility Operating Fund	\$ (4,154.70)	\$ 116.18	\$ 934,674.67	\$ 934,674.67	\$ (4,038.52)
Due Current Fund	65,000.00				65,000.00
Capital Improvement Fund	16,000.00				16,000.00
Reserve for Payment of Bonds			934,674.67	934,674.67	
Improvement Authorizations:					
Ordinance					
<u>Number</u>					
426	Improvement to Water/Sewer System	15,250.00			15,250.00
467	Repairs to Glenwood Avenue Water Main	(68,912.24)			(68,912.24)
		<u>\$ 23,183.06</u>	<u>\$ 116.18</u>	<u>\$ 1,869,349.34</u>	<u>\$ 1,869,349.34</u>
		<u>\$ 23,183.06</u>	<u>\$ 116.18</u>	<u>\$ 1,869,349.34</u>	<u>\$ 23,299.24</u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Sewer Consumer Accounts Receivable  
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 32,215.48
Increased by:	
Sewer Rents Levied	375,456.00
	407,671.48
Decreased by:	
Receipts -- Collector	\$ 358,411.26
Cancellations	26,169.32
	384,580.58
Balance December 31, 2011	\$ 23,090.90

## Exhibit SD-5

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Water Consumer Accounts Receivable  
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 272.60
Decreased by:	
Transfer to Water Liens Receivable	\$ 272.60

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Sewer Liens Receivable  
 For the Year Ended December 31, 2011

<hr/>	
Balance December 31, 2010	\$ 717.51
Increased by:	
Transfer from Water Liens Receivable	\$ 464.34
Costs & Interest	<u>227.66</u>
	<u>692.00</u>
Balance December 31, 2011	<u><u>\$ 1,409.51</u></u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Water Liens Receivable  
 For the Year Ended December 31, 2011

<hr/>	
Balance December 31, 2010	\$ 464.34
Increased by:	
Transfers from Water Consumer Accounts Receivable	\$ 272.60
Costs & Interest	<u>79.74</u>
	<u>352.34</u>
Decreased by:	
Transfer to Sewer Liens Receivable	816.68
	<u>464.34</u>
Balance December 31, 2011	<u><u>\$ 352.34</u></u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Deferred Charges  
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 2,948.97
Increased by:	
Deficit in Operations	2,275.01
Decreased by:	
Raised in the Operating Budget	5,223.98
	2,125.46
Balance December 31, 2011	\$ 3,098.52

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Statement of Fixed Capital  
 As of December 31, 2011

<u>Description</u>	Balance		<u>Dec. 31, 2011</u>
	<u>Dec. 31, 2010</u>	<u>Decreased</u>	
Distribution Main and Accessories	\$ 106,148.00	\$ 106,148.00	
Fire Hydrants	315.00	315.00	
Water Main and Accessories	215,000.00	215,000.00	
General Improvements	<u>4,749,350.00</u>	<u>773,537.00</u>	<u>\$ 3,975,813.00</u>
	<u>\$ 5,070,813.00</u>	<u>\$ 1,095,000.00</u>	<u>\$ 3,975,813.00</u>

Exhibit SD-11

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Schedule of Fixed Capital Authorized and Uncompleted  
 As of December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2011</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	<u>80,000.00</u>
				<u>\$ 100,000.00</u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Appropriation Reserves  
 For the Year Ended December 31, 2011

	Balance December 31, 2010	Encumbered	Reserved	Balance After Modification	Disbursed	Lapsed
Operating: Salary and Wages	\$ 530.05			\$ 530.05		
Other Expenses	551.00		9,103.71	9,654.71	551.00	9,103.71
Total Operating	551.00		9,633.76	10,184.76	551.00	9,633.76
Capital Improvements: Capital Outlay	10,000.00		10,000.00	10,000.00		10,000.00
Total Operating	-		10,000.00	10,000.00	-	10,000.00
Deferred Charges and Regulatory Expenditures: Regulatory Expenditures: Contribution to: Social Security System (O.A.S.I.)	10.00		10.00	10.00		10.00
	-		10.00	10.00	-	10.00
	551.00		19,643.76	20,194.76	551.00	19,643.76
	\$ 551.00		\$ 19,643.76	\$ 20,194.76	\$ 551.00	\$ 19,643.76



**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Sewer Rent Overpayments  
 For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 4,501.39
Increased by:	
Receipts -- Collector	<u>61.34</u>
Decreased by:	
Refund of Overpayment	<u>4,562.73</u>
Balance December 31, 2011	<u><u>\$ 4,525.23</u></u>

Exhibit SD-14

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Water Rent Overpayments  
 For the Year Ended December 31, 2011

---

Balance December 31, 2010	\$ 333.52
Increased by:	
Receipts -- Collector	<u>40.84</u>
Decreased by:	
Disbursements -- Refunds	<u>374.36</u>
Balance December 31, 2011	<u><u>\$ 208.44</u></u>

**BOROUGH OF WEST WILDWOOD**  
WATER / SEWER UTILITY OPERATING FUND  
Statement of Prepaid Sewer Rents  
For the Year Ended December 31, 2011

---

Increased by:	
Receipts -- Collector	\$ 22,541.95
Balance December 31, 2011	<u>\$ 22,541.95</u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Accrued Interest on Bonds and Notes  
 For the Year Ended December 31, 2011

Balance December 31, 2010 Increased by: Budget Appropriation  Decreased by: Interest Paid: Disbursed  Balance December 31, 2011	\$ 41,465.60 79,718.38 121,183.98 100,165.90 <u>\$ 21,018.08</u>																				
Principal Outstanding December 31, 2011  Serial Bonds:  1992 Issue: \$ 434,147.45 1994 Issue: 770,311.89																					
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Interest Rate</u></th> <th style="text-align: center;"><u>From</u></th> <th style="text-align: center;"><u>To</u></th> <th style="text-align: center;"><u>Period (Days)</u></th> <th style="text-align: center;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5.625%</td> <td style="text-align: center;">9/8/2011</td> <td style="text-align: center;">12/31/2011</td> <td style="text-align: center;">114</td> <td style="text-align: right;">\$ 7,627.32</td> </tr> <tr> <td style="text-align: center;">4.500%</td> <td style="text-align: center;">8/12/2011</td> <td style="text-align: center;">12/31/2011</td> <td style="text-align: center;">141</td> <td style="text-align: right;">13,390.76</td> </tr> <tr> <td colspan="4"></td> <td style="text-align: right;"><u>\$ 21,018.08</u></td> </tr> </tbody> </table>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>	5.625%	9/8/2011	12/31/2011	114	\$ 7,627.32	4.500%	8/12/2011	12/31/2011	141	13,390.76					<u>\$ 21,018.08</u>	
<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>																	
5.625%	9/8/2011	12/31/2011	114	\$ 7,627.32																	
4.500%	8/12/2011	12/31/2011	141	13,390.76																	
				<u>\$ 21,018.08</u>																	

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 105,769.84
Increased by:		
2011 Budget Appropriations paid by Current Fund	\$ 2,316.00	
Receipts:		
Interfund Loans Received	<u>2,658.72</u>	
		<u>4,974.72</u>
Decreased by:		
Disbursements - Interfund Loans Returned		110,744.56
		<u>\$ 110,744.56</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, 2011

Balance December 31, 2010	\$ 4,154.70
Increased by:	
Receipts Collected by the Operating Fund:	
Reserve for Payment of Bonds	934,674.67
Decreased by:	
Payments made by Operating Fund:	
Reserve for Payment of Bonds	\$ 934,674.67
Collections made on behalf of the Utility Operating Fund	
Receipts -- Interest Earned on Deposits	116.18
Balance December 31, 2011	934,790.85

Exhibit SD-19

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Schedule of Capital Improvement Fund  
 For the Year Ended December 31, 2011

Balance December 31, 2011	\$ 16,000.00
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**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Schedule of Improvement Authorizations  
 For the Year Ended December 31, 2011

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance</u>		<u>Amount</u>	<u>Balance</u>	
		<u>Date</u>	<u>Date</u>		<u>Funded</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, 2011

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Balance December 31, 2010	\$ 2,907,192.91
Increased by:	
Serial Bonds Paid by:	
Budget Appropriation	959,160.75
Decreased by:	
Sale of Water Utility	3,866,353.66
	1,095,000.00
Balance December 31, 2011	<u>\$ 2,771,353.66</u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Statement of Reserve for Payment of Bonds  
 For the Year Ended December 31, 2011

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Increased by:	
Proceeds from the Sale of Water Utility	
Due Operating Fund	\$ 934,674.67
Decreased by:	
Due Operating Fund:	
Payoff of Water Utility Debt:	
Principal	\$ 908,764.58
Interest	21,867.16
Costs Associated with Sale of Water Utility	<u>4,042.93</u>
	<u>\$ 934,674.67</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, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bond	9/17/1992	\$ 562,600.00	3/8/2012	5,545.60	5.625%	\$ 445,989.05	\$ 11,841.60	\$ 434,147.45
			9/8/2012	5,701.57				
			3/8/2013	5,861.93				
			9/8/2013	6,026.80				
			3/8/2014	6,196.30				
			9/8/2014	6,370.57				
			2015 to 2032	398,444.68				
General Obligation Bond	8/12/1994	1,000,000.00	2/12/2012	9,737.98	4.500%	789,580.44	19,268.55	770,311.89
			8/12/2012	9,957.09				
			2/12/2013	10,181.12				
			8/12/2013	10,410.20				
			2/12/2014	10,644.43				
			8/12/2014	10,883.93				
			2015 to 2034	708,497.14				
General Obligation Bond	1/15/1998	1,095,000.00			4.500%	928,050.60	928,050.60	
						<u>\$ 2,163,620.09</u>	<u>\$ 959,160.75</u>	<u>\$ 1,204,459.34</u>
2011 Budget Appropriation							\$ 48,764.10	
Paid from Proceeds from Sale of Water Utility							<u>908,764.58</u>	
							<u>\$ 957,528.68</u>	

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Schedule of Bonds and Notes Authorized but not Issued  
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2011</u>
312	Construction of a Water Main	\$ 15,000.00
403	Sewer and Water System Improvements	61,000.00
		<u>\$ 76,000.00</u>

**BOROUGH OF WEST WILDWOOD**

**PART 2**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**



**BOROUGH OF WEST WILDWOOD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2011**

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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. 2011-1**

**Criteria or Specific Requirement**

Good internal control practices require that bank reconciliations be prepared on a monthly basis and have all of its outstanding items addressed and accounted for in a timely manner. As such, bank reconciliations should not have items reconciling to the balance per the bank sans deposits in transit and outstanding checks. Also, good internal control practices dictate that a complete and accurate general ledger should be maintained for each fund to ensure adequate control over the preparation of financial statements including the related footnotes.

**Condition**

The Borough's bank reconciliations were not prepared on a monthly basis and were not complete and accurate. Also, the Borough's maintenance of the general ledger was not on a current basis.

**Context**

Bank reconciliations were not prepared since February 2011 at the time of the preparation of the Annual Financial Statement. In addition, the auditor's review of monthly bank reconciliations subsequently performed revealed that differences between the book balance and bank balance were not being properly addressed on a monthly basis. Also, the auditor's review of the general ledger revealed that revenues and expenditures were not being posted on a timely basis.

**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. Also, without a properly maintained general ledger system, the immediate and current identification of assets, liabilities, revenues, expenditures and fund balance cannot be achieved.

**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. The general ledger was not being reviewed monthly for accuracy.

**Recommendation**

The Borough should establish proper internal controls over the preparation of complete and accurate bank reconciliations. Also, the Borough should maintain the general ledger accurately and completely on a timely basis.

**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, 2011**

---

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

**Finding No. 2011-2**

**Criteria or Specific Requirement**

All local units shall have and maintain a fixed assets accounting and reporting system that establishes and maintains a physical inventory of fixed assets, places 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.

**Condition**

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

**Context**

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

**Effect**

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

**Cause**

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

**Recommendation**

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

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

The responsible officials agree with the finding 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, 2011**

---

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

**Finding No. 2011-3**

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

**Condition**  
The Borough had overexpenditures in various budget line-items and appropriation reserves.

**Context**  
A review of the Borough's budget to expenditures revealed overexpenditures in various budget line-items from the 2011 budget by \$97,485.52 and 2010 Appropriation Reserve budget line-item by \$1,614.83.

**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.

**BOROUGH OF WEST WILDWOOD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2011**

---

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

**Finding No. 2011-4**

**Criteria or Specific Requirement**

Good internal control practices require that there be no deficits in operations.

**Condition**

The Borough had a deficit in operations in the water / sewer operating fund.

**Context**

The auditor noted a deficit in operations existed in the water / sewer fund in the amount of \$2,275.01.

**Effect**

The Borough will be required to raise the deficit in operations for the utility fund in the subsequent year's budget.

**Cause**

The Borough's collection related their utility were not as high as anticipated and therefore, did not offset the budgeted expenditures.

**Recommendation**

The Borough review the results of operations on a regular basis, so as to address any deficits that might be created throughout the year in the utility fund.

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

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



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

---

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

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2010-1**

**Condition**

The Borough's bank reconciliations are not complete and accurate. Also, the Borough's maintenance of the general ledger was not on a current basis.

**Current Status**

This condition still exists as reported in Finding No. 2011-1.

**Planned Corrective Action**

All bank reconciliations are complete and accurate.

**Finding No. 2010-2**

**Condition**

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

**Current Status**

This condition still exists as reported in Finding No. 2011-2.

**Planned Corrective Action**

Fixed assets will be updated for building values.

**Finding No. 2010-3**

**Condition**

The Borough had overexpenditures in various budget line-items, appropriation reserves and the federal and state grant fund.

**Current Status**

This condition still exists as reported in Finding No. 2011-3.

**Planned Corrective Action**

All expenditures have sufficient budgeted legal appropriations.

**Finding No. 2010-4**

**Condition**

The Borough did not file dog license reports with the State of New Jersey or remit amounts due to the State of New Jersey for dog licenses issued during the 2010 year.

**Current Status**

This condition has been resolved.

**BOROUGH OF WEST WILDWOOD**  
**Summary Schedule of Prior Year Audit Findings**  
**And Recommendations as Prepared by Management (Cont'd)**

---

**Finding No. 2010-5****Condition**

Throughout testing of disbursements, the following conditions were revealed:

- 1) There were several vouchers in which supporting documentation could not be provided.
- 2) There were several vouchers that did not have all required signatures.
- 3) All the monthly meeting minutes were not properly approved and all approvals for the payment of claims were not recorded in the minutes.

**Current Status**

This condition has been resolved.

**Finding No. 2010-6****Condition**

The Borough did not have all required financial disclosure forms on file for 2010.

**Current Status**

This condition has been resolved.

**Finding No. 2010-7****Condition**

During the year, there were large interfunds created with the current fund that led to a deficit in operations. In addition, in the water / sewer operating fund, there was also a deficit in operations.

**Current Status**

The condition in the current fund has been resolved, while the condition in the water / sewer operating fund still exists as reported in Finding No. 2011-4.

**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>Dates</u>	<u>Amount of Surety Bonds</u>
Dr. Herbert Frederick	Mayor		
Scott Golden	Commissioner		
Gerard McNamara	Commissioner		
Regina Burke	Chief Financial Officer	Jan. - Sept. 2011	(A)
Elaine Crowley	Acting CFO / Office Clerk		(A)
Maria Brewster	Computer Clerk, Registrar of Vital Statistics	Jan. - Nov. 2011	(A)
Lori Rosensteel	Tax / Utility Collector	Jan. - March 2011	(A)
Maureen Mitchell	Tax / Utility Collector	April - Dec. 2011	(A)
James Nanos	Municipal Clerk / Administrator	Jan. - June 2011	(A)
Christopher Ridings	Administrator	July - Dec. 2011	(A)
Richard Carter	Municipal Clerk	July - Dec. 2011	(A)
Walter Tretin	Treasurer	Jan. - Feb. 2011	(A)
Laura J. Kassinger	Court Administrator, Violations Clerk		(A)
Tammy Lomonica	Deputy Court Administrator		(A)
Joseph M. Gallagher	Tax Assessor		(A)
Louis J. Belasco Jr.	Judge of the Municipal Court		(A)
Paul Baldini	Solicitor		(A)

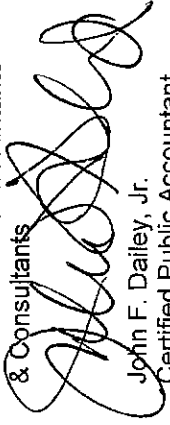
14600

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



