

**BOROUGH OF WEST WILDWOOD  
REPORT OF AUDIT  
FOR THE YEAR ENDED  
DECEMBER 31, 2012**

**BOROUGH OF WEST WILDWOOD**

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## BOROUGH OF WEST WILDWOOD

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**BOROUGH OF WEST WILDWOOD**

**PART I**

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

**FOR THE YEAR ENDED**

**DECEMBER 31, 2012**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

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

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of West Wildwood, as of December 31, 2012, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents. The financial statements for the year ended December 31, 2011 were audited by other auditors whose report dated June 28, 2012 expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unqualified opinion under the regulatory basis of accounting.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United

States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

## ***Opinion on Regulatory Basis of Accounting***

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

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of West Wildwood's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2013 on our consideration of the Borough of West Wildwood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of West Wildwood Borough's internal control over financial reporting and compliance.

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

*Kenneth Moore*  
Kenneth Moore  
Certified Public Accountant  
Registered Municipal Accountant  
No. 231

April 5, 2013

**EXHIBIT - A**  
**CURRENT FUND**

**CURRENT FUND  
COMPARATIVE BALANCE SHEET  
REGULATORY BASIS  
AS OF DECEMBER 31,**

A  
Sheet 1

|  | Ref. | 2012                   | 2011                   |
|--|------|------------------------|------------------------|
| <b>ASSETS</b>                                    |      |                        |                        |
| Regular Fund:                                    |      |                        |                        |
| Cash - Treasurer                                 | A-4  | \$ 933,972.25          | \$ 1,084,614.26        |
| - Change and Petty Cash Funds                    |      | 200.00                 | 200.00                 |
| Due from State of New Jersey -                   |      |                        |                        |
| Senior Citizens' and Veterans' Deductions        |      | 1,625.00               | 91.85                  |
|  |      | <u>935,797.25</u>      | <u>1,084,906.11</u>    |
| Receivables and Other Assets with Full Reserves: |      |                        |                        |
| Delinquent Property Taxes Receivable             | A-6  | 152,827.25             | 133,509.47             |
| Tax Title Liens Receivable                       |      | 211,577.42             | 138,916.10             |
| Revenue Accounts Receivable                      |      | -                      | 711.22                 |
| Amount due from Dog License Fund                 | B    | 185.35                 | 417.94                 |
| Amount due from General Capital Fund             | C    | 17.94                  | -                      |
| Amount due from Trust Other                      | B    | 45,863.91              | -                      |
| Amount due from Utility Capital                  | D    | 65,000.00              | 65,000.00              |
|  |      | <u>475,471.87</u>      | <u>338,554.73</u>      |
| Deferred Charges:                                |      |                        |                        |
| Emergency Appropriations (40A:4-47)              | A-3  | -                      | 254,750.00             |
| Overexpenditure of Appropriation                 | A-3  | 1,075.65               | 97,485.52              |
| Overexpenditure of Appropriation Reserves        | A-3  | <u>1,075.65</u>        | <u>1,614.83</u>        |
|  |      | 1,412,344.77           | 1,777,311.19           |
| Federal and State Grant Funds:                   |      |                        |                        |
| Due from Current Fund                            | A    | 165,785.78             | 179,217.12             |
| Federal and State Grants Receivable              | A-10 | 706,903.68             | 557,688.89             |
| Total Assets - Grant Fund                        |      | <u>872,689.46</u>      | <u>736,906.01</u>      |
| Total Assets                                     | A    | <u>\$ 2,285,034.23</u> | <u>\$ 2,514,217.20</u> |

See Accompanying Notes to Financial Statements

CURRENT FUND  
COMPARATIVE BALANCE SHEET  
REGULATORY BASIS  
AS OF DECEMBER 31,

A  
Sheet 3

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | Ref. | <u>2012</u>            | <u>2011</u>            |
|---|------|------------------------|------------------------|
| Regular Fund:                                 |      |                        |                        |
| Liabilities:                                  |      |                        |                        |
| Appropriation Reserves                        | A-3  | \$ 106,708.10          | \$ 248,731.24          |
| Reserve for Encumbrances                      | A-3  | 61,844.35              | 171,325.59             |
| Accounts Payable                              |      | 7,763.12               | 7,763.12               |
| Prepaid Taxes                                 |      | 45,328.48              | 51,397.29              |
| Tax Overpayments                              |      | 28,735.01              | 36,172.69              |
| Due to Trust - Escrow                         |      | 20,000.00              |                        |
| Due to Wildwood Water Department              |      | 297.67                 | -                      |
| Amounts due to:                               |      |                        |                        |
| State of New Jersey                           |      |                        | 50.00                  |
| Marriage Licenses                             |      | -                      | 767.38                 |
| County - Added and Omitted Taxes              |      | 45.24                  |                        |
| Local School Tax Payable                      |      | 60,411.00              | -                      |
| Federal and State Grant Fund                  | A    | <u>185,785.78</u>      | <u>179,217.12</u>      |
| Total Liabilities                             |      | 496,918.75             | 695,424.43             |
| Reserves for Receivables                      |      |                        |                        |
| and Other Assets                              | A    | 475,471.87             | 338,554.73             |
| Fund Balance                                  | A-1  | <u>439,954.15</u>      | <u>743,392.03</u>      |
|   |      | <u>1,412,344.77</u>    | <u>1,777,311.19</u>    |
| Federal and State Grant Fund:                 |      |                        |                        |
| Encumbrances Payable                          |      | 500.00                 | 500.00                 |
| Res. for Federal and State Grants -           |      |                        |                        |
| Appropriated                                  | A-11 | 842,851.95             | 702,063.05             |
| Res. for Federal and State Grants -           |      |                        |                        |
| Unappropriated                                | A-12 | <u>29,337.51</u>       | <u>34,342.96</u>       |
| Total Liabilities - Grant Fund                |      | <u>872,689.46</u>      | <u>736,906.01</u>      |
|   | A    | <u>\$ 2,285,034.23</u> | <u>\$ 2,514,217.20</u> |

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

|  | Ref. | 2012                 | 2011                 |
|--|------|----------------------|----------------------|
| Revenue and Other Income Realized          |      |                      |                      |
| Fund Balance Utilized                      |      | \$ 377,350.55        | \$ 156,572.00        |
| Miscellaneous Revenue Anticipated          | A-2  | 377,422.53           | 530,121.78           |
| Receipts from Delinquent Taxes             | A-2  | 118,398.78           | 162,032.10           |
| Receipts from Current Taxes                | A-2  | 3,175,730.31         | 3,185,516.39         |
| Non Budget Revenue                         | A-2  | 86,187.99            | 319,259.59           |
| Other Credits to Income:                   |      |                      |                      |
| Unexpended Balance of Appropriation        |      |                      |                      |
| Reserves                                   | A-8  | 94,684.90            | 72,020.31            |
| Intefunds Returned                         |      | 417.94               | 1,118.51             |
| Total Income                               |      | <u>4,230,193.00</u>  | <u>4,426,640.68</u>  |
| Expenditures                               |      |                      |                      |
| Budget and Emergency Appropriations:       |      |                      |                      |
| Appropriations within "CAP"                |      |                      |                      |
| Operations:                                |      |                      |                      |
| Salaries and Wages                         | A-3  | 570,605.00           | 666,935.50           |
| Other Expenses                             | A-3  | 743,260.00           | 1,121,189.64         |
| Deferred Charges and Statutory             | A-3  | 401,374.95           | 320,872.81           |
| Appropriations excluded from "CAP"         |      |                      |                      |
| Operations:                                |      |                      |                      |
| Other Expenses                             | A-3  | 220,294.21           | 60,721.17            |
| Capital Improvements excluded from "CAP"   | A-3  | 127,500.00           | -                    |
| Deferred Charges excluded from "CAP"       | A-3  | 50,276.00            | 112,005.59           |
| Municipal Debt Service excluded from "CAP" | A-3  | 35,695.88            | 36,084.36            |
| County Taxes                               |      | 587,425.91           | 586,871.03           |
| County Added and Omitted Taxes             |      | 45.24                | 767.38               |
| Local District School Tax                  | A-9  | 1,394,011.00         | 1,395,050.50         |
| Refund Prior Revenue                       |      | 25,714.20            | 1,864.83             |
| Intefunds Created                          |      | 17.94                | 417.94               |
| Total Expenditures                         |      | <u>4,156,220.33</u>  | <u>4,302,780.75</u>  |
| Excess in Revenue                          |      | \$ 73,972.67         | \$ 123,859.93        |
| Adjustments to Income before Fund Balance: |      |                      |                      |
| Expenditures included above which are by   |      |                      |                      |
| Statute deferred Charges to Budget of      | A-3  | -                    | 353,850.35           |
| Succeeding Year                            |      |                      |                      |
| Statutory Excess to Fund Balance           |      | 73,972.67            | 477,710.28           |
| Fund Balance January 1                     |      | <u>743,332.03</u>    | <u>422,193.75</u>    |
|  |      | 817,304.70           | 899,904.03           |
| Decreased by:                              |      |                      |                      |
| Utilization as Anticipated Revenue         | A-2  | 377,350.55           | 156,572.00           |
| Balance December 31                        | A    | <u>\$ 439,954.15</u> | <u>\$ 743,332.03</u> |

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

| Ref.  | ANTICIPATED        |                            | REALIZED      | EXCESS OR<br>(DEFICIT) |
|---|--------------------|----------------------------|---------------|------------------------|
|   | BUDGET             | SPECIAL N.J.S.<br>40A:4-87 |               |                        |
| Fund Balance Anticipated  | \$ 377,350.55      |                            | \$ 377,350.55 |                        |
| Miscellaneous Revenues:   |                    |                            |               |                        |
| Section A: Local Revenues   |                    |                            |               |                        |
| Licenses:   |                    |                            |               |                        |
| Alcoholic Beverages   | A-7 840.00         |                            | 1,020.00      | 180.00                 |
| Other   | A-7 27,767.00      |                            | 21,928.00     | (5,839.00)             |
| Interest and Costs on Taxes   | A-7 29,380.00      |                            | 26,450.32     | (2,929.68)             |
| Total Section A   | 57,987.00          | -                          | 49,398.32     | (8,588.68)             |
| Section B: State Aid without Offsetting<br>Appropriations   |                    |                            |               |                        |
| Energy Receipts Tax   | A-7 40,531.00      |                            | 40,531.00     |                        |
| Total Section B   | 40,531.00          | -                          | 40,531.00     | -                      |
| Section F: Special Items of General Revenue<br>Anticipated with Prior Written Consent of Director<br>of Local Government Services-Public and<br>Private Revenues Offset with Appropriations |                    |                            |               |                        |
| NJ Transportation Trust Fund Authority Act  | A-10               | 127,500.00                 | 127,500.00    |                        |
| Recycling Tonnage Grant   | A-10 1,119.03      | 922.71                     | 2,041.74      |                        |
| CMCMUA Public Area Recycling Grant  | A-10 2,821.25      |                            | 2,821.25      |                        |
| Alcohol Education and Rehabilitation Program  | A-10 53.93         |                            | 53.93         |                        |
| Body Armor  | A-10 1,011.24      | 850.26                     | 1,861.50      |                        |
| Urban Enterprise Zone Administration  | A-10               | 16,365.14                  | 16,365.14     |                        |
| Urban Enterprise Zone Project:<br>2012  | A-10               | 132,849.65                 | 132,849.65    |                        |
| Clean Communities Program   | A-10 4,000.00      |                            | 4,000.00      |                        |
| Total Section F   | 9,005.45           | 278,487.76                 | 287,493.21    | -                      |
| Total Miscellaneous Revenue   | A-2 107,523.45     | 278,487.76                 | 377,422.53    | (8,588.68)             |
| Receipts from Delinquent Taxes  | A-1:A-2 168,000.00 |                            | 118,398.78    | (49,601.22)            |

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

|  | ANTICIPATED            |                            | REALIZED               | EXCESS OR<br>(DEFICIT) |
|--|------------------------|----------------------------|------------------------|------------------------|
|  | BUDGET                 | SPECIAL N.J.S.<br>40A:4-87 |                        |                        |
| Ref.   |                        |                            |                        |                        |
| Amount to be Raised by Taxes for<br>Support of Municipal Budget<br>Local Tax for Municipal Purpose |                        |                            |                        |                        |
| A-6:A-2  | \$ 1,405,547.00        |                            | \$ 1,382,150.76        | \$ (23,396.24)         |
| Total Amount to be Raised by Taxes<br>for Support of Municipal Budget                              | 1,405,547.00           |                            | 1,382,150.76           | (23,396.24)            |
| Budget Totals  | 2,058,421.00           | 278,487.76                 | 2,255,322.62           | (81,586.14)            |
| Non-Budget Totals  |                        |                            | 86,187.99              | 86,187.99              |
|  | <u>\$ 2,058,421.00</u> | <u>\$ 278,487.76</u>       | <u>\$ 2,341,510.61</u> | <u>\$ 4,601.85</u>     |
| Ref.   | A-3                    | A-3                        |                        |                        |

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

A-2  
Sheet 3

| ANALYSIS OF REALIZED REVENUES                             | Ref. |                        |
|---|------|------------------------|
| Allocation of Current Tax Collections:                    |      |                        |
| Revenue from Collections                                  | A-1  | \$ 3,175,730.31        |
| Allocated to:   |      |                        |
| School and County Taxes                                   |      | <u>1,981,482.15</u>    |
| Balance for Support of Municipal<br>Budget Appropriations |      | 1,194,248.16           |
| Add:  |      |                        |
| Appropriation "Reserve for Uncollected<br>Taxes"          | A-3  | <u>187,902.60</u>      |
| Amount for Support of Municipal<br>Budget Appropriations  | A-2  | <u>\$ 1,382,150.76</u> |
| Receipts from Delinquent Taxes:                           |      |                        |
| Delinquent Tax Collections                                | A-1  | <u>\$ 118,398.78</u>   |



**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

Ref.

**ANALYSIS OF NON BUDGET REVENUE**

Miscellaneous Revenue not Anticipated:

|  |                  |                     |
|--|------------------|---------------------|
| Treasurer:                                     |                  |                     |
| Street Openings                                | \$ 2,970.00      |                     |
| Bulk Trash                                     | 83.00            |                     |
| Sale of Municipal Assets                       | 31,394.00        |                     |
| Municipal Court                                | 9,326.47         |                     |
| Interest on Investments                        | 1,975.33         |                     |
| Police Reports                                 | 5.00             |                     |
| Reimbursements                                 | 3,025.02         |                     |
| Planning and Zoning                            | 250.00           |                     |
| Marriage Licenses                              | 66.00            |                     |
| CMCMUA Recycling Rebate                        | 5,844.27         |                     |
| Sale of Guns                                   | 1,500.00         |                     |
| FEMA   | 5,365.69         |                     |
| Dumpster Permits                               | 150.00           |                     |
| Fees and Permits                               | 1,540.00         |                     |
| Copies and Maps                                | 213.75           |                     |
| Cable Franchise Fees                           | 6,001.81         |                     |
| Other Miscellaneous                            | <u>16,477.65</u> |                     |
| Total Miscellaneous Revenue<br>not Anticipated |                  | <u>\$ 86,187.99</u> |

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

A-3  
Sheet 1 of 5

|                            | APPROPRIATIONS |                              | PAID OR<br>CHARGED | EXPENDED   |           | UNEXPENDED<br>BALANCE<br>CANCELED | OVER-<br>EXPENDED |
|----------------------------|----------------|------------------------------|--------------------|------------|-----------|-----------------------------------|-------------------|
|                            | BUDGET         | BUDGET AFTER<br>MODIFICATION |                    | ENCUMBERED | RESERVED  |                                   |                   |
| <b>GENERAL GOVERNMENT:</b> |                |                              |                    |            |           |                                   |                   |
| General Administration     |                |                              |                    |            |           |                                   |                   |
| Salaries and Wages         | \$ 24,220.41   | \$ 25,620.41                 | \$ 25,588.82       |            | \$ 31.59  |                                   |                   |
| Other Expenses:            | 43,275.00      | 32,275.00                    | 31,331.29          |            | 943.71    |                                   |                   |
| Mayor and Commissioners    |                |                              |                    |            |           |                                   |                   |
| Salaries and Wages         | 20,600.00      | 21,300.00                    | 21,294.93          |            | 5.07      |                                   |                   |
| Municipal Clerk            |                |                              |                    |            |           |                                   |                   |
| Salaries and Wages         | 60,500.00      | 48,500.00                    | 47,868.47          |            | 631.53    |                                   |                   |
| Other Expenses:            | 8,700.00       | 9,600.00                     | 9,003.97           | 42.00      | 554.03    |                                   |                   |
| Finance Department         |                |                              |                    |            |           |                                   |                   |
| Salaries and Wages         | 37,000.00      | 43,000.00                    | 42,560.36          |            | 439.64    |                                   |                   |
| Other Expenses             | 6,500.00       | 6,500.00                     | 4,199.82           |            | 2,300.18  |                                   |                   |
| Audit Services             | 35,000.00      | 35,000.00                    | 35,000.00          |            | -         |                                   |                   |
| Data Processing            |                |                              |                    |            |           |                                   |                   |
| Other Expenses             | 12,500.00      | 12,500.00                    | 9,155.60           |            | 3,344.40  |                                   |                   |
| Collection of Taxes        |                |                              |                    |            |           |                                   |                   |
| Salaries and Wages         | 26,000.00      | 14,800.00                    | 14,483.00          |            | 317.00    |                                   |                   |
| Other Expenses             | 1,500.00       | 2,000.00                     | 1,613.50           | 270.00     | 116.50    |                                   |                   |
| Assessment of Taxes        |                |                              |                    |            |           |                                   |                   |
| Salaries and Wages         | 12,000.00      | 12,000.00                    | 12,000.00          |            | -         |                                   |                   |
| Legal Services and Costs   |                |                              |                    |            |           |                                   |                   |
| Salaries and Wages         | 35,000.00      | 35,000.00                    | 34,494.97          | 505.00     | 0.03      |                                   |                   |
| Other Expenses             | 139,000.00     | 169,735.00                   | 137,619.52         |            | 32,115.48 |                                   |                   |
| Engineering                |                |                              |                    |            |           |                                   |                   |
| Other Expenses             | 2,500.00       | 2,500.00                     | 2,500.00           |            | -         |                                   |                   |
| Land Use Board             |                |                              |                    |            |           |                                   |                   |
| Salaries and Wages         | 15,000.00      | 7,500.00                     | 7,400.08           |            | 99.92     |                                   |                   |
| Other Expenses:            |                |                              |                    |            |           |                                   |                   |

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

|                                     | APPROPRIATIONS |                              | EXPENDED           |                        | UNEXPENDED<br>BALANCE<br>CANCELED | OVER-<br>EXPENDED |
|-------------------------------------|----------------|------------------------------|--------------------|------------------------|-----------------------------------|-------------------|
|                                     | BUDGET         | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED | ENCUMBERED<br>RESERVED |                                   |                   |
| Insurance                           |                |                              |                    |                        |                                   |                   |
| Liability Insurance                 | 25,000.00      | 25,000.00                    | 25,000.00          |                        | -                                 |                   |
| Worker's Compensation               | 45,000.00      | 45,000.00                    | 41,176.00          |                        | 3,824.00                          |                   |
| Group Employee Insurance            | 140,000.00     | 134,000.00                   | 132,033.57         |                        | 1,966.43                          |                   |
| Unemployment Compensation Insurance | 40,000.00      | 19,700.00                    | 9,213.37           |                        | 10,486.63                         |                   |
| Police                              |                |                              |                    |                        |                                   |                   |
| Salaries and Wages                  | 199,879.59     | 207,344.59                   | 207,344.48         |                        | 0.11                              |                   |
| Other Expenses                      | 11,900.00      | 11,900.00                    | 11,722.76          |                        | 177.24                            |                   |
| Emergency Management                |                |                              |                    |                        |                                   |                   |
| Other Expenses                      | 1,000.00       | 1,000.00                     | 595.43             |                        | 404.57                            |                   |
| Aid to Volunteer Fire Company       | 300.00         | 300.00                       |                    |                        | 300.00                            |                   |
| Fire                                |                |                              |                    |                        |                                   |                   |
| Other Expenses                      | 2,000.00       | 2,000.00                     | 1,383.00           | 250.00                 | 367.00                            |                   |
| Fire Hydrant Services               | 10,500.00      | 10,500.00                    |                    |                        | 10,500.00                         |                   |
| Prosecutor                          |                |                              |                    |                        |                                   |                   |
| Salaries and Wages                  | 1,500.00       | 2,000.00                     | 2,000.00           |                        | -                                 |                   |
| Municipal Court                     |                |                              |                    |                        |                                   |                   |
| Salaries and Wages                  | 3,100.00       | 6,200.00                     | 6,200.00           |                        | -                                 |                   |
| Public Defender                     |                |                              |                    |                        |                                   |                   |
| Other Expenses                      | 1,000.00       | -                            |                    |                        | -                                 |                   |
| Public Works                        |                |                              |                    |                        |                                   |                   |
| Salaries and Wages                  | 109,840.00     | 147,340.00                   | 145,521.37         |                        | 1,818.63                          |                   |
| Other Expenses                      | 25,400.00      | 20,400.00                    | 14,099.42          |                        | 6,300.58                          |                   |
| Solid Waste Collection              |                |                              |                    |                        |                                   |                   |
| Other Expenses                      | 51,000.00      | 51,000.00                    | 42,033.00          |                        | 8,967.00                          |                   |
| Buildings and Grounds               |                |                              |                    |                        |                                   |                   |
| Other Expenses                      | 16,250.00      | 16,250.00                    | 11,266.49          |                        | 4,983.51                          |                   |
| Animal Control Services             |                |                              |                    |                        |                                   |                   |
| Other Expenses                      | 2,500.00       | 4,600.00                     | 4,578.20           |                        | 21.80                             |                   |

See Accompanying Notes to Financial Statements

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

A-3  
Sheet 3 of 5

|  | APPROPRIATIONS      |                              | EXPENDED            |                        | UNEXPENDED<br>BALANCE<br>CANCELED | OVER-<br>EXPENDED |
|--|---------------------|------------------------------|---------------------|------------------------|-----------------------------------|-------------------|
|  | BUDGET              | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED  | ENCUMBERED<br>RESERVED |                                   |                   |
| Parks and Recreation<br>Other Expenses                     | 400.00              | 800.00                       | 764.57              |                        | 35.43                             |                   |
| Maintenance of Parks<br>Other Expenses                     | 1,000.00            | 1,000.00                     | 928.00              |                        | 72.00                             |                   |
| Celebration of Public Events<br>Other Expenses             | 1,000.00            | 1,000.00                     | 194.62              |                        | 805.38                            |                   |
| Accumulated Sick Time                                      |                     |                              |                     |                        |                                   |                   |
| Electricity  | 21,000.00           | 21,000.00                    | 20,793.02           |                        | 206.98                            |                   |
| Street Lighting  | 23,000.00           | 15,900.00                    | 15,466.87           |                        | 433.13                            |                   |
| Telephone  | 22,000.00           | 24,000.00                    | 23,403.17           |                        | 596.83                            |                   |
| Natural Gas  | 11,000.00           | 6,300.00                     | 6,261.88            |                        | 38.12                             |                   |
| Gasoline/Diesel  | 28,000.00           | 19,500.00                    | 16,218.63           |                        | 3,281.37                          |                   |
| Landfill / Solid Waste Disposal Costs                      | 42,000.00           | 42,000.00                    | 34,696.74           |                        | 7,303.26                          |                   |
| <b>Total Operations Including Contingent-within "CAPS"</b> | <b>1,314,865.00</b> | <b>1,313,865.00</b>          | <b>1,209,008.92</b> | <b>1,067.00</b>        | <b>103,789.08</b>                 | <b>-</b>          |
| Detail:  |                     |                              |                     |                        |                                   |                   |
| Salaries and Wages   | 544,640.00          | 570,605.00                   | 566,756.48          | 505.00                 | 3,343.52                          | -                 |
| Other Expenses   | 770,225.00          | 743,260.00                   | 642,252.44          | 562.00                 | 100,445.56                        | -                 |
| <b>DEFERRED CHARGES AND STATUTORY EXPENDITURES -</b>       |                     |                              |                     |                        |                                   |                   |
| <b><u>MUNICIPAL WITHIN "CAPS"</u></b>                      |                     |                              |                     |                        |                                   |                   |
| <b>DEFERRED CHARGES:</b>                                   |                     |                              |                     |                        |                                   |                   |
| Overexpenditure of Appropriations                          | 204,474.00          | 204,474.00                   | 204,474.00          |                        |                                   |                   |
| Overexpenditure of Appropriation Reserve                   | 97,485.52           | 97,485.52                    | 97,485.52           |                        |                                   |                   |
| Expenditure without an Appropriation                       | 1,614.83            | 1,614.83                     | 1,614.83            |                        |                                   |                   |
| Deficit in Reserve for Animal Control                      | 274.60              | 274.60                       | 274.60              |                        |                                   |                   |
| <b>STATUTORY EXPENDITURES:</b>                             |                     |                              |                     |                        |                                   |                   |
| Contribution to:   |                     |                              |                     |                        |                                   |                   |
| Police and Fireman's Retirement System                     | 31,686.00           | 31,686.00                    | 31,686.00           |                        | -                                 |                   |
| Public Employees' Retirement System                        | 24,103.00           | 24,103.00                    | 24,103.00           |                        | -                                 |                   |
| Social Security System (O.A.S.I.)                          | 40,737.00           | 41,737.00                    | 41,207.98           |                        | 529.02                            |                   |

See Accompanying Notes to Financial Statements

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

|  | APPROPRIATIONS |                              |                    | EXPENDED   |            | UNEXPENDED<br>BALANCE<br>CANCELED | OVER-<br>EXPENDED |
|--|----------------|------------------------------|--------------------|------------|------------|-----------------------------------|-------------------|
|  | BUDGET         | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED | ENCUMBERED | RESERVED   |                                   |                   |
| Total Deferred Charges and Statutory<br>Expenditures - Municipal within "CAPS" | 400,374.95     | 401,374.95                   | 400,845.93         | -          | 529.02     | -                                 | -                 |
| Total General Appropriations for Municipal<br>Purposes within "Caps"           | 1,715,239.95   | 1,715,239.95                 | 1,609,854.85       | 1,067.00   | 104,318.10 | -                                 | -                 |
| <b><u>OPERATIONS EXCLUDED FROM "CPAS"</u></b>                                  |                |                              |                    |            |            |                                   |                   |
| <b><u>Interlocal Municipal Service Agreements</u></b>                          |                |                              |                    |            |            |                                   |                   |
| Police Dispatcher  | 35,000.00      | 35,000.00                    | 34,000.00          |            | 1,000.00   |                                   |                   |
| Ambulance Fee  | 14,100.00      | 14,100.00                    | 14,060.00          |            | 40.00      |                                   |                   |
| Wildwood - Municipal Court   | 9,000.00       | 9,000.00                     | 9,000.00           |            | -          |                                   |                   |
| Wildwood - Registrar   | 1,500.00       | 1,500.00                     | 150.00             |            | 1,350.00   |                                   |                   |
| Total Interlocal Municipal Service Agreements -<br>Excluded from "CAPS"        | 59,600.00      | 59,600.00                    | 57,210.00          | -          | 2,390.00   | -                                 | -                 |
| <b><u>Public and Private Programs Offset by Revenues</u></b>                   |                |                              |                    |            |            |                                   |                   |
| Municipal Alliance Grant   | 701.00         | 701.00                       | 701.00             |            |            |                                   |                   |
| Urban Enterprise Zone - Admin. Budget  |                | 16,365.14                    | 16,365.14          |            |            |                                   |                   |
| Urban Enterprise Zone - Project  |                | 132,849.65                   | 132,849.65         |            |            |                                   |                   |
| NJDEP-Clean Communities Program  | 4,000.00       | 4,000.00                     | 4,000.00           |            |            |                                   |                   |
| Body Armor Grant   | 1,011.24       | 1,861.50                     | 1,861.50           |            |            |                                   |                   |
| Recycling Tonnage Grant  | 1,119.03       | 2,041.74                     | 2,041.74           |            |            |                                   |                   |
| CMCMUA Recycling Rebate Grant  | 2,821.25       | 2,821.25                     | 2,821.25           |            |            |                                   |                   |
| Alcohol Education and Rehabilitation Fund                                      | 53.93          | 53.93                        | 53.93              |            |            |                                   |                   |
| Total Public and Private Programs Offset by Revenue                            | 9,706.45       | 160,694.21                   | 160,694.21         | -          | -          | -                                 | -                 |
| Total Operations - Excluded from "CAPS"  | 69,306.45      | 220,294.21                   | 217,904.21         | -          | 2,390.00   | -                                 | -                 |
| Detail:  |                |                              |                    |            |            |                                   |                   |
| Salaries & Wages   | -              | -                            | -                  | -          | -          | -                                 | -                 |
| Other Expenses   | 69,306.45      | 220,294.21                   | 217,904.21         | -          | 2,390.00   | -                                 | -                 |

See Accompanying Notes to Financial Statements



**EXHIBIT - B**  
**TRUST FUND**

TRUST FUND  
 COMPARATIVE BALANCE SHEET  
 REGULATORY BASIS  
 AS OF DECEMBER 31,

B

|   | Ref.  | 2012                 | 2011                 |
|---|-------|----------------------|----------------------|
| <b>ASSETS</b>                                 |       |                      |                      |
| <u>Animal Control Fund</u>                    |       |                      |                      |
| Cash and Investment                           | B-1   | \$ 291.75            | \$ 172.14            |
| Deficit in Animal Control Fund                |       | -                    | 274.60               |
|   |       |                      |                      |
|   |       | 291.75               | 446.74               |
| <u>Other Funds</u>                            |       |                      |                      |
| Cash and Investment                           | B-1   | 168,181.00           | 136,104.93           |
| Due from Current Fund                         | A     | 20,000.00            | -                    |
|   |       |                      |                      |
|   |       | 188,181.00           | 136,104.93           |
|   |       |                      |                      |
|   |       | <u>188,472.75</u>    | <u>136,551.67</u>    |
| <b>LIABILITIES, RESERVES AND FUND BALANCE</b> |       |                      |                      |
| <u>Animal Control Fund</u>                    |       |                      |                      |
| Due to Current Fund                           | A:B-4 | 185.35               | 417.94               |
| Due to State                                  | B-3   | -                    | -                    |
| Reserve for Dog License Fund Expenditures     | B-2   | 106.40               | 28.80                |
|   |       |                      |                      |
|   |       | 291.75               | 446.74               |
| <u>Other Funds</u>                            |       |                      |                      |
| Due to Current Fund                           | B-14  | 45,863.91            | -                    |
| Reserve for Housing Rehabilitation            | B-10  | -                    | 3,842.00             |
| Reserve for Confiscated Funds                 | B-11  | 2,147.72             | 2,137.93             |
| Reserve for Accumulated Absences              | B-12  | 40,250.00            | 40,250.00            |
| Reserve for Unemployment Compensation         | B-5   | 16,202.98            | 16,197.47            |
| Reserve for Payroll Deductions Payable        | B-6   | 4,548.01             | 24,630.22            |
| Reserve for Tax Title Lien Redemptions        | B-7   | 30,173.51            | 19,838.40            |
| Reserve for Uniform Fire Safety Code Fees     | B-8   | 16,797.79            | 8,089.92             |
| Reserve for Planning Board Escrows            | B-9   | 21,330.23            | 10,249.01            |
| Reserve for Bricks and Benches                | B-13  | 10,866.85            | 10,869.98            |
|   |       |                      |                      |
|   |       | 188,181.00           | 136,104.93           |
|   |       |                      |                      |
|   |       | <u>\$ 188,472.75</u> | <u>\$ 136,551.67</u> |

See Accompanying Notes to Financial Statements



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**EXHIBIT - C**  
**GENERAL CAPITAL FUND**

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET  
REGULATORY BASIS  
AS OF DECEMBER 31,

C

|   | <u>Ref.</u> | <u>2012</u>            | <u>2011</u>            |
|---|-------------|------------------------|------------------------|
| <u>ASSETS</u>                                 |             |                        |                        |
| Cash  | C-2         | \$ 55,714.33           | \$ 277,225.94          |
| Deferred Charges to Future                    |             |                        |                        |
| Taxation - Unfunded                           | C-5         | <u>2,754,974.00</u>    | <u>2,762,526.00</u>    |
|   |             | <u>2,810,688.33</u>    | <u>3,039,751.94</u>    |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |                        |                        |
| Due to Current Fund                           | C-3         | 17.94                  | -                      |
| Reserve for the Payment of Debt               |             | 336.53                 | 136.53                 |
| Capital Improvement Fund                      | C-7         | 72,412.00              | 72,412.00              |
| Bond Anticipation Notes                       | C-8         | 1,116,248.00           | 1,124,000.00           |
| Improvement Authorizations -                  |             |                        |                        |
| Unfunded                                      | C-6         | 1,619,153.97           | 1,841,280.52           |
| Fund Balance                                  | C-1         | <u>2,519.89</u>        | <u>1,922.89</u>        |
|   |             | <u>\$ 2,810,688.33</u> | <u>\$ 3,039,751.94</u> |

There were no Bonds and Notes Authorized But Not Issued of \$1,638,726.00 at December 31, 2012 and 2011. (C-9)

See Accompanying Notes to Financial Statement

**GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE  
REGULATORY BASIS**

C-1

|                         | <u>Ref.</u> | <u>2012</u>        | <u>2011</u>        |
|-------------------------|-------------|--------------------|--------------------|
| Balance January 1,      | C           | \$ 1,922.89        | \$ 1,922.89        |
| Increase by:            |             |                    |                    |
| Premium on Sale of BANS | C-2         | <u>597.00</u>      | <u>-</u>           |
| Balance December 31,    | C           | <u>\$ 2,519.89</u> | <u>\$ 1,922.89</u> |

See Accompanying Notes to Financial Statements

**EXHIBIT - D**  
**SEWER UTILITY FUND**

**SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET  
REGULATORY BASIS  
AS OF DECEMBER 31,**

|  | Ref.    | 2012                   | 2011                   |
|--|---------|------------------------|------------------------|
| <b>ASSETS</b>                                    |         |                        |                        |
| Operating Fund:                                  |         |                        |                        |
| Cash   | D-4     | \$ 130,722.55          | \$ 103,700.41          |
| Due from Sewer Utility Capital Fund              | D       | <u>130,722.55</u>      | <u>103,700.41</u>      |
| Receivables and Other Assets with Full Reserves: |         |                        |                        |
| Sewer Consumer Accounts Receivable               | D-6     | 42,545.91              | 23,090.90              |
| Sewer Liens Receivable                           |         | 1,409.51               | 1,409.51               |
| Water Liens Receivable                           |         | <u>352.34</u>          | <u>352.34</u>          |
|  |         | 44,307.76              | 24,852.75              |
| Deferred Charges                                 |         | -                      | 3,098.52               |
| Deficit in Operations                            |         | <u>-</u>               | <u>3,098.52</u>        |
| Total of Operating Fund                          |         | <u>175,030.31</u>      | <u>131,651.68</u>      |
| Capital Fund:                                    |         |                        |                        |
| Cash   | D-4:D-5 | 27,346.04              | 23,299.24              |
| Due from Sewer Utility Operating Fund            |         | -                      | 4,038.52               |
| Fixed Capital Authorized and Uncompleted         | D-7     | 100,000.00             | 100,000.00             |
| Fixed Capital                                    | D-6     | <u>3,975,813.00</u>    | <u>3,975,813.00</u>    |
| Total of Capital Fund                            |         | 4,103,159.04           | 4,103,150.76           |
| Total Assets                                     | D       | <u>\$ 4,278,189.35</u> | <u>\$ 4,234,802.44</u> |

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET  
REGULATORY BASIS  
AS OF DECEMBER 31,

Ref. 2012 2011

LIABILITIES, RESERVES AND FUND BALANCE

|  |      |                        |                        |
|--|------|------------------------|------------------------|
| Operating Fund:                              |      |                        |                        |
| Liabilities:                                 |      |                        |                        |
| Appropriation Reserves                       | D-3  | \$ 11,677.34           | \$ 47,109.65           |
| Reserve for Encumbrances                     |      | -                      | 2,050.00               |
| Prepaid Sewer Rents                          | D-3  | 18,260.54              | 22,541.95              |
| Overpaid Water Rents                         |      | 208.44                 | 208.44                 |
| Overpaid Sewer Rents                         |      | 4,492.13               | 4,525.23               |
| Accrued Interest on Bonds<br>and Notes       | D-10 | 20,478.11              | 21,018.08              |
| Due to Sewer Utility Capital Fund            | A    | -                      | 4,038.52               |
|  |      | <u>55,116.56</u>       | <u>101,491.87</u>      |
| Reserve for Receivables                      | Res. | 44,307.76              | 24,852.75              |
| Fund Balance                                 | D-1  | 75,605.99              | 5,307.06               |
| Total of Operating Fund                      |      | <u>175,030.31</u>      | <u>131,651.68</u>      |
| Capital Fund:                                |      |                        |                        |
| Serial Bonds                                 | D-14 | 1,173,517.10           | 1,204,459.34           |
| Due to Sewer Utility Operating Fund          | D    | 8.28                   | -                      |
| Due to Current Fund                          | A    | 65,000.00              | 65,000.00              |
| Capital Improvement Fund                     |      | 16,000.00              | 16,000.00              |
| Improvement Authorizations                   |      |                        |                        |
| Funded                                       | D-11 | 15,250.00              | 15,250.00              |
| Unfunded                                     | D-11 | 7,087.76               | 7,087.76               |
| Deferred Reserve for Amortization            | D-13 | 24,000.00              | 24,000.00              |
| Reserves for:                                |      |                        |                        |
| Amortization                                 | D-12 | 2,802,295.90           | 2,771,353.66           |
| Total of Capital Fund                        |      | <u>4,103,159.04</u>    | <u>4,103,150.76</u>    |
| Total Liabilities, Reserves and Fund Balance | D    | <u>\$ 4,278,189.35</u> | <u>\$ 4,234,802.44</u> |

**SEWER UTILITY FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS**  
**AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31,**

|  | Ref.    | 2012                | 2011               |
|--|---------|---------------------|--------------------|
| <u>Revenue and Other Income Realized</u>   |         |                     |                    |
| Fund Balance Anticipated   | D-2     | \$ -                | \$ 59,560.07       |
| Rents  | D-2     | 433,860.27          | 358,411.26         |
| Miscellaneous Revenue Anticipated  | D-2     | 10,130.00           | 56,804.28          |
| Other Credits to Income:   |         |                     |                    |
| Unexpended Balance of Appropriation Reserves   | D-9     | 44,962.24           | 19,643.76          |
| Total Income   |         | <u>488,952.51</u>   | <u>494,419.37</u>  |
| <u>Expenditures</u>  |         |                     |                    |
| Operating  | D-3     | 326,983.00          | 366,076.44         |
| Debt Service   | D-3     | 88,572.06           | 128,482.48         |
| Deferred Charges and Statutory Expenditures  | D-3     | <u>3,098.52</u>     | <u>2,135.46</u>    |
| Total Expenditures   |         | <u>418,653.58</u>   | <u>496,694.38</u>  |
| Deficit In Revenues  |         |                     | <u>(2,275.01)</u>  |
| Excess in Revenues   |         | 70,298.93           |                    |
| Adjustments to Income before Fund Balance:   |         |                     |                    |
| Expenditures included above which are by Statute deferred charges to budget of succeeding year |         | <u>-</u>            | <u>-</u>           |
| Statutory Excess to Fund Balance   |         | 70,298.93           |                    |
| Fund Balance January 1   | D       | 5,307.06            | 64,867.13          |
| Decreased by:  |         |                     |                    |
| Utilization as Anticipated Revenue   | D-1;D-2 | -                   | 59,560.07          |
| Fund Balance December 31   | D       | <u>\$ 75,605.99</u> | <u>\$ 5,307.06</u> |

See Accompanying Notes to Financial Statements



**SEWER OPERATING FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

D-2

| Ref.                   | ANTIC.<br>BUDGET     | REALIZED             | EXCESS OR<br>(DEFICIT) |
|------------------------|----------------------|----------------------|------------------------|
| Rents - Sewer          | D-1 \$ 391,981.00    | \$ 433,860.27        | \$ 41,879.27           |
| Miscellaneous Receipts | D-1 28,214.00        | 10,130.00            | (18,084.00)            |
|                        | <u>\$ 420,195.00</u> | <u>\$ 443,990.27</u> | <u>\$ 23,795.27</u>    |

**Analysis of Realized Revenue**

|                               |     |                      |
|-------------------------------|-----|----------------------|
| <u>Rents</u>                  |     |                      |
| Consumer Accounts Receivable  | D-5 | <u>\$ 433,860.27</u> |
| Miscellaneous                 |     |                      |
| Interest, Penalties and Other |     |                      |
| Miscellaneous                 | D-4 | <u>\$ 10,130.00</u>  |

See Accompanying Notes to Financial Statements

SEWER OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

|  | APPROPRIATIONS       |                                 | EXPENDED             |             |                     | UNEXPENDED<br>BALANCE<br>CANCELLED | OVER -<br>EXPENDED |
|--|----------------------|---------------------------------|----------------------|-------------|---------------------|------------------------------------|--------------------|
|  | BUDGET               | BUDGET<br>AFTER<br>MODIFICATION | PAID OR<br>CHARGED   | ENCUMBERED  | RESERVED            |                                    |                    |
| OPERATING                                      |                      |                                 |                      |             |                     |                                    |                    |
| Other Expenses                                 | \$ 326,983.00        | \$ 326,983.00                   | \$ 315,305.66        | \$ -        | \$ 11,677.34        |                                    |                    |
|  | <u>326,983.00</u>    | <u>326,983.00</u>               | <u>315,305.66</u>    | <u>-</u>    | <u>11,677.34</u>    | <u>-</u>                           | <u>-</u>           |
| DEBT SERVICE                                   |                      |                                 |                      |             |                     |                                    |                    |
| Payment of Bond Principal                      | 30,943.00            | 30,943.00                       | 30,942.24            |             |                     | 0.76                               |                    |
| Interest on Bonds                              | 58,170.00            | 58,170.00                       | 57,629.82            |             |                     | 540.18                             |                    |
|  | <u>89,113.00</u>     | <u>89,113.00</u>                | <u>88,572.06</u>     | <u>-</u>    | <u>-</u>            | <u>540.94</u>                      | <u>-</u>           |
| DEFERRED CHARGES AND STATUTORY<br>EXPENDITURES |                      |                                 |                      |             |                     |                                    |                    |
| Deferred Charge                                |                      |                                 |                      |             |                     |                                    |                    |
| Deficit in Operations                          | 3,099.00             | 3,099.00                        | 3,098.52             |             | 0.00                | 0.48                               |                    |
|  | <u>3,099.00</u>      | <u>3,099.00</u>                 | <u>3,098.52</u>      | <u>-</u>    | <u>0.00</u>         | <u>0.48</u>                        | <u>-</u>           |
|  | <u>\$ 419,195.00</u> | <u>\$ 419,195.00</u>            | <u>\$ 406,976.24</u> | <u>\$ -</u> | <u>\$ 11,677.34</u> | <u>\$ 541.42</u>                   | <u>\$ -</u>        |

Ref.

D-2

D-2

D:D-1

D:D-1

D-1

D

|                           |                      |
|---------------------------|----------------------|
| Deferred Charge           | 3,098.52             |
| Accrued Interest 12/31/11 | (21,018.08)          |
| Accrued Interest 12/31/12 | 20,478.11            |
| Disbursements             | 404,417.69           |
|                           | <u>\$ 406,976.24</u> |

See Accompanying Notes to Financial Statements

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**EXHIBIT - E**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**

**GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET  
REGULATORY BASIS  
AS OF DECEMBER 31,**

G

|                                    | 2012            | 2011            |
|------------------------------------|-----------------|-----------------|
| General Fixed Assets:              |                 |                 |
| Land                               | \$ 243,300.00   | \$ 243,300.00   |
| Buildings                          | 793,200.00      | 793,200.00      |
| Vehicles                           | 502,448.00      | 478,717.00      |
| Office Equipment                   | 57,784.00       | 57,784.00       |
| Total Fixed Assets                 | 1,596,732.00    | 1,573,001.00    |
| Investment in General Fixed Assets | \$ 1,596,732.00 | \$ 1,573,001.00 |

See Accompanying Notes to Financial Statements

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

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

**A. Reporting Entity**

The Borough of West Wildwood was incorporated in 1920 and is situated in the southeastern portion of Cape May County. The Borough is a small island that is connected to the City of Wildwood by a two lane bridge. The Borough also borders the City of North Wildwood and Middle Township. The population estimate by the US Department of Census as of July 2006 is 408. The Borough provides to its citizens the following services: public safety, recreation, public improvements, planning and zoning and general administrative services.

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

Except as noted below, the financial statements of the Borough of West Wildwood include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of West Wildwood, as required by N.J.S. 40A:5-5.

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

**B. Description of Funds**

The accounting policies of the Borough of West Wildwood conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the Borough of West Wildwood accounts for its financial transactions through the following separate funds:

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

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

Sewer Operating and Capital Funds -- account for the operations and acquisition of capital facilities other than those acquired in the Current Fund.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

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

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year 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. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfund -- 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.



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

General Fixed Assets -- The Borough of West Wildwood has developed a fixed assets accounting and reporting system in accordance with the requirements of the State of New Jersey, Division of Local Government Services. This reporting system differs in certain respects from accounting principles generally accepted in the United States of America.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. The Borough capitalizes fixed assets with an original cost in excess of \$5,000.

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the Water and Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

The following schedule is a summarization of the changes in general fixed assets for the calendar year ended December 31, 2012

|           | Balance<br>12/31/2011  | Additions           | Deletions   | Balance<br>12/31/2012  |
|-----------|------------------------|---------------------|-------------|------------------------|
| Land      | \$ 243,300.00          |                     |             | \$ 243,300.00          |
| Buildings | 793,200.00             |                     |             | 793,200.00             |
| Vehicles  | 478,717.00             | 23,731.00           |             | 502,448.00             |
| Equipment | 57,784.00              |                     |             | 57,784.00              |
|           | <u>\$ 1,573,001.00</u> | <u>\$ 23,731.00</u> | <u>\$ -</u> | <u>\$ 1,596,732.00</u> |

L Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with N.J.S.A 54:5 et seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes -- It is the policy of the Borough of West Wildwood to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after the due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date. There is a ten day grace period.

Capitalization of Interest -- It is the policy of the Borough of West Wildwood to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reports amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 and 2011**

**D. Comparative Data**

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

**E. Recent Accounting Pronouncements**

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements" to improve financial reporting related to service concession arrangements (SCAs) which are a type of public-private or public-public partnership. This statement will become effective for fiscal periods beginning after December 15, 2011. This statement is not anticipated to have any effect on the District's financial reporting.

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

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The statement, which is effective for periods beginning after December 15, 2011, amends and supersedes several previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position". The statement, which is effective for periods beginning after December 15, 2011, amends several previously issued GASB statements to standardize reporting of deferred inflows and outflows of financial resources. This statement is not anticipated to have any effect on the District's financial reporting.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 64 "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53". This statement, which is effective for fiscal periods beginning after June 15, 2011, is not anticipated to have any effect on the District's financial reporting.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2012 and 2011 statutory budgets included a reserve for uncollected taxes in the amount of \$187,902.60 and \$264,847.09. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2012 and 2011 statutory budgets was \$377,350.55 and \$156,572.00.

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

|                           | <u>To</u> | <u>From</u>  |
|---------------------------|-----------|--------------|
| Municipal Clerk           |           |              |
| Salaries and Wages        |           | \$ 12,000.00 |
| Collection of Taxes       |           |              |
| Salaries and Wages        |           | 11,200.00    |
| Legal Services            |           |              |
| Other Expenses            | 30,735.00 |              |
| Insurance:                |           |              |
| Unemployment Compensation |           | 20,300.00    |
| Public Works              |           |              |
| Salaries and Wages        | 37,500.00 |              |
| Gasoline/Diesel           |           | 9,500.00     |

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2012, the Borough Commissioners approved total budget insertions in the amount of \$278,487.76. The following schedule details the significant budget insertions:

|  |    |            |
|--|----|------------|
| NJ Transportation Trust Fund Authority Act | \$ | 127,500.00 |
| Recycling Tonnage Grant                    |    | 922.71     |
| Body Armor                                 |    | 850.26     |
| Urban Enterprise Zone Administration       |    | 16,365.14  |
| Urban Enterprise Zone Project:             |    |            |
| 2012                                       |    | 132,849.65 |

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

**Note 3: INVESTMENTS**

As of December 31, 2012, the municipality had no investments.

**Interest Rate Risk.** The municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk.** New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk.** The municipality places no limit on the amount the Borough may invest in any one issuer.

**Note 4: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Borough evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. As of December 31, 2012 and 2011, \$0 of the Borough's bank balance of \$1,342,449.01 and \$1,639,311.88 were exposed to custodial credit risk.

Cash and cash equivalents included various checking and money market accounts, U.S. obligations and certificates of deposit with maturities of three months or less.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

**Note 5: LONG TERM DEBT**

Long-term debt as of December 31, 2012 consisted of the following:

|                             | Balance<br>12/31/2011  | Issued              | Retired             | Balance<br>12/31/2012  | Amounts<br>Due Within<br>One Year |
|-----------------------------|------------------------|---------------------|---------------------|------------------------|-----------------------------------|
| Bonds Payable:              |                        |                     |                     |                        |                                   |
| Utility                     | \$ 1,204,459.34        |                     | \$ 30,942.24        | \$ 1,173,517.10        | \$ 32,480.05                      |
| Other Liabilities:          |                        |                     |                     |                        |                                   |
| Compensated Absences        | 57,844.87              | 14,375.54           | 17,124.88           | 55,095.53              |                                   |
| Total Long Term Liabilities | <u>\$ 1,262,304.21</u> | <u>\$ 14,375.54</u> | <u>\$ 48,067.12</u> | <u>\$ 1,228,612.63</u> | <u>\$ 32,480.05</u>               |

**Paid by Water and Sewer Utility Fund:**

\$562,600 Waste and Water Disposal Systems for Rural Communities General Improvement Bond dated 9/17/92 payable in semi-annual installments through 9/08/32. Interest is paid semiannually at a rate of 5.625% per annum. The balance remaining as of December 31, 2012 and 2011 was \$422,900.28 and \$434,147.45.

\$1,000,000 Waste and Water Disposal Systems for Rural Communities General Improvement Bond dated 8/12/94 payable in semi-annual installments through 8/12/34. Interest is paid semiannually at a rate of 4.50% per annum. The balance remaining as of December 31, 2012 and 2011 was \$770,311.89 and \$750,616.82.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 and 2011**

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

| Sewer Utility Fund |                        |                      |
|--------------------|------------------------|----------------------|
| <u>Year</u>        | <u>Principal</u>       | <u>Interest</u>      |
| 2013               | \$ 32,480.04           | \$ 57,171.96         |
| 2014               | 34,095.22              | 55,556.78            |
| 2015               | 35,791.73              | 53,860.27            |
| 2016               | 37,573.70              | 52,078.30            |
| 2017               | 39,445.50              | 50,206.50            |
| 2018-2022          | 228,783.30             | 219,476.70           |
| 2023-2027          | 291,990.60             | 156,269.40           |
| 2028-2031          | 290,858.11             | 67,749.89            |
| 2032-2034          | 184,640.45             | 13,291.54            |
|                    | <u>\$ 1,175,658.65</u> | <u>\$ 725,661.34</u> |

As of December 31, 2012, the carrying value of the above bonds approximates the fair value of the bonds.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

Summary of Municipal Debt

|  | <u>Year 2012</u>       | <u>Year 2011</u>       | <u>Year 2010</u>      |
|--|------------------------|------------------------|-----------------------|
| <b><u>Issued:</u></b>                      |                        |                        |                       |
| General:                                   |                        |                        |                       |
| Bonds and Notes                            | \$ 1,116,248.00        | \$ 1,124,000.00        | \$ 1,894,200.00       |
| Sewer Utility:                             |                        |                        |                       |
| Bonds and Notes                            | 1,173,517.10           | 1,204,459.34           | 2,163,260.09          |
| Total Issued                               | <u>2,289,765.10</u>    | <u>2,328,459.34</u>    | <u>4,057,460.09</u>   |
| <b>Authorized But Not Issued</b>           |                        |                        |                       |
| General:                                   |                        |                        |                       |
| Bonds and Notes                            | 1,638,726.00           | 1,638,726.00           | 650,000.00            |
| 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>1,714,726.00</u>    | <u>726,000.00</u>     |
| Total Issued and Authorized But Not Issued | 4,004,491.10           | 4,043,185.34           | 4,783,460.09          |
| Deductions:                                |                        |                        |                       |
| Reserve for Payment of Bonds               | 336.53                 |                        |                       |
| Self-Liquidating Debt                      | 1,249,517.10           | 884,593.14             | 1,920,661.49          |
| Total Deductions                           | <u>1,249,853.63</u>    | <u>884,593.14</u>      | <u>1,920,661.49</u>   |
| Net Debt                                   | <u>\$ 2,754,637.47</u> | <u>\$ 3,158,592.20</u> | <u>\$2,862,798.60</u> |

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.075%.

|                          | <u>Gross Debt</u>     | <u>Deductions</u>      | <u>Net Debt</u>        |
|--------------------------|-----------------------|------------------------|------------------------|
| Self-Liquidating Purpose | \$1,173,517.10        | \$ 1,173,517.10        | \$ -                   |
| General Debt             | <u>2,754,974.00</u>   | 336.53                 | 2,754,637.47           |
|                          | <u>\$3,928,491.10</u> | <u>\$ 1,173,853.63</u> | <u>\$ 2,754,637.47</u> |

Net Debt \$452,200 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$256,278,756, = 1.075%.



NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011

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

|   |                        |
|---|------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 8,969,756.46        |
| Net Debt  | 2,754,637.47           |
| Remaining Borrowing Power                       | <u>\$ 6,215,118.99</u> |

**Calculation of "Self-Liquidating Purposes"  
Sewer Utility Per N.J.S.A. 40A:2-45**

|   |                  |                     |
|---|------------------|---------------------|
| Cash Receipts from Fees, Fund Balance Anticipated |                  |                     |
| Interest and Other Investment Income, and Other   |                  |                     |
| Charges for the Year                              |                  | \$ 488,952.51       |
| Deductions:                                       |                  |                     |
| Operating and Maintenance Costs                   | \$ 326,983.00    |                     |
| Debt Service per Sewer Fund                       | <u>88,572.06</u> |                     |
| Total Deductions                                  |                  | <u>415,555.06</u>   |
| Excess in Revenues                                |                  | <u>\$ 73,397.45</u> |

**Note 6: SHORT TERM FINANCING**

On January 1, 2012 the Borough had a bond anticipation note payable to Oppenheimer & Co., Inc. in the amount of \$1,124,000.00. During 2012 the Borough budgeted and paid \$7,752.00 for bond anticipation note payments. The balance at year end is \$1,116,248.00. The current interest rate on this note is 1.50%. This note will mature on October 13, 2013 and will be renewed for another one-year period.

|                  | <u>General Capital</u> | <u>Total</u>           |
|------------------|------------------------|------------------------|
| Balance 12/31/11 | \$ 1,124,000.00        | \$ 1,124,000.00        |
| Increase         | 7,752.00               | 7,752.00               |
| Balance 12/31/12 | <u>\$ 1,116,248.00</u> | <u>\$ 1,116,248.00</u> |

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

**Note 7: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2012 and 2011 which are anticipated to be appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2013 and 2012 were as follows:

|               | <u>2013</u>   | <u>2012</u>   |
|---------------|---------------|---------------|
| Current Fund  | \$ 350,000.00 | \$ 377,351.55 |
| Sewer Utility | 50,000.00     | -             |

As of the date of this report the annual budget has not been adopted.

**Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the balance sheets of the various funds:

|   | Balance<br>12/31/2012 | 2013 Budget<br>Appropriation |
|---|-----------------------|------------------------------|
| Current Fund:                             |                       |                              |
| Overexpenditure of Appropriation Reserves | <u>\$ 1,075.65</u>    | <u>\$ 1,075.65</u>           |

**Note 9: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

|   | Balance<br>12/31/12 | Balance<br>12/31/11 |
|---|---------------------|---------------------|
| Prepaid Taxes                                 | \$ 45,328.48        | \$ 51,397.29        |
| Cash Liability for Taxes Collected in Advance | <u>\$ 45,328.48</u> | <u>\$ 51,397.29</u> |

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011

**Note 10: PENSION FUNDS**

Description of Plans

Substantially all of the Borough's employees are covered by the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS), a cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and Police and Fireman's Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the report can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.shtml](http://www.state.nj.us/treasury/pensions/annrpts_archive.shtml).

*Public Employees' Retirement System*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

*Police and Fireman's Retirement System*

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 8.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The current PERS rate is 6.9% of covered payroll and for PFRS a rate of 8.5% of covered payroll. The Borough's contributions to PERS for the years ending December 31, 2012, 2011 and 2010 were \$24,103.00, \$25,150.00 and \$34,441.00 respectively, equal to the required contributions for each year. The Borough's contributions to PFRS for the years ending December 31, 2012, 2011 and 2010

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

were \$31,686.00, \$69,633.00 and \$58,291.00 respectively, equal to the required contributions for each year.

**Note 11: POSTRETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required PERS to fund post retirement medical benefits for those State employees who retire after reaching age 60. As of June 30, 2007 there were 75,860 employees Statewide eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 which will increase the medical reserve by one half of 1% of payroll.

The State made post-retirement (PRM) contributions of \$592.7 million for PERS in fiscal year 2007.

The Borough provides post-retirement health benefits to qualified employees with at least 25 years of service. This includes medical, dental, vision and prescription plans. At December 31, 2012, the Borough provided benefits to 0 retirees. The approximate annual cost of providing these benefits during the year 2012 was \$0.

**Note 12: ACCRUED SICK AND VACATION BENEFITS**

The Borough has permitted employees to accrue unused vacation, personal and sick time, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2012 and 2011, the Borough estimates this liability to approximate \$55,095.53 and \$57,844.87, respectively. Effective January 1, 2003 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The Borough has established an accumulated absence reserve with balances on December 31, 2012 and 2011 of \$40,250.00 and \$40,250.00, respectively.

**Note 13: ECONOMIC DEPENDENCY**

The Borough of West Wildwood is not economically dependent on any one business or industry as a major source of tax revenue for the Borough.

**Note 14: CONTINGENT LIABILITIES**

From time to time, the Borough is a defendant in legal proceedings relating to its operations as a municipality. There are presently no outstanding lawsuits that would result in a contingent liability to the Borough.

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011

**Note 15: RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the 2012 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Property and Liability Insurance – The Borough maintains commercial insurance coverage for property, liability and surety bonds.

The Borough 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
- Boiler and Machinery
- Employee Dishonesty

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 Fund publishes its own financial report for the year ended December 31, 2012, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund  
P.O. Box 12  
Hammonton, New Jersey 08037

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, employee contributions, reimbursements to the State for benefits and the ending balance of the Borough's trust fund for the last three years.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 and 2011**

|      | Borough<br>Contributions | Payroll<br>Withholdings | Interest<br>Earned | Amount<br>Reimbursed | Ending<br>Balance |
|------|--------------------------|-------------------------|--------------------|----------------------|-------------------|
| 2012 | \$ -                     | \$ -                    | \$ 5.51            | -                    | \$ 16,202.98      |
| 2011 | 30,000.00                |                         | 95.72              | 23,122.97            | 16,197.47         |
| 2010 | 33,992.85                |                         |                    | 26,012.58            | 9,224.72          |

**Note 16: DEFERRED COMPENSATION ACCOUNT**

Employees of the Borough may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Borough. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Borough has an obligation of due care in selecting the third party administrator. In the opinion of the Borough's legal counsel, the Borough has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

**Note 17: INTERFUND BALANCES**

As of December 31, 2012, the following interfunds were included on the balance sheets of the various funds of the Borough of West Wildwood:

|                                   | From                 | To                   |
|-----------------------------------|----------------------|----------------------|
| <b>Current Fund</b>               |                      |                      |
| Dog License Fund                  | \$ 185.35            | \$ -                 |
| General Capital Fund              | 17.94                |                      |
| Sewer Utility Capital Fund        | 65,000.00            |                      |
| Trust Fund                        | 45,863.91            |                      |
| Trust Escrow                      |                      | 20,000.00            |
| <b>Trust Fund</b>                 |                      |                      |
| Current Fund                      |                      | 45,863.91            |
| Current Fund                      | 20,000.00            |                      |
| <b>Dog License Fund</b>           |                      |                      |
| Current Fund                      |                      | 185.35               |
| <b>General Capital Fund</b>       |                      |                      |
| Current Fund                      |                      | 17.94                |
| <b>Sewer Utility Capital Fund</b> |                      |                      |
| Current Fund                      |                      | 65,000.00            |
|                                   | <u>\$ 131,067.20</u> | <u>\$ 131,067.20</u> |

The amounts due to the Current Fund from the Grant fund is due to the fact that there is only one bank account. It is anticipated that all other interfunds will be liquidated during the 2013 calendar year.

**Note 18: SALE OF WATER OPERATION**

In the year 2011, the Borough sold the water operations of its Water Sewer Utility Fund to the City of Wildwood. 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.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 and 2011**

**Note 19: JOINT URBAN ENTERPRISE ZONE**

In 2002, the Borough of West Wildwood was designated as a Joint Urban Enterprise Zone along with the Borough of North Wildwood, the City of Wildwood and the Borough of Wildwood Crest by the State of New Jersey. This program allows retail merchants, excluding automobile dealers and restaurants, to charge 3.5% sales tax to their customers. It also allows the merchant to purchase their supplies tax-free. The sales tax collected is placed in a special UEZ fund, at the state level, and the Borough can draw on these funds to do various projects within the zone and also to fund the administration of the zone. The zone is limited to commercial properties. However, the Borough will no longer participates in this program in the future.

**Note 20: SUBSEQUENT EVENTS**

The Borough has evaluated events through April 5, 2013, the date which the financial statements were available to be issued and no additional items were noted for disclosure.



**SUPPLEMENTARY INFORMATION**



# FORD-SCOTT

& ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

The Honorable Mayor and

Members of the Borough Board of Commissioners  
Borough of West Wildwood, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated April 5, 2013, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

### **Internal Control over Financial Reporting**

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

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

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

we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

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

#### **Purpose of this Report**

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

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

*Kenneth Moore*  
Kenneth Moore  
Certified Public Accountant  
Registered Municipal Accountant  
No. 231

April 5, 2013

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

Schedule A

| Federal Grantor /<br>Pass-through Grantor Program                        | CFDA<br>Number | Pass-Through<br>Entity ID# | Grant Period<br>From To | Program<br>or Award<br>Amount | Unexpended<br>Balance<br>12/31/11 | Receipts or<br>Revenue<br>Recognized | Disbursements/<br>Expenditures | Adjustments | Unexpended<br>Balance<br>12/31/12 | Accumulated<br>Expenditures |
|--|----------------|----------------------------|-------------------------|-------------------------------|-----------------------------------|--------------------------------------|--------------------------------|-------------|-----------------------------------|-----------------------------|
| Department of Justice<br>Seatbelt Enforcement                            |                |                            | Prior                   | \$2,000.00                    | \$2,000.00                        |                                      |                                |             | \$2,000.00                        | \$0.00                      |
|  |                |                            |                         |                               | 2,000.00                          | -                                    | -                              | -           | 2,000.00                          | -                           |
| DARE Grant   |                |                            | Prior                   | 315.00                        | 315.00                            |                                      |                                |             | 315.00                            |                             |
|  |                |                            |                         |                               | 315.00                            | -                                    | -                              | -           | 315.00                            | -                           |
| <b>Total Department of Justice</b>                                       |                |                            |                         |                               | <b>2,315.00</b>                   | <b>-</b>                             | <b>-</b>                       | <b>-</b>    | <b>2,315.00</b>                   |                             |
| Housing and Urban Development<br>Small Cities - ADA                      |                |                            | Prior                   | 303,610.00                    | 303,610.00                        |                                      |                                |             | 303,610.00                        |                             |
| <b>Total Housing and Urban Development</b>                               |                |                            |                         |                               | <b>303,610.00</b>                 | <b>-</b>                             | <b>-</b>                       | <b>-</b>    | <b>303,610.00</b>                 |                             |
| Department of Environmental Protection<br><br>Municipal Storm Regulation |                |                            |                         |                               | 5,321.00                          |                                      |                                |             | 5,321.00                          |                             |
| <b>Total Department of Environmental Protection</b>                      |                |                            |                         |                               | <b>5,321.00</b>                   | <b>-</b>                             | <b>-</b>                       | <b>-</b>    | <b>5,321.00</b>                   |                             |
| <b>Total Federal Assistance</b>  |                |                            |                         |                               | <b>311,246.00</b>                 | <b>-</b>                             | <b>-</b>                       | <b>-</b>    | <b>311,246.00</b>                 |                             |

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

Schedule B

| State Grantor / Pass-Through Grantor / Program                          | State Account Number       | Grant Period From | Grant Period To | Grant Award  | Unexpended Balance 12/31/11 | Receipts or Revenue Recognized | Disbursements/ Expenditures | Adjustments   | Unexpended Balance 12/31/12 | Accumulated Expenditures |
|---|----------------------------|-------------------|-----------------|--------------|-----------------------------|--------------------------------|-----------------------------|---------------|-----------------------------|--------------------------|
| Department of Transportation:   |                            |                   |                 |              |                             |                                |                             |               |                             |                          |
| Trust Fund Authority Act of 1984, By Formula                            | 6320-480-601385-61         | 1/1/2012          | 12/31/2012      | \$127,500.00 | \$0.00                      | \$127,500.00                   |                             |               | \$127,500.00                | \$0.00                   |
| Trust Fund Authority Act of 1984, By Formula                            | 6320-480-601385-61         | 1/1/2010          | 12/31/2010      | 262,505.00   | 262,505.00                  |                                | 99,402.00                   |               | 163,103.00                  | 99,402.00                |
| <b>Total Department of Transportation</b>                               |                            |                   |                 |              | <b>262,505.00</b>           | <b>127,500.00</b>              | <b>99,402.00</b>            | <b>-</b>      | <b>290,603.00</b>           |                          |
| Department of Law and Public Safety:                                    |                            |                   |                 |              |                             |                                |                             |               |                             |                          |
| Body Armor Grant  | 1020-718-066-1020          | 1/1/2012          | 12/31/2012      | 1,861.50     |                             | 1,861.50                       |                             |               | 1,861.50                    | -                        |
| Body Armor Grant  | 1020-718-066-1020          | 1/1/2011          | 12/31/2011      | 1,565.17     | 1,565.17                    |                                |                             |               | 1,565.17                    | -                        |
| Drunk Driving Enforcement   | 6400-100-078-6408          |                   | prior           | 2,730.00     | 2,730.00                    |                                |                             |               | 2,730.00                    | -                        |
| Alcohol Education and Rehabilitation                                    | 9735-760-098-Y900-001-602X | 1/1/2012          | 12/31/2012      | 53.93        |                             | 53.93                          |                             |               | 53.93                       | -                        |
| <b>Total Department of Law and Public Safety</b>                        |                            |                   |                 |              | <b>4,295.17</b>             | <b>1,915.43</b>                | <b>-</b>                    | <b>-</b>      | <b>6,210.50</b>             |                          |
| Department of Environmental Protection                                  |                            |                   |                 |              |                             |                                |                             |               |                             |                          |
| Clean Community Program   | 4800-765-042-4900          | 1/1/2012          | 12/31/2012      | 4,000.00     |                             | 4,000.00                       |                             |               | 4,000.00                    | -                        |
| Clean Community Program   | 4800-765-042-4900          | 1/1/2011          | 12/31/2011      | 4,000.00     | 4,000.00                    |                                |                             |               | 4,000.00                    | -                        |
| Clean Community Program   | 4800-765-042-4900          |                   | Prior           | 4,142.84     | 4,143.00                    |                                | 3,831.97                    |               | 311.03                      | 3,831.97                 |
|   |                            |                   |                 |              | <b>8,143.00</b>             | <b>4,000.00</b>                | <b>3,831.97</b>             | <b>-</b>      | <b>8,311.03</b>             |                          |
| Storm Water Grant   |                            |                   | Prior           | 4,531.00     | 4,531.00                    |                                |                             |               | 4,531.00                    |                          |
| SLR HEOP  |                            |                   | Prior           | 2,406.00     | 2,406.00                    |                                |                             |               | 2,406.00                    |                          |
| Recycling Tonnage Grant   | 1900-752-042-4900-001-602X | 1/1/2012          | 12/31/2012      | 2,041.74     |                             | 2,041.74                       | 323.00                      |               | 1,718.74                    | 323.00                   |
| Recycling Tonnage Grant   | 1900-752-042-4900-001-602X |                   | Prior           | 777.00       | 777.00                      |                                | 777.00                      |               | -                           | 777.00                   |
|   |                            |                   |                 |              | <b>777.00</b>               | <b>2,041.74</b>                | <b>1,100.00</b>             | <b>-</b>      | <b>1,718.74</b>             |                          |
| <b>Total Department of Environmental Protection</b>                     |                            |                   |                 |              | <b>15,857.00</b>            | <b>6,041.74</b>                | <b>4,831.97</b>             | <b>-</b>      | <b>18,966.77</b>            |                          |
| New Jersey Commerce & Economic Growth Commission                        |                            |                   |                 |              |                             |                                |                             |               |                             |                          |
| UEZ Assistance  |                            |                   |                 |              |                             |                                |                             |               |                             |                          |
| Fiscal Year 12 Administration   | 730-020-2830-061           | 1/1/2012          | 12/31/2012      | 16,365.14    |                             | 16,365.14                      | 13,744.07                   |               | 2,621.07                    | 13,744.07                |
| Fiscal Year 11 Administration   | 730-020-2830-061           |                   | Prior           | 2,971.59     | 2,971.59                    |                                |                             |               | 2,971.59                    |                          |
| Family Festival   | 730-020-2830-061           |                   | Prior           | 6,599.00     | 6,599.00                    |                                |                             |               | 6,599.00                    |                          |
| Family Festival Year 3  | 730-020-2830-061           |                   | Prior           | 924.00       | 924.00                      |                                |                             |               | 924.00                      |                          |
| Police Year 1   | 730-020-2830-061           |                   | Prior           | 31,089.00    | 31,089.00                   |                                |                             |               | 31,089.00                   |                          |
| 26th Street Bulkhead  | 730-020-2830-061           |                   | Prior           | 32,328.00    | 32,328.00                   |                                |                             |               | 32,328.00                   |                          |
| Railroad Bridge   | 730-020-2830-061           |                   | Prior           | 12,560.00    | 12,560.00                   |                                | 9,160.00                    |               | 3,400.00                    | 9,160.00                 |
| Police Year 2   | 730-020-2830-061           | 1/1/2012          | 12/31/2012      | 132,849.65   |                             | 132,849.65                     | 17,448.23                   |               | 115,401.42                  | 17,448.23                |
| <b>Total NJ Department of Commerce &amp; Economic Growth Commission</b> |                            |                   |                 |              | <b>66,471.59</b>            | <b>149,214.79</b>              | <b>40,352.30</b>            | <b>-</b>      | <b>185,334.08</b>           |                          |
| <b>Total State Assistance</b>   |                            |                   |                 |              | <b>399,129.76</b>           | <b>284,671.96</b>              | <b>144,886.27</b>           | <b>-</b>      | <b>509,114.45</b>           |                          |
| Local Assistance  |                            |                   |                 |              |                             |                                |                             |               |                             |                          |
| County of Cape May  |                            |                   |                 |              |                             |                                |                             |               |                             |                          |
| Art Regrant   |                            |                   | Prior           |              | 476.00                      |                                |                             |               | 476.00                      |                          |
| Recreation Grant  |                            |                   | Prior           |              | 2,659.00                    |                                |                             |               | 2,659.00                    |                          |
| Fishing Pier and Park   |                            |                   | Prior           |              | 4,509.57                    |                                |                             |               | 4,509.57                    |                          |
| Debulator Grant   |                            |                   | Prior           |              | 500.00                      |                                |                             |               | 500.00                      |                          |
| Municipal Alliance Drug and Alcoholism                                  | 4250-760-050090-63-262     | 1/1/2012          | 12/31/2012      | 701.00       |                             | 701.00                         | 689.00                      |               | 12.00                       | 689.00                   |
| Joint Insurance Fund  |                            |                   |                 |              | 6,557.12                    |                                | 2,030.00                    |               | 4,527.12                    | 2,030.00                 |
| CMCMJA Recycling Rebate   |                            |                   |                 |              | 5,889.61                    | 2,821.25                       |                             |               | 8,710.86                    |                          |
| CMCMJA Public Area Recycling  |                            |                   |                 |              | 1,087.00                    |                                |                             |               | 1,087.00                    |                          |
| <b>Total Local Assistance</b>   |                            |                   |                 |              | <b>21,688.30</b>            | <b>3,522.25</b>                | <b>2,719.00</b>             | <b>-</b>      | <b>22,491.55</b>            |                          |
| <b>Total State and Local Assistance</b>                                 |                            |                   |                 |              | <b>399,817.06</b>           | <b>288,194.21</b>              | <b>147,405.27</b>           | <b>-</b>      | <b>531,606.00</b>           |                          |
| <b>Total Federal and State and Local Assistance</b>                     |                            |                   |                 |              | <b>\$702,063.06</b>         | <b>\$288,194.21</b>            | <b>\$147,405.27</b>         | <b>\$0.00</b> | <b>\$842,852.00</b>         |                          |

See Accompanying Notes to Schedules of Federal and State Financial Assistance

**BOROUGH OF WEST WILDWOOD**  
**NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED DECEMBER 31, 2012**

**Note 1: General**

The accompanying schedule of financial assistance present the activity of all state financial assistance programs of the Borough of West Wildwood. The Borough is defined in Note 1 to the Borough's financial statements.

**Note 2: Basis of Accounting**

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

**Note 3: Relationship to General-Purpose Financial Statements**

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

|                            | Federal | State/Local   | Total         |
|----------------------------|---------|---------------|---------------|
| Grant Fund                 | \$ -    | \$ 147,405.31 | \$ 147,405.31 |
| Total Financial Assistance | \$ -    | \$ 147,405.31 | \$ 147,405.31 |

**Note 4: Relationship to State Financial Reports**

Amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

|                                      | <u>Ref.</u> | <u>Current Fund</u> |
|--------------------------------------|-------------|---------------------|
| Balance December 31, 2011            | A           | \$ 1,084,614.26     |
| Increased By Receipts:               |             |                     |
| Collector                            |             | \$ 3,271,601.97     |
| State of New Jersey -                |             |                     |
| Veterans & Senior Citizens           |             | 14,466.85           |
| Revenue Accounts Receivable          | A-7         | 89,929.32           |
| Miscellaneous Revenue not            |             |                     |
| Anticipated                          | A-2         | 86,187.99           |
| Federal and State Grants Receivable  | A-10        | 133,272.97          |
| Due from Trust Funds                 |             | 417.94              |
| Due to Trust - Escrow                |             | 20,000.00           |
|                                      |             | 3,615,877.04        |
|                                      |             | 4,700,491.30        |
| Decreased by Disbursements:          |             |                     |
| 2012 Appropriations                  | A-3         | 1,398,911.78        |
| 2011 Appropriation Reserves          | A-8         | 265,670.23          |
| Refund of Tax Overpayments           |             | 6,979.37            |
| State of NJ - Marriage Licenses      |             | 50.00               |
| Federal and State Grant Expenditures | A-11        | 147,405.31          |
| County Taxes                         |             | 588,193.29          |
| Due County Added and Omitted Taxes   |             | 767.38              |
| Local District School Tax            | A-9         | 1,333,600.00        |
| Refund Prior Year Revenue            |             | 24,923.75           |
| Due from General Capital             |             | 17.94               |
|                                      |             | 3,766,519.05        |
| Balance December 31, 2012            | A           | \$ 933,972.25       |

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

| YEAR   | BALANCE<br>DEC. 31,<br>2011  | 2012 LEVY              | ADDED<br>TAXES   | COLLECTIONS BY CASH             |                        | OVER-<br>PAYMENTS<br>CREATED | CANCELED           | TRANSFERRED<br>TO TAX<br>TITLE LIENS | BALANCE<br>DEC. 31,<br>2012 |
|--|--|------------------------|------------------|---------------------------------|------------------------|------------------------------|--------------------|--------------------------------------|-----------------------------|
|  |  |                        |                  | 2011                            | 2012                   |                              |                    |                                      |                             |
| 2010   | \$ 932.58  |                        |                  |                                 | \$ 932.58              |                              |                    |                                      | \$ -                        |
| 2011   | 132,576.89   |                        |                  |                                 | 118,782.90             | 1,316.70                     |                    | 15,106.74                            | 3.95                        |
|  | 133,509.47   | -                      | -                | -                               | 119,715.48             | 1,316.70                     | -                  | 15,106.74                            | 3.95                        |
| 2012   |  | 3,390,529.69           | 441.10           | 51,397.29                       | 3,122,558.01           | (1,775.01)                   | 7,556.04           | 54,861.14                            | 152,823.30                  |
|  | <u>\$ 133,509.47</u>   | <u>\$ 3,390,529.69</u> | <u>\$ 441.10</u> | <u>\$ 51,397.29</u>             | <u>\$ 3,242,273.49</u> | <u>\$ (458.31)</u>           | <u>\$ 7,556.04</u> | <u>\$ 69,967.88</u>                  | <u>\$ 152,827.25</u>        |
| Ref.   | A  | A-5                    | A-5              |                                 |                        |                              |                    | A-6                                  | A                           |
|  | Collections  |                        |                  | A-4                             | \$ 3,226,273.49        |                              |                    |                                      |                             |
|  | Veterans and Senior Citizens   |                        |                  |                                 | 16,000.00              |                              |                    |                                      |                             |
|  |  |                        |                  |                                 | <u>\$ 3,242,273.49</u> |                              |                    |                                      |                             |
| <b><u>Analysis of 2012 Property Tax Levy</u></b> |  |                        |                  |                                 |                        |                              |                    |                                      |                             |
| <u>Tax Yield</u>                                 |  |                        | Ref.             |                                 |                        |                              |                    |                                      |                             |
|  | General Purpose Tax  |                        |                  | \$ 3,390,529.69                 |                        |                              |                    |                                      |                             |
|  | Added and Omitted Taxes<br>(54:4-63.1,63.12 et. seq.)                |                        |                  | <u>441.10</u>                   |                        |                              |                    |                                      |                             |
|  |  |                        | A-5              |                                 | <u>3,390,970.79</u>    |                              |                    |                                      |                             |
| <u>Tax Levy</u>                                  |  |                        |                  |                                 |                        |                              |                    |                                      |                             |
|  | Local District School Tax<br>(Abstract)                              |                        | A-9              | <u>1,394,011.00</u>             |                        |                              |                    |                                      | 1,394,011.00                |
|  | County Tax (Abstract)  |                        |                  | 488,168.61                      |                        |                              |                    |                                      |                             |
|  | County Library Tax (Abstract)  |                        |                  | 73,794.33                       |                        |                              |                    |                                      |                             |
|  | Open Space Preservation Trust (Abstract)                             |                        |                  | 25,462.97                       |                        |                              |                    |                                      |                             |
|  | Due County for Added and Omitted Taxes<br>(54:4-63.1,63.12 et. seq.) |                        |                  | <u>45.24</u>                    |                        |                              |                    |                                      | 587,471.15                  |
|  | Local Tax for Municipal Purpose:<br>Add: Additional Tax Levied       |                        | A-2<br>Res.      | 1,405,547.00<br><u>3,941.64</u> |                        |                              |                    |                                      |                             |
|  | Local Tax for Municipal Purposes<br>Levied                           |                        |                  |                                 | <u>1,409,488.64</u>    |                              |                    |                                      | <u>\$ 3,390,970.79</u>      |

See Accompanying Auditor's Report



**CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS**

Exhibit A-6

|                                | <u>Ref.</u> |                            |
|--------------------------------|-------------|----------------------------|
| Balance December 31, 2011      | A           | \$138,916.10               |
| Increased by:                  |             |                            |
| Transfers from Taxes           |             |                            |
| Receivable                     | A-5         | \$69,967.88                |
| Interest and Costs Accrued by: |             |                            |
| tax sale of November 28, 2012  | Res.        | <u>2,693.44</u>            |
|                                |             | <u>72,661.32</u>           |
| Decreased by:                  |             |                            |
| Collections                    | A-2:A-4     | <u>-</u>                   |
| Balance December 31, 2012      | A           | <u><u>\$211,577.42</u></u> |

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

|                             | BALANCE<br>DEC. 31,<br>2011 | ACCRUED<br>IN 2012 | TREASURER    | BALANCE<br>DEC. 31,<br>2012 |
|-----------------------------|-----------------------------|--------------------|--------------|-----------------------------|
| Licenses:                   |                             |                    |              |                             |
| Alcoholic Beverage          | A-2                         | \$ 1,020.00        | \$ 1,020.00  |                             |
| Other                       | A-2                         | 21,928.00          | 21,928.00    |                             |
| Interest and Costs on Taxes | A-2                         | 26,450.32          | 26,450.32    |                             |
| Energy Receipts Tax         | A-2                         | 40,531.00          | 40,531.00    |                             |
|                             |                             |                    |              |                             |
|                             | \$ -                        | \$ 89,929.32       | \$ 89,929.32 | \$ -                        |
| Ref.                        | A                           | Res.               | A-2:A-4      | A                           |

See Accompanying Auditor's Report

CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES

|                               | BALANCE DEC. 31, 2006 |               | TRANSFERS      | AVAILABLE BALANCE | PAID OR CHARGED | ACCOUNTS PAYABLE | BALANCE LAPSED | OVER-EXPENDED |
|-------------------------------|-----------------------|---------------|----------------|-------------------|-----------------|------------------|----------------|---------------|
|                               | RESERVE               | ENCUMBRANCES  |                |                   |                 |                  |                |               |
| General Administration        |                       |               |                |                   |                 |                  |                |               |
| Other Expenses                | \$ 59.62              | \$ 6,250.00   |                | \$ 6,309.62       | \$ (626.00)     | \$ 6,250.00      | \$ 685.62      |               |
| Municipal Clerk               |                       |               |                | 318.43            |                 |                  | 318.43         |               |
| Salaries and Wages            | \$ 10,318.43          |               | \$ (10,000.00) | 333.47            | (20.75)         | 322.92           | 31.30          |               |
| Other Expenses                | 10.55                 | 322.92        |                |                   |                 |                  |                |               |
| Finance Department            |                       |               |                |                   |                 |                  |                |               |
| Other Expenses                | 1,250.00              |               | 971.38         | 2,221.38          | 1,999.88        |                  | 221.50         |               |
| Collection of Taxes           |                       |               |                |                   |                 |                  |                |               |
| Salaries and Wages            | 11,641.73             |               |                | 11,641.73         | 6,927.00        |                  | 4,714.73       |               |
| Other Expenses                |                       | 110.98        | 1,270.83       | 1,381.81          | 110.98          |                  | 1,270.83       |               |
| Assessment of Taxes           |                       |               | (519.84)       | 2,158.51          | 3,234.13        |                  | 0.03           | 1,075.95      |
| Other Expenses                | 2,678.35              |               |                |                   |                 |                  |                |               |
| Legal Services                |                       |               |                |                   |                 |                  |                |               |
| Other Expenses                | 98,955.73             | 52,500.00     | 26,000.00      | 177,455.73        | 123,086.52      | 62,500.00        | 1,869.11       |               |
| Engineer Services             |                       |               | (555.78)       | 1,657.53          | 1,371.50        |                  | 286.03         |               |
| Other Expenses                | 2,213.31              |               |                |                   |                 |                  |                |               |
| Insurance:                    |                       |               |                |                   |                 |                  |                |               |
| Worker Compensation Insurance | 16,297.87             |               | (16,000.00)    | 297.87            |                 |                  | 297.87         |               |
| Police                        |                       |               |                |                   |                 |                  |                |               |
| Salaries and Wages            | 11,103.99             |               |                | 11,103.99         | 8,143.00        |                  | 2,960.99       |               |
| Other Expenses                | 559.25                | 151.36        |                | 710.61            | 168.00          | 151.36           | 393.25         |               |
| Fire                          |                       |               |                |                   |                 |                  |                |               |
| Other Expenses                | 676.98                | 1,078.00      |                | 1,754.98          |                 | 1,078.00         | 676.98         |               |
| Public Works                  |                       |               |                |                   |                 |                  |                |               |
| Other Expenses                | 2,686.25              | 629.52        |                | 3,295.77          | 323.90          | 129.52           | 2,842.35       |               |
| Solid Waste Collection        |                       |               |                |                   |                 |                  |                |               |
| Other Expenses                | 600.00                | 12,800.00     | 4,264.80       | 17,464.80         | 17,464.80       |                  | -              |               |
| Solid Waste Disposal          |                       |               |                |                   |                 |                  |                |               |
| Buildings and Grounds         | 27,705.05             |               |                | 27,705.05         | 855.38          |                  | 26,849.67      |               |
| Other Expenses                |                       |               | (4,264.80)     | 94,733.07         | 88,573.79       | 100.00           | 6,059.28       |               |
| Parks and Recreation          | 15,657.76             | 83,340.11     |                | 94,733.07         |                 |                  |                |               |
| Other Expenses                | 349.94                | 93.02         |                | 442.96            |                 | 93.02            | 349.94         |               |
| Street Lighting               | 5,530.51              |               | (1,166.39)     | 4,364.12          |                 |                  | 4,364.12       |               |
| Telephone                     | 318.41                | 97.98         |                | 416.39            |                 | 97.98            | 318.41         |               |
| Natural Gas                   | 3,979.13              | 54.55         |                | 4,033.68          |                 | 54.55            | 3,979.13       |               |
| Wildwood Ambulance Fees       |                       | 14,080.00     |                | 14,080.00         |                 |                  | -              |               |
| Other Accounts - No Change    | 36,158.38             | 37.15         |                | 36,195.53         |                 |                  | 36,195.53      |               |
|                               | \$ 248,731.24         | \$ 171,325.59 | \$ -           | \$ 420,056.83     | \$ 265,670.23   | \$ 80,777.35     | \$ 94,884.90   | \$ 1,075.65   |
| A                             |                       | A             |                | A-4               | A               | A-1              | A              |               |

**CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL TAX**

|                                       | Ref.    |                               |
|---------------------------------------|---------|-------------------------------|
| Balance December 31, 2011             | A       | \$ -                          |
| Increased by:                         |         |                               |
| Levy - Calendar Year                  | A-1:A-6 | <u>1,394,011.00</u>           |
|                                       |         | 1,394,011.00                  |
| Decreased by:                         |         |                               |
| Payments                              | A-4     | <u>1,333,600.00</u>           |
| Local School District Tax Payable     |         |                               |
| Balance December 31, 2012             | A       | <u><u>60,411.00</u></u>       |
| 2012 Liability for Local School Tax:  |         |                               |
| Tax Paid                              |         | 1,333,600.00                  |
| Tax Payable @ December 31, 2012       |         | <u>60,411.00</u>              |
|                                       |         | 1,394,011.00                  |
| Less: Tax Payable @ December 31, 2011 |         |                               |
|                                       |         | <u>-</u>                      |
| Amount Charged to 2012 Operations     | A-1     | <u><u>\$ 1,394,011.00</u></u> |

**FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANT RECEIVABLES**

|   | BALANCE<br>DEC. 31,<br>2011 | 2012<br>REVENUE      | RECEIVED             | Cancelled   | BALANCE<br>DEC. 31,<br>2012 |
|---|-----------------------------|----------------------|----------------------|-------------|-----------------------------|
| <b>County/Local Grants:</b>                       |                             |                      |                      |             |                             |
| Joint Insurance Fund                              | \$ 9,902.00                 |                      |                      |             | 9,902.00                    |
| CMCMUA Public Area Recycling Grant                | 87.00                       | 2,821.25             | 2,821.25             |             | 87.00                       |
| <b>State of New Jersey:</b>                       |                             |                      |                      |             |                             |
| Urban Enterprise Zone - Administration            |                             | 16,365.14            |                      |             | 16,365.14                   |
| Urban Enterprise Zone - Projects:                 |                             | 132,849.65           |                      |             | 132,849.65                  |
| NJ Transportation Trust Fund Authority Act - 2012 |                             | 127,500.00           | 127,500.00           |             | -                           |
| NJ Transportation Trust Fund Authority Act - 2010 | 243,810.00                  |                      |                      |             | 243,810.00                  |
| Alcohol Education and Rehabilitation              |                             | 53.93                | 53.93                |             | -                           |
| Clean Communitis Program                          |                             | 4,000.00             | 4,000.00             |             | -                           |
| Body Armor  |                             | 1,861.50             | 1,861.50             |             | -                           |
| Recycling Tonnage Grant                           | 288.89                      | 2,041.74             | 2,041.74             |             | 288.89                      |
| <b>Federal Grants:</b>                            |                             |                      |                      |             |                             |
| Small Cities ADA                                  | 303,601.00                  |                      |                      |             | 303,601.00                  |
|   | <u>\$ 557,688.89</u>        | <u>\$ 287,493.21</u> | <u>\$ 138,278.42</u> | <u>\$ -</u> | <u>\$ 706,903.68</u>        |

|      |                              |      |                      |      |   |
|------|------------------------------|------|----------------------|------|---|
| Ref. | A                            | A-2  |                      | A1   | A |
|      | Transfer from Unappropriated |      | 9,005.45             | A-12 |   |
|      |                              | Cash | 129,272.97           | A-4  |   |
|      |                              |      | <u>\$ 138,278.42</u> |      |   |

See Accompanying Auditor's Report

FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS APPROPRIATED

|   | BALANCE<br>DEC. 31,<br>2011 | TRANSFERRED<br>FROM<br>2012 BUDGET<br>APPROPRIATIONS | DISBURSED            | Cancelled   | BALANCE<br>DEC. 31,<br>2012 |
|---|-----------------------------|--|----------------------|-------------|-----------------------------|
| <b>County/Local Grants:</b>                       |                             |  |                      |             |                             |
| Joint Insurance Fund                              | \$ 6,557.12                 |  | \$ 2,030.00          |             | \$ 4,527.12                 |
| Municipal Alliance Grant - Local share            |                             | 701.00   | 689.00               |             | 12.00                       |
| CMCMUA Recycling Rebate Grant                     | 5,889.61                    | 2,821.25   |                      |             | 8,710.86                    |
| CMCMUA Public Area Recycling Grant                | 1,097.00                    |  |                      |             | 1,097.00                    |
| CMC Recreation Grant                              | 2,659.00                    |  |                      |             | 2,659.00                    |
| Defibrillator Grant                               | 500.00                      |  |                      |             | 500.00                      |
| Cape May County Art Regrant                       | 476.00                      |  |                      |             | 476.00                      |
| Cape May County- Fishing Pier & Park              | 4,509.57                    |  |                      |             | 4,509.57                    |
| <b>State of New Jersey:</b>                       |                             |  |                      |             |                             |
| Urban Enterprise Zone - Administration            | 2,971.59                    | 16,365.14  | 13,744.07            |             | 5,592.66                    |
| 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                   |  | 9,160.00             |             | 3,400.00                    |
| Police Year 2                                     |                             | 132,849.65   | 17,448.23            |             | 115,401.42                  |
| Body Armor Grant                                  | 1,565.17                    | 1,861.50   |                      |             | 3,426.67                    |
| Stormwater Grant                                  | 4,531.00                    |  |                      |             | 4,531.00                    |
| Clean Communities Program                         | 8,142.84                    | 4,000.00   | 3,831.97             |             | 8,310.87                    |
| SLA HEOP  | 2,406.00                    |  |                      |             | 2,406.00                    |
| NJ Transportation Trust Fund Authority Act - 2012 |                             | 127,500.00   |                      |             | 127,500.00                  |
| NJ Transportation Trust Fund Authority Act - 2010 | 262,505.15                  |  | 99,402.04            |             | 163,103.11                  |
| Alcohol Education and Rehabilitation Fund         |                             | 53.93  |                      |             | 53.93                       |
| Drunk Driving Enforcement Fund                    | 2,730.00                    |  |                      |             | 2,730.00                    |
| Recycling Tonnage Grant                           | 777.00                      | 2,041.74   | 1,100.00             |             | 1,718.74                    |
| <b>Federal Grants:</b>                            |                             |  |                      |             |                             |
| Seatbelt Enforcement                              | 2,000.00                    |  |                      |             | 2,000.00                    |
| Small Cities ADA                                  | 303,610.00                  |  |                      |             | 303,610.00                  |
| DARE Police Grant                                 | 315.00                      |  |                      |             | 315.00                      |
| Municipal Storm Regulation                        | 5,321.00                    |  |                      |             | 5,321.00                    |
|   | <u>\$ 702,063.05</u>        | <u>\$ 288,194.21</u>                                 | <u>\$ 147,405.31</u> | <u>\$ -</u> | <u>\$ 842,851.95</u>        |
| Ref.  | A                           | A-3  | A-4                  | A1          | A                           |

See Accompanying Auditor's Report

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS UNAPPROPRIATED**

|   | BALANCE<br>DEC. 31,<br>2011 | RECEIVED           | TRANSFERRED<br>TO<br>2012 BUDGET<br>APPROPRIATIONS | BALANCE<br>DEC. 31,<br>2012 |
|---|-----------------------------|--------------------|--|-----------------------------|
| <b>State of New Jersey:</b>               |                             |                    |  |                             |
| Recycling Tonnage Grant                   | \$ 1,119.03                 | \$ -               | \$ 1,119.03  | \$ -                        |
| Body Armor                                | 1,011.24                    |                    | 1,011.24   | -                           |
| Clean Communities Program                 | 4,000.00                    | 4,000.00           | 4,000.00   | 4,000.00                    |
| Alcohol Education and Rehabilitation Fund | 53.93                       |                    | 53.93  | -                           |
| Urban Enterprise Fund - Administration    | 16,351.10                   |                    |  | 16,351.10                   |
| Urban Enterprise Fund - Unappropriated    | 8,986.41                    | -                  |  | 8,986.41                    |
| CMCMUA Recycling Rebate Grant             | 2,821.25                    |                    | 2,821.25   | -                           |
|   | <u>\$ 34,342.96</u>         | <u>\$ 4,000.00</u> | <u>\$ 9,005.45</u>                                 | <u>\$ 29,337.51</u>         |
| Ref.                                      | A                           | A-4                | A-2, A10   | A                           |

See Accompanying Auditor's Report

**TRUST FUND  
SCHEDULE OF TRUST CASH - TREASURER**

|                                | <u>Ref.</u> | <u>ANIMAL CONTROL</u> | <u>OTHER</u>         |
|--------------------------------|-------------|-----------------------|----------------------|
| Balance Dec. 31, 2011          | B           | \$ 172.14             | \$ 136,104.93        |
| Increased by:                  |             |                       |                      |
| Dog License Fees               | B-2         | 264.00                |                      |
| State Dog License Fees         | B-3         | 46.20                 |                      |
| Interest Earned                | B-2         | 1.69                  |                      |
| Due from Current Fund          |             | 273.40                |                      |
| Unemployment Compensation Ins. | B-5         |                       | 5.51                 |
| Payroll Transfers              | B-6         |                       | 581,993.84           |
| Tax Title Liens                | B-7         |                       | 51,241.02            |
| Uniform Fire Safety            | B-8         |                       | 8,786.14             |
| Planning and Zoning            | B-9         |                       | 1,330.23             |
| Confiscated Funds              | B-11        |                       | 9.79                 |
| Parks and Grounds              | B-14        |                       | 5,869.00             |
| Interfunds                     | B-16        |                       |                      |
|                                |             | <u>585.29</u>         | <u>649,235.53</u>    |
|                                |             | 757.43                | 785,340.46           |
| Decreased by:                  |             |                       |                      |
| Paid to State of NJ            | B-3         | 46.20                 |                      |
| Due to Current Fund            |             | 419.48                |                      |
| Payroll liabilities            | B-6         |                       | 0.10                 |
| Tax Title Liens                | B-7         |                       | 580,146.55           |
| Uniform Fire Safety            | B-8         |                       | 31,062.41            |
| Planning & Zoning              | B-9         |                       | 78.27                |
| Parks and Grounds              | B-14        |                       | 5,872.13             |
|                                |             | <u>465.68</u>         | <u>617,159.46</u>    |
|                                |             | 465.68                | 617,159.46           |
| Balance December 31, 2012      | B           | <u>\$ 291.75</u>      | <u>\$ 168,181.00</u> |

Analysis of Balance:

|                         |  |                      |
|-------------------------|--|----------------------|
| Trust Other             |  | \$ 40,250.00         |
| Due to the Current Fund |  | \$ 45,863.91         |
| Parks and Grounds       |  | 10,866.85            |
| Unemployment            |  | 16,202.98            |
| Tax Title Lien          |  | 30,173.51            |
| Payroll                 |  | 4,548.01             |
| Planning Board Escrow   |  | 1,330.23             |
| Uniform Fire Safety     |  | 16,797.79            |
| Law Enforcement         |  | 2,147.72             |
|                         |  | <u>\$ 168,181.00</u> |

See Accompanying Auditor's Report



**TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND  
EXPENDITURES**

B-2

|                                      | Ref. |               |                      |
|--------------------------------------|------|---------------|----------------------|
| Balance December 31, 2011            | B    | \$            | -                    |
| Increased by:                        |      |               |                      |
| Interest Earned                      | B-1  | \$            | 1.69                 |
| Dog License Fees Collected           | B-1  | <u>264.00</u> | <u>265.69</u>        |
| Decreased by:                        |      |               |                      |
| Statutory Excess due to Current Fund |      |               | <u>265.69</u>        |
| Balance December 31, 2012            | B    | \$            | <u><u>106.40</u></u> |

|                               | Year |    | Amount               |
|-------------------------------|------|----|----------------------|
| <u>License Fees Collected</u> | 2011 | \$ | 70.40                |
|                               | 2010 |    | <u>36.00</u>         |
|                               |      | \$ | <u><u>106.40</u></u> |

See Accompanying Auditor's Report

TRUST FUND  
DOG LICENSE FUND  
DUE TO STATE OF NEW JERSEY

B-3

|  | <u>Ref.</u> |              |                    |
|--|-------------|--------------|--------------------|
| Balance December 31, 2011                | B           |              | \$ 28.80           |
| Increased by:                            |             |              |                    |
| State Fees Collected:                    |             |              |                    |
| Registration                             |             | \$ 26.00     |                    |
| Pilot Clinic Fees                        |             | 5.20         |                    |
| Pet Population Control                   | B-1         | <u>15.00</u> |                    |
|  |             |              | <u>46.20</u>       |
|  |             |              | <u>75.00</u>       |
| Decreased by:                            |             |              |                    |
| Paid by Current Fund                     |             | 28.80        |                    |
| Fees paid to State of NJ Dept. of Health | B-1         | <u>46.20</u> |                    |
|  |             |              | <u>75.00</u>       |
| Balance December 31, 2012                | B           |              | <u><u>\$ -</u></u> |

See Accompanying Auditor's Report

**TRUST FUND**  
**DOG LICENSE FUND**  
**SCHEDULE OF DUE TO CURRENT FUND**

B-4

|                             | Ref. |               |                  |
|-----------------------------|------|---------------|------------------|
| Balance December 31, 2011   | B    |               | \$ 417.94        |
| Increased by:               |      |               |                  |
| Excess reserve              | B-2  | \$ 159.29     |                  |
| State of NJ Dept. of Health |      | <u>28.80</u>  |                  |
|                             |      |               | 188.09           |
| Decreased by:               |      |               |                  |
| Miscellaneous               |      | 1.20          |                  |
| Disbursements               |      | <u>419.48</u> |                  |
|                             |      |               | 420.68           |
| Balance December 31, 2012   | B    |               | <u>\$ 185.35</u> |

B-5

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE**

|                           | Ref. |             |                     |
|---------------------------|------|-------------|---------------------|
| Balance December 31, 2011 | B    |             | \$ 16,197.47        |
| Increased by:             |      |             |                     |
| Budget Appropriation      | B-1  | \$ -        |                     |
| Interest earned           |      | <u>5.51</u> |                     |
|                           |      |             | 5.51                |
| Balance December 31, 2012 | B    |             | <u>\$ 16,202.98</u> |

**TRUST FUND  
SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE**

|                                    | Ref. |                    |
|------------------------------------|------|--------------------|
| Balance December 31, 2011          | B    | \$ 24,630.22       |
| Increased by Receipts:             |      |                    |
| Payroll transfers                  | B-1  | \$ 580,146.55      |
| Interest Earned                    |      | <u>1,847.29</u>    |
|                                    |      | <u>581,993.84</u>  |
|                                    |      | <u>606,624.06</u>  |
| Decreased by:                      |      |                    |
| Due to Current Payroll liabilities | B-1  | 21,929.50          |
|                                    |      | <u>580,146.55</u>  |
|                                    |      | <u>602,076.05</u>  |
| Balance December 31, 2012          | B    | <u>\$ 4,548.01</u> |

**TRUST FUND  
SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTIONS**

|                                   |     |                     |
|-----------------------------------|-----|---------------------|
| Balance December 31, 2011         | B   | \$ 19,838.40        |
| Increased by:                     |     |                     |
| Received at Tax Sale              | B-1 | \$ <u>51,241.02</u> |
|                                   |     | <u>51,241.02</u>    |
|                                   |     | 71,079.42           |
| Decreased by:                     |     |                     |
| Due to Current Fund Disbursements | B-1 | 9,843.50            |
|                                   |     | <u>31,062.41</u>    |
|                                   |     | <u>40,905.91</u>    |
| Balance December 31, 2012         | B   | <u>\$ 30,173.51</u> |
|                                   |     | <u>21,600.00</u>    |
|                                   |     | <u>8,573.51</u>     |
|                                   |     | <u>\$ 30,173.51</u> |

TRUST FUND  
SCHEDULE OF RESERVE FOR UNIFORM FIRE SAFETY CODE FEES

|                           |     |    |                         |
|---------------------------|-----|----|-------------------------|
| Balance December 31, 2011 | B   | \$ | 8,089.92                |
| Increased by:             |     |    |                         |
| Fire Inspection Fees      | B-1 | \$ | <u>8,786.14</u>         |
|                           |     |    | <u>8,786.14</u>         |
|                           |     |    | 16,876.06               |
| Decreased by:             |     |    |                         |
| Expenditures              |     |    | <u>78.27</u>            |
| Balance December 31, 2012 | B   | \$ | <u><u>16,797.79</u></u> |

See Accompanying Auditor's Report

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR PLANNING AND ZONING**

B-9

|                           |   |                  |                            |
|---------------------------|---|------------------|----------------------------|
| Balance December 31, 2011 | B |                  | \$ 10,249.01               |
| Increased by:             |   |                  |                            |
| Escrow Deposits           |   | \$ 1,330.23      |                            |
| Due from Current          |   | <u>20,000.00</u> |                            |
|                           |   | <u>21,330.23</u> |                            |
| Decreased by:             |   |                  |                            |
| Due to Current Fund       |   |                  | <u>10,249.01</u>           |
| Balance December 31, 2012 | B |                  | <u><u>\$ 21,330.23</u></u> |

B-10

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR HOUSING REHABILITATION**

|                           | Ref. |  |                    |
|---------------------------|------|--|--------------------|
| Balance December 31, 2011 | B    |  | \$ 3,842.00        |
| Decreased by:             |      |  |                    |
| Due to Current Fund       |      |  | <u>3,842.00</u>    |
| Balance December 31, 2012 | B    |  | <u><u>\$ -</u></u> |

B-11

**TRUST FUND  
SCHEDULE OF RESERVE FOR CONFISCATED FUNDS**

|                           | Ref. |                           |
|---------------------------|------|---------------------------|
| Balance December 31, 2011 | B    | \$ 2,137.93               |
| Increased by:             |      |                           |
| Interest earned           | B-1  | <u>9.79</u>               |
| Balance December 31, 2012 | B    | <u><u>\$ 2,147.72</u></u> |

B-12

**TRUST FUND  
SCHEDULE OF RESERVE FOR ACCUMULATED ABSENCES**

|                           | Ref. |                            |
|---------------------------|------|----------------------------|
| Balance December 31, 2011 | B    | \$ 40,250.00               |
| Increased by:             |      |                            |
| Budget Appropriation      | A-3  | <u>-</u>                   |
| Balance December 31, 2012 | B    | <u><u>\$ 40,250.00</u></u> |

See Accompanying Auditor's Report

TRUST FUND  
SCHEDULE OF RESERVE FOR BRICKS AND BENCHES

|                           | Ref. |                            |
|---------------------------|------|----------------------------|
| Balance December 31, 2011 | B    | \$ 10,869.98               |
| Increased by:             |      |                            |
| Interest                  | B-1  | \$ -                       |
| Donations                 | B-1  | <u>5,869.00</u>            |
|                           |      | <u>5,869.00</u>            |
|                           |      | 16,738.98                  |
| Decreased by:             |      |                            |
| Expenditures              |      | <u>5,872.13</u>            |
| Balance December 31, 2012 | B    | <u><u>\$ 10,866.85</u></u> |



**TRUST FUND  
TRUST - OTHER FUND  
SCHEDULE OF DUE TO (FROM) CURRENT FUND**

|  | Ref. | <u>Trust - Other</u> | <u>Tax Title Lien</u> | <u>Payroll</u>     | <u>Total</u>        |
|--|------|----------------------|-----------------------|--------------------|---------------------|
| Balance Due To (From) Current Fund December 31, 2011 | B    | \$ -                 | \$ -                  | \$ -               | \$ -                |
| Increased by:  |      |                      |                       |                    |                     |
| Interfund  |      | <u>13,672.99</u>     | <u>10,471.29</u>      | <u>21,719.63</u>   | <u>45,863.91</u>    |
|  |      | <u>13,672.99</u>     | <u>10,471.29</u>      | <u>21,719.63</u>   | <u>45,863.91</u>    |
| Balance Due To (From) Current Fund December 31, 2012 | B    | <u>\$ 13,672.99</u>  | <u>\$ 10,471.29</u>   | <u>\$21,719.63</u> | <u>\$ 45,863.91</u> |

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**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

|   | Balance<br>Dec. 31,<br>2011 | Receipts                      |                    | Disbursements                 |                      |                  | Balance<br>Dec. 31,<br>2012 |                     |
|---|-----------------------------|-------------------------------|--------------------|-------------------------------|----------------------|------------------|-----------------------------|---------------------|
|   |                             | Bond<br>Anticipation<br>Notes | Miscellaneous      | Improvement<br>Authorizations | Miscel-<br>laneous   | Transfers        |                             |                     |
|   |                             |                               |                    |                               |                      | From             | To                          |                     |
| Due to Current Fund                                     | \$ -                        |                               | \$ 1,344.79        |                               | \$ 1,326.85          |                  |                             | \$ 17.94            |
| Capital Improvement Fund                                | 72,412.00                   |                               |                    |                               |                      |                  |                             | 72,412.00           |
| Fund Balance  | 1,922.89                    |                               | 597.00             |                               |                      |                  |                             | 2,519.89            |
| Cash Pledged to the Payment of Notes                    | 200.00                      |                               |                    |                               |                      | 200.00           |                             | -                   |
| Reserve for Payment of Debt                             | 136.53                      |                               |                    |                               |                      |                  | 200.00                      | 336.53              |
| <b>Improvement Authorizations:</b>                      |                             |                               |                    |                               |                      |                  |                             |                     |
| 450 Various Road Improvements                           | 191.00                      |                               |                    |                               |                      |                  |                             | 191.00              |
| 475, 499 Various Capital Improvements                   | 42,823.98                   |                               |                    |                               | 10,831.61            |                  |                             | 31,992.37           |
| 482 Improvements to Bayonne Ave                         | 78,113.46                   |                               |                    |                               |                      |                  |                             | 78,113.46           |
| 497 Various Improvements to the<br>26th Street Bulkhead | 80,294.98                   |                               |                    |                               |                      |                  |                             | 80,294.98           |
| 512 Various Capital Improvements                        | 1,131.10                    |                               |                    |                               | 211,294.94           |                  |                             | (210,163.84)        |
|   | <u>\$ 277,225.94</u>        | <u>\$ -</u>                   | <u>\$ 1,941.79</u> | <u>\$ -</u>                   | <u>\$ 223,453.40</u> | <u>\$ 200.00</u> | <u>\$ 200.00</u>            | <u>\$ 55,714.33</u> |
| Ref.  | C                           | C-8                           |                    | C-7                           |                      |                  |                             | C                   |

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**GENERAL CAPITAL FUND  
SCHEDULE OF DUE TO/(FROM) CURRENT FUND**

|                                 | <u>Ref.</u> |                 |
|---------------------------------|-------------|-----------------|
| Balance December 31, 2011       | C           | \$ -            |
| Increased by:                   |             |                 |
| Interest Earned on bank account | C-2         | <u>1,344.79</u> |
|                                 |             | 1,344.79        |
| Decreased by:                   |             |                 |
| Payments to Current Fund        | C-2         | <u>1,326.85</u> |
| Balance December 31, 2012       | C           | <u>\$ 17.94</u> |

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

|                           | <u>Ref.</u> |                    |
|---------------------------|-------------|--------------------|
| Balance December 31, 2011 | C           | \$ -               |
| No Activity               |             | -                  |
|                           |             | <hr/>              |
| Balance December 31, 2012 | C           | <u><u>\$ -</u></u> |

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

| Ord. #   | Improvement Authorization                        | Balance Dec. 31 2011   | 2012 Authorizations | Paid by Budget Appropriation | Balance Dec. 31 2012   | Analysis of Balance - December 31, 2012 |                      |  |
|----------|--|------------------------|---------------------|------------------------------|------------------------|---|----------------------|--|
|          |  |                        |                     |                              |                        | Financed by Notes                       | Expenditures         | Unexpended Improvement Authorizations          |
| 450      | Various Road Improvements                        | \$ 234,000.00          |                     | \$ -                         | \$ 234,000.00          | \$ 234,000.00                           |                      |  |
| 475, 499 | Various Capital Improvements                     | 297,512.00             |                     | 2,488.00                     | 295,024.00             | 295,024.00                              |                      |  |
| 482      | Improvements to Bayonne Ave and Other Streets    | 154,736.00             |                     | 5,264.00                     | 149,472.00             | 149,472.00                              |                      |  |
| 497      | Various Improvements to the 26th Street Bulkhead | 1,087,752.00           |                     |                              | 1,087,752.00           | 437,752.00                              |                      | 650,000.00                                     |
| 512      | Various Capital Improvements                     | 988,726.00             |                     |                              | 988,726.00             |   | 241,054.75           | 778,562.16                                     |
|          |  | <u>\$ 2,762,726.00</u> | <u>\$ -</u>         | <u>\$ 7,752.00</u>           | <u>\$ 2,754,974.00</u> | <u>\$ 1,116,248.00</u>                  | <u>\$ 241,054.75</u> | <u>\$ 1,428,562.16</u>                         |
|          |  | C                      |                     | C-8                          | C                      | C-8                                     |                      | C-7  |
|          |  |                        |                     |                              |                        |   |                      | Improvement Authorizations Unfunded            |
|          |  |                        |                     |                              |                        |   |                      | \$ 1,619,153.97                                |
|          |  |                        |                     |                              |                        |   |                      | Less:  |
|          |  |                        |                     |                              |                        |   |                      | Unexpended proceeds of Bond Anticipation Notes |
|          |  |                        |                     |                              |                        |   |                      | <u>Ordinance</u>                               |
|          |  |                        |                     |                              |                        |   |                      | 450 \$ 191.00                                  |
|          |  |                        |                     |                              |                        |   |                      | 475, 489 31,992.37                             |
|          |  |                        |                     |                              |                        |   |                      | 482 78,113.46                                  |
|          |  |                        |                     |                              |                        |   |                      | 497 80,294.98                                  |
|          |  |                        |                     |                              |                        |   |                      | <u>190,591.81</u>                              |
|          |  |                        |                     |                              |                        |   |                      | <u>\$ 1,428,562.16</u>                         |

See Accompanying Auditor's Report

GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-6

| Ord.<br># | Improvement Authorizatoin                           | Ordinance<br>Date    | Amount        | Balance<br>Dec. 31, 2011 |                 | 2012 Authorizations            |  | Paid or<br>Charged | Cancelled | Balance<br>Dec. 31, 2012 |                 |
|-----------|---|----------------------|---------------|--------------------------|-----------------|--------------------------------|--|--------------------|-----------|--------------------------|-----------------|
|           |   |                      |               | Funded                   | Unfunded        | Capital<br>Improvement<br>Fund | Deferred<br>Charged to<br>Future<br>Taxation<br>Unfunded |                    |           | Funded                   | Unfunded        |
| 450       | Various Road Improvements                           | 05/24/05             | \$ 560,000.00 | \$                       | 191.00          |                                |  |                    |           | \$                       | 191.00          |
| 475, 499  | Various Capital Improvements                        | 2/1/08 /<br>06/11/10 | 318,000.00    |                          | 42,823.98       |                                |  | 10,831.61          |           |                          | 31,992.37       |
| 482       | Improvements to Bayonne Ave<br>and Other Streets    | 04/02/08             | 300,000.00    |                          | 78,113.46       |                                |  |                    |           |                          | 78,113.46       |
| 497       | Various Improvements to the<br>26th Street Bulkhead | 10/02/08             | 1,850,000.00  |                          | 730,294.98      |                                |  |                    |           |                          | 730,294.98      |
| 512       | Various Capital Improvements                        | 11/18/11             | 1,040,764.00  |                          | 989,857.10      |                                |  | 211,294.94         |           |                          | 778,562.16      |
|           |   |                      |               | \$ -                     | \$ 1,841,280.52 | \$ -                           | \$ -   | \$ 222,126.55      | \$ -      | \$ -                     | \$ 1,619,153.97 |
| Ref.      |   |                      |               |                          | C               | C-5                            | C-6  | C-2                |           | C                        | C               |

See Accompanying Auditor's Report

GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

|                           | <u>Ref.</u> |                     |
|---------------------------|-------------|---------------------|
| Balance December 31, 2011 | C           | \$ 72,412.00        |
| No Activity               |             |                     |
| Balance December 31, 2012 | C           | <u>\$ 72,412.00</u> |

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**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

| Ordinance Number | Purpose  | Original Amount of Issue | Original Date of Note | Date of Issue | Date of Maturity | Interest Rate | Balance December 31, 2011 | Increase    | Decrease           | Balance December 31, 2012 |
|------------------|--|--------------------------|-----------------------|---------------|------------------|---------------|---------------------------|-------------|--------------------|---------------------------|
| 450              | Various Road Improvements                        | \$ 532,000.00            | 10/20/05              | 10/11/12      | 10/10/13         | 1.500%        | \$ 234,000.00             |             |                    | \$ 234,000.00             |
| 475, 499         | Various Capital Improvements                     | 50,000.00                | 10/16/08              | 10/11/12      | 10/10/13         | 1.500%        | 297,512.00                |             | 2,488.00           | 295,024.00                |
| 482              | Improvements to Bayonne Ave and Other Streets    | 100,000.00               | 10/16/08              | 10/11/12      | 10/10/13         | 1.500%        | 154,736.00                |             | 5,264.00           | 149,472.00                |
| 497              | Various Improvements to the 26th Street Bulkhead | 1,200,000.00             | 06/07/10              | 10/11/12      | 10/10/13         | 1.500%        | 437,752.00                |             |                    | 437,752.00                |
|                  |  |                          |                       |               |                  |               | <u>\$1,124,000.00</u>     | <u>\$ -</u> | <u>\$ 7,752.00</u> | <u>\$1,116,248.00</u>     |
|                  |  |                          |                       |               |                  |               | C                         |             | C-6                | C                         |

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**GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

| Ord.<br># | Improvement Authorization                           | Balance<br>Dec. 31<br>2011 | 2012<br>Authorizations | Bond<br>Anticipation<br>Notes<br>Issued | Balance<br>Dec. 31<br>2012 |
|-----------|---|----------------------------|------------------------|---|----------------------------|
| 497       | Various Improvements to the<br>26th Street Bulkhead | \$ 650,000.00              |                        | \$ -                                    | \$ 650,000.00              |
| 512       | Various Road Improvements                           | 988,726.00                 |                        |   | 988,726.00                 |
|           |   | <u>\$ 1,638,726.00</u>     | <u>\$ -</u>            | <u>\$ -</u>                             | <u>\$ 1,638,726.00</u>     |
|           |   | C                          |                        | C-8                                     | C                          |

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**SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER**

|                              | OPERATING      | CAPITAL      |
|------------------------------|----------------|--------------|
| Balance December 31, 2011    | \$ 103,700.41  | \$ 23,299.24 |
| Increased by Receipts:       |                |              |
| Sewer Rents Receivable       | D-5 411,285.22 |              |
| Utility Prepayments          | D 18,260.54    |              |
| Utility Overpayments         | D              |              |
| Miscellaneous                | D-2 10,130.00  |              |
| Interest Earned              |                |              |
| Due from Sewer Operating     | D              |              |
|                              | 439,675.76     | 4,046.80     |
|                              | 543,376.17     | 27,346.04    |
| Decreased by Disbursements:  |                |              |
| 2012 Appropriations          | D-3 404,417.69 |              |
| 2011 Appropriations Reserves | D-8 4,197.41   |              |
| Due to Sewer Utility Capital | 4,038.52       |              |
|                              | 412,653.62     | -            |
| Balance December 31, 2012    | \$ 130,722.55  | \$ 27,346.04 |

**SEWER UTILITY CAPITAL FUND  
ANALYSIS OF SEWER UTILITY CAPITAL CASH**

|  | Balance<br>December 31,<br>2011 | Receipts<br>Miscellaneous | Disbursements | Transfers   |             | Balance<br>December 31,<br>2012 |
|--|---------------------------------|---------------------------|---------------|-------------|-------------|---------------------------------|
|  |                                 |                           |               | To          | From        |                                 |
| Due Sewer Utility Operating Fund       | \$ (4,038.52)                   | \$ 4,046.80               |               | \$ -        | \$ -        | \$ 8.28                         |
| Due to Current Fund                    | 65,000.00                       |                           |               |             |             | 65,000.00                       |
| Capital Improvement Fund               | 16,000.00                       |                           |               |             |             | 16,000.00                       |
| Improvement Authorizations:            |                                 |                           |               |             |             |                                 |
| Ord. Num                               |                                 |                           |               |             |             |                                 |
| 426 Improvement to Sewer System        | 15,250.00                       |                           |               |             |             | 15,250.00                       |
| 467 Repairs to Glenwood Av. Water Main | (68,912.24)                     |                           |               |             |             | (68,912.24)                     |
|  | <u>\$ 23,299.24</u>             | <u>\$ 4,046.80</u>        | <u>\$ -</u>   | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 27,346.04</u>             |

**SEWER OPERATING FUND  
SCHEDULE OF SEWER CONSUMER ACCOUNTS RECEIVABLE**

|                           | <u>Ref.</u> |                   |                            |
|---------------------------|-------------|-------------------|----------------------------|
| Balance December 31, 2011 | D           |                   | \$ 23,090.90               |
| Increased by:             |             |                   |                            |
| Miscellaneous             | Res.        | \$ 1,766.53       |                            |
| Utility Rents Levied      | Res.        | <u>451,548.75</u> |                            |
|                           |             |                   | <u>453,315.28</u>          |
|                           |             |                   | 476,406.18                 |
| Decreased by:             |             |                   |                            |
| Prepaid Rents             |             | 22,541.95         |                            |
| Overpayment               |             | 33.10             |                            |
| Collections               | D-4         | <u>411,285.22</u> |                            |
|                           |             |                   | <u>433,860.27</u>          |
| Balance December 31, 2012 | D           |                   | <u><u>\$ 42,545.91</u></u> |

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**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

| Ord.<br>Number | IMPROVEMENT DESCRIPTION              | DATE     | AMOUNT       | BALANCE<br>DEC. 31, 2011 | AUTHORIZED  | COSTS TO<br>FIXED<br>CAPITAL | BALANCE<br>DEC. 31, 2012 |
|----------------|--------------------------------------|----------|--------------|--------------------------|-------------|------------------------------|--------------------------|
| 426            | Improvements to Water / Sewer System | 04/17/03 | \$ 20,000.00 | \$ 20,000.00             |             |                              | \$ 20,000.00             |
| 467            | Repairs to Glenwood Ave Water Main   | 04/04/07 | 80,000.00    | 80,000.00                |             |                              | 80,000.00                |
|                |                                      |          |              | <u>\$ 100,000.00</u>     | <u>\$ -</u> | <u>\$ -</u>                  | <u>\$ 100,000.00</u>     |

Ref.            D    D-10    D

See Accompanying Auditor's Report

**SEWER OPERATING FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES**

|   | <u>BALANCE<br/>DEC. 31, 2011</u> | <u>ENCUMBRANCES<br/>CANCELLED</u> | <u>BALANCE<br/>AFTER<br/>TRANSFERS</u> | <u>PAID OR<br/>CHARGED</u> | <u>BALANCE<br/>LAPSED</u> | <u>OVER-<br/>EXPENDED</u> |
|---|----------------------------------|-----------------------------------|--|----------------------------|---------------------------|---------------------------|
| Water and Sewer Operating:<br>Other Expenses                                      | \$ 49,149.65                     |                                   | \$ 49,149.65                           | \$ 4,197.41                | \$ 44,952.24              |                           |
| Deferred Charges and Statutory Expenditures:<br>Social Security System (O.A.S.I.) | 10.00                            |                                   | 10.00                                  |                            | 10.00                     |                           |
|   | <u>\$ 49,159.65</u>              | <u>\$ -</u>                       | <u>\$ 49,159.65</u>                    | <u>\$ 4,197.41</u>         | <u>\$ 44,962.24</u>       | <u>\$ -</u>               |
| Ref.  | D                                |                                   | D                                      | D-4                        | D-1                       |                           |

See Accompanying Auditor's Report

**SEWER OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS  
AND NOTES - ANALYSIS OF BALANCE -  
DECEMBER 31, 2012**

D-10

|                           |                  |                     |
|---------------------------|------------------|---------------------|
| Balance December 31, 2011 | <u>Ref.</u><br>D | \$ 21,018.08        |
| Increased by:             |                  |                     |
| Budget Appropriation for  |                  |                     |
| Interest on Bonds         | D-3              | <u>57,629.82</u>    |
|                           |                  | 78,647.90           |
| Decreased by:             |                  |                     |
| Interest Paid - Treasurer | D-3              | <u>58,169.79</u>    |
| Balance December 31, 2012 | D                | <u>\$ 20,478.11</u> |

**ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2012**

| Principal<br>Outstanding<br>Dec. 31, 2012   | Interest<br>Rate | From    | To       | # of<br>Days | Amount              |
|---|------------------|---------|----------|--------------|---------------------|
| Waste and Water Disposal Systems<br>for Rural Communities General Obligation Bonds: |                  |         |          |              |                     |
| 1992 Issue:   |                  |         |          |              |                     |
| \$ 422,900.28   | 5.625%           | 9/8/12  | 12/31/12 | 114          | \$ 7,429.72         |
| 1994 Issue:   |                  |         |          |              |                     |
| 750,616.82  | 4.500%           | 8/12/12 | 12/31/12 | 141          | <u>13,048.39</u>    |
|   |                  |         |          |              | <u>\$ 20,478.11</u> |

See Accompanying Auditor's Report



**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

| ORD<br>NUMBER | IMPROVEMENT<br>AUTHORIZATION            | ORDINANCE<br>DATE | AMOUNT | BALANCE<br>DEC. 31, 2011 |             | 2012 AUTHORIZATIONS                           |  |                    | BALANCE<br>DEC. 31, 2012 |                    |
|---------------|---|-------------------|--------|--------------------------|-------------|---|--|--------------------|--------------------------|--------------------|
|               |   |                   |        | FUNDED                   | UNFUNDED    | DOWN<br>PAYMENT<br>OR CAPITAL<br>IMPROV. FUND | DEFERRED<br>CHARGES TO<br>FUTURE<br>TAXATION | PAID OR<br>CHARGED | FUNDED                   | UNFUNDED           |
| 426           | Improvements to Water /<br>Sewer System | 04/17/03          | 20,000 | \$ 15,250.00             |             |   |  |                    | \$ 15,250.00             |                    |
| 467           | Repairs to Glenwood Ave<br>Water Main   | 04/04/07          | 80,000 | 7,087.76                 |             |   |  |                    |                          | 7,087.76           |
|               |   |                   |        | <u>\$ 22,337.76</u>      | <u>\$ -</u> | <u>\$ -</u>                                   | <u>\$ -</u>                                  | <u>\$ -</u>        | <u>\$ 15,250.00</u>      | <u>\$ 7,087.76</u> |
| Ref.          |   |                   |        | D                        | D           |   |  |                    | D                        | D                  |

**SEWER CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION**

|                                       | Ref. |                               |
|---------------------------------------|------|-------------------------------|
| Balance December 31, 2011             | D    | \$ 2,771,353.66               |
| Increased by:                         |      |                               |
| Serial Bonds Paid by Operating Budget | D-13 | <u>30,942.24</u>              |
| Balance December 31, 2012             | D    | <u><u>\$ 2,802,295.90</u></u> |

See Accompanying Auditor's Report

**SEWER CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

|                   | Ref. |                  |
|-------------------|------|------------------|
| December 31, 2011 | D    | \$ 24,000        |
| No Activity       |      | -                |
| December 31, 2012 | D    | <u>\$ 24,000</u> |

See Accompanying Auditor's Report

**SEWER UTILITY CAPITAL FUND  
STATEMENT OF WASTE AND WATER DISPOSAL SYSTEMS FOR RURAL COMMUNITIES SERIAL BONDS**

| PURPOSE                 | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF BONDS     |                    | INT. RATE    | BALANCE DEC. 31, 2011  | INCREASED    | DECREASED           | BALANCE DEC. 31, 2012  |      |  |   |
|-------------------------|---------------|----------------|-------------------------|--------------------|--------------|------------------------|--------------|---------------------|------------------------|------|--|---|
|                         |               |                | December 31, 2012 DATE  | OUTSTANDING AMOUNT |              |                        |              |                     |                        |      |  |   |
| General Obligation Bond | 09/17/92      | \$ 562,600.00  | 03/08/13                | \$ 5,861.93        |              |                        |              |                     |                        |      |  |   |
|                         |               |                | 09/08/13                | 6,026.80           |              |                        |              |                     |                        |      |  |   |
|                         |               |                | 03/08/14                | 6,196.30           |              |                        |              |                     |                        |      |  |   |
|                         |               |                | 09/08/14                | 6,370.57           |              |                        |              |                     |                        |      |  |   |
|                         |               |                | 03/08/15                | 6,549.74           |              |                        |              |                     |                        |      |  |   |
|                         |               |                | 09/08/15                | 6,733.96           |              |                        |              |                     |                        |      |  |   |
|                         |               |                | 03/08/16                | 6,923.35           |              |                        |              |                     |                        |      |  |   |
|                         |               |                | 09/08/16                | 7,118.07           |              |                        |              |                     |                        |      |  |   |
|                         |               |                | 03/08/17                | 7,318.26           |              |                        |              |                     |                        |      |  |   |
|                         |               |                | 09/08/17                | 7,524.09           |              |                        |              |                     |                        |      |  |   |
|                         |               |                | 2018 to 2032            | 356,277.21         | 5.625%       | \$ 434,147.45          | \$ 11,247.17 | \$ 422,900.28       |                        |      |  |   |
|                         |               |                | General Obligation Bond | 08/12/94           | 1,000,000.00 | 02/12/13               | 10,181.12    |                     |                        |      |  |   |
|                         |               |                |                         |                    |              | 08/12/13               | 10,410.20    |                     |                        |      |  |   |
| 02/12/14                | 10,644.43     |                |                         |                    |              |                        |              |                     |                        |      |  |   |
| 08/12/14                | 10,883.93     |                |                         |                    |              |                        |              |                     |                        |      |  |   |
| 02/12/15                | 11,128.81     |                |                         |                    |              |                        |              |                     |                        |      |  |   |
| 08/12/15                | 11,379.21     |                |                         |                    |              |                        |              |                     |                        |      |  |   |
| 02/12/16                | 11,635.24     |                |                         |                    |              |                        |              |                     |                        |      |  |   |
| 08/12/16                | 11,897.04     |                |                         |                    |              |                        |              |                     |                        |      |  |   |
| 02/12/17                | 12,164.72     |                |                         |                    |              |                        |              |                     |                        |      |  |   |
| 08/12/17                | 12,438.43     |                |                         |                    |              |                        |              |                     |                        |      |  |   |
| 2018 to 2034            | 637,853.69    | 4.500%         |                         |                    |              | 770,311.89             | 19,695.07    | 750,616.82          |                        |      |  |   |
|                         |               |                |                         |                    |              | <u>\$ 1,204,459.34</u> | <u>\$ -</u>  | <u>\$ 30,942.24</u> | <u>\$ 1,173,517.10</u> |      |  |   |
| Ref.                    |               |                |                         |                    |              |                        |              | D                   |                        | D-11 |  | D |

See Accompanying Auditor's Report

**SEWER CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

| <u>Ordinance<br/>Number</u> |                                       | <u>Balance<br/>December 31, 2012</u> |
|-----------------------------|---------------------------------------|--------------------------------------|
| 467                         | Repairs to Glenwood Ave<br>Water Main | <u>\$ 76,000.00</u>                  |

**BOROUGH OF WEST WILDWOOD**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2012**

## GENERAL COMMENTS

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000, except by contract or agreement".

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed \$36,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate bids were requested by public advertising during the 2012 calendar year for the Roof Repairs to Borough Hall.

The minutes indicate resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

My examination of expenditures did not reveal individual payments, contracts or agreements in excess of \$36,000 "for the performance of any work or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

### Collection of Interest on Delinquent Taxes

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

The governing body adopted the following ordinance authorizing interest to be charged on delinquent taxes:

"Beginning April 1, 1987 and thereafter until changed by resolution of this Board, the rate of interest to be paid for the nonpayment of taxes on or before the date they become due is hereby fixed at the rate of 8% per annum on the first \$1,500 of delinquency and 18% per annum on any amount in excess of \$1,500, to be collected with the taxes as they become delinquent. The Tax Collector of the Borough of West Wildwood is hereby authorized and directed to waive the payment of said interest for a period of 10 days after the date when said taxes would become delinquent."

It appears from an examination of the collector's records that interest was collected in accordance with the resolution adopted by the governing body.

**Delinquent Taxes and Tax Title Liens**

During the 2012 calendar year, the Borough did have a tax sale and it was complete.

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|------------------------|
| 2012        | 35                     |
| 2011        | 26                     |
| 2010        | 8                      |

**Verification of Delinquent Taxes and Other Charges**

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

| <u>Type</u>                           | <u>Number Mailed</u> |
|---------------------------------------|----------------------|
| Payment of 2012 and 2013 Taxes        | 5                    |
| Delinquent Taxes                      | 11                   |
| Payment of 2012 Sewer Utility Charges | 5                    |
| Delinquent Utilities                  | 2                    |
| Municipal Court                       | 5                    |

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

**Comparison of Tax Levies and Collections Currently**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collections</u> |
|-------------|-----------------|--------------------|----------------------------------|
| 2012        | \$ 3,390,970.79 | \$ 3,238,147.49    | 95.49%                           |
| 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%                           |



### Comparative Schedule of Tax Rate Information

| Year | Tax Title Liens | Delinquent Taxes | Total Delinquent | Percentage of Tax Levy |
|------|-----------------|------------------|------------------|------------------------|
| 2012 | \$211,577.42    | \$ 152,827.25    | \$ 364,404.67    | 10.75%                 |
| 2011 | 138,916.10      | 133,509.47       | 272,425.57       | 8.10%                  |
| 2010 | 32,150.46       | 214,409.26       | 246,559.72       | 7.68%                  |
| 2009 | 27,887.37       | 164,695.95       | 192,583.32       | 6.01%                  |
| 2008 | 18,344.61       | 188,772.06       | 207,116.67       | 6.46%                  |

### Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last four years.

| Tax Rate                   | \$          | 1.329 | \$          | 1.311 | \$          | 1.219 | \$          | 1.171 | \$          | 1.453 |
|----------------------------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|
| Apportionment of Tax Rate: |             |       |             |       |             |       |             |       |             |       |
| Municipal                  |             | 0.552 |             | 0.535 |             | 0.528 |             | 0.405 |             | 0.695 |
| County                     |             | 0.230 |             | 0.230 |             | 0.211 |             | 0.238 |             | 0.271 |
| Local School               |             | 0.547 |             | 0.546 |             | 0.480 |             | 0.528 |             | 0.487 |
| Assessed Valuation         | 255,132,439 |       | 255,446,568 |       | 263,300,975 |       | 273,542,044 |       | 219,431,624 |       |

## FINDINGS AND RECOMMENDATIONS

### 12-1. Criteria

The Borough is required to maintain a fixed asset ledger.

#### Condition

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

#### Cause

Although the Borough has a listing of assets maintained in the financial accounting system, it has not been updated in several years.

#### Effect

The Borough cannot effectively maintain control over the assets. The Committee will also have difficulty in properly preparing a long range plan to ensure that assets will be replaced when their useful lives are nearing an end.

#### Recommendation

A current listing of all Borough owned assets should be obtained from each department, and maintained on a go-forward basis to ensure that all additions and deletions are properly recorded.

#### Management Response

A fixed asset listing will be obtained and properly maintained.

### 12-2. Criteria

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

#### Condition

The trust reserve accounts were not in agreement with the cash activity as of December 31, 2012.

#### Cause

Borough personnel were unaware that the reserve accounts did not reflect accurate balances.

#### Effect

It was unable to be determined if all expended funds were utilized for the approved purpose of the established trust accounts.

#### Recommendation

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

#### Management Response

Trust reserves will be analyzed and monitored to ensure accuracy.

### 12-3. Criteria

Grants must be monitored on a continuous basis to ensure compliance with the grant requirements.

#### Condition

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

**Cause**

Borough personnel did not monitor the grant activity to ensure funds were expended properly within the approved grant period.

**Effect**

Expenditures were likely charged to the Borough's budget rather than the grant funds.

**Recommendation**

The Borough should analyze the grant balances to determine if the grant period has expired. If the grant period has passed, the grants should be cancelled. If not, the Borough should make every effort to expend the grants in accordance with the compliance requirements.

**Management Response**

The grant balances will be analyzed to determine if balances are accurate or should be cancelled.

**STATUS OF PRIOR RECOMMENDATIONS**

11-1. That 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.

This recommendation was not cleared during 2012.

This has been addressed in 2013.

11-2. That 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.

This recommendation was not cleared during 2012.

The Borough will consider contracting to have a complete inventory of fixed assets.

11-3. 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.

This recommendation was cleared in 2012.

11-4. That 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.

This recommendation was cleared during 2012.

**RECOMMENDATIONS**

1. \* A current listing of all Borough owned assets should be obtained from each department, and maintained on a go-forward basis to ensure that all additions and deletions are properly recorded.
  2. An analysis of the trust fund reserves be completed and accurate records maintained of the cash disbursements.
  3. The Borough should analyze the grant balances to determine if the grant period has expired. If the grant period has passed, the grants should be cancelled. If not, the Borough should make every effort to expend the grants in accordance with the compliance requirements.
- \* Similar recommendation made in prior year.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call.

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

*Kenneth Moore*  
**Kenneth Moore**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 231**