

**CITY OF WILDWOOD**

**CAPE MAY COUNTY**

**NEW JERSEY**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2010**



# CITY OF WILDWOOD

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**CITY OF WILDWOOD**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2010**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the Board of Commissioners  
City of Wildwood  
4400 New Jersey Avenue  
Wildwood, NJ 08260

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the City of Wildwood, New Jersey, as of December 31, 2010 and 2009, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the years ended December 31, 2010. These financial statements are the responsibility of the City of Wildwood's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the City's policy to prepare and present its financial statements on the basis of accounting discussed in the preceding paragraph of this report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Wildwood as of December 31, 2010 and 2009 or the results of its operations for the years then ended.

However, in our opinion the financial statements referred to above, present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the City of Wildwood, New Jersey as of December 31, 2010 and 2009 and the results of operations and changes in fund balance - regulatory basis of such funds for the year then ended and the statements of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the years ended December 31, 2010 and 2009 on a modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011 on our consideration of the City of Wildwood's internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the City of Wildwood, New Jersey taken as a whole. The supplemental information, as listed in the table of contents, is presented for additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Robert E. Swartz, CPA*

Robert E. Swartz, CPA  
Registered Municipal Accountant  
No. 319

*Swartz & Co., LLC*

Swartz & Co., LLC  
Certified Public Accountants

June 30, 2011

**EXHIBIT A - CURRENT FUND**

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

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 4,044,035	3,927,653
Collector	A-5	10,731	25,306
Change Fund		825	825
		<u>4,055,591</u>	<u>3,953,784</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	60,993	66,789
Tax Title Liens Receivable	A-7	88,103	54,211
Property Acquired / Assessed Valuation		620,100	198,100
Revenue Accounts Receivable	A-8	22,924	26,586
Due from Federal and State Grant Fund	A	173,954	18,942
Due from Sewer Utility Fund	E	77,610	-
		<u>1,043,684</u>	<u>364,628</u>
Deferred Charges			
Special Emergency Authorizations		136,800	185,200
		<u>136,800</u>	<u>185,200</u>
		<u>5,236,075</u>	<u>4,503,612</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-11	999,221	2,012,334
		<u>999,221</u>	<u>2,012,334</u>
		<u>\$ 6,235,296</u>	<u>6,515,946</u>

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

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Appropriation Reserves	A-3	\$ 1,072,767	1,007,492
Encumbrances & Accounts Payable	A-3:A-9	393,395	663,753
Refunds Payable		3,576	60
Prepaid Taxes		674,498	497,677
Tax Overpayments		4,183	10,564
Special Emergency Notes Payable		120,000	160,000
Due County for Added and Omitted Taxes		5,009	6,194
Due to State of New Jersey:			
Veterans' and Senior Citizens' Deductions		468	732
Reserve for:			
1.5% Health Insurance		10,669	-
Tax Appeals		29,233	29,233
Codification of Ordinance		39,341	48,626
Master Plan		12,499	12,860
Auctioneer/Auction Sale		6,676	-
Human Services		584	559
1.85% Room Tax		213,670	196,506
Street Opening Permits		8,446	-
Performance Deposit		386,758	281,304
		<u>2,981,772</u>	<u>2,915,560</u>
Reserves for Receivables	A	1,043,684	364,628
Fund Balance	A-1	<u>1,210,619</u>	<u>1,223,424</u>
		<u>5,236,075</u>	<u>4,503,612</u>
Federal and State Grant Fund:			
Due to Current Fund	A	173,954	18,942
Reserve for Encumbrances		70,060	491,905
Reserve for State Grants:			
Unappropriated Reserves	A-13	25,083	-
Appropriated Reserves	A-12	<u>730,124</u>	<u>1,501,487</u>
		<u>999,221</u>	<u>2,012,334</u>
		<u>\$ 6,235,296</u>	<u>6,515,946</u>

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

	Ref.	2010	2009
<u>Revenue and Other Income Realized:</u>			
Fund Balance Utilized	A-2	\$ 900,000	-
Miscellaneous Revenues Anticipated	A-2	5,132,625	6,767,384
Receipts from Delinquent Taxes	A-2	53,358	14,176
Receipts from Current Taxes	A-2	32,586,645	33,756,895
Nonbudget Revenues	A-2	423,123	186,019
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	A-9	422,015	491,855
Statutory Excess-Animal Control Fund		318	246
Accounts Payable Cancelled		8,525	4,370
Interfunds Returned		18,942	8,335
		<u>39,545,551</u>	<u>41,229,280</u>
<u>Expenditures:</u>			
Budget and Emergency Appropriations:			
Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	10,961,201	11,410,254
Other Expenses	A-3	8,143,200	7,819,589
Deferred Charges and			
Statutory Expenditures	A-3	1,267,243	1,362,887
Cash Deficit of Prior Year		-	1,295,276
Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	100,000	-
Other Expenses	A-3	1,077,880	1,379,751
Capital Improvements	A-3	-	25,000
Debt Service	A-3	3,329,241	3,442,701
Deferred Charges	A-3	48,400	48,400
County Taxes Payable	A-6	3,863,272	3,824,512
County Share of Added and Omitted Taxes	A-6	5,009	6,194
Local District School Tax	A-10	9,339,262	9,370,402
Special District Tax	A-6	245,000	222,000
Interfunds Created	A-11	251,564	18,942
Prior Year Revenue Refunded		27,084	10,626
		<u>38,658,356</u>	<u>40,236,534</u>

See Accompanying Notes to Financial Statements

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

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Excess in Revenues		887,195	992,746
Adjustments to Income Before Fund Balance - Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year		-	-
Statutory Excess to Fund Balance		887,195	992,746
Fund Balance January 1	A	1,223,424	230,678
Total		2,110,619	1,223,424
Decreased by:			
Utilization as Anticipated Revenue	A-2	900,000	-
Fund Balance December 31	A	<u>\$ 1,210,619</u>	<u>1,223,424</u>

**CURRENT FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS**

	Ref.	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 900,000	-	900,000	-
		900,000	-	900,000	-
Miscellaneous Revenues:					
Licenses-Alcoholic Beverages	A-8	65,000		66,052	1,052
Licenses-Other	A-8	340,000		335,347	(4,653)
Fees and Permits	A-8	340,000		379,805	39,805
Municipal Court	A-8	645,000		556,678	(88,322)
Interest and Costs on Taxes	A-8	180,000		199,237	19,237
Parking Meters	A-8	380,000		477,127	97,127
Interest on Investments	A-8	30,000		35,402	5,402
Public Property Rental	A-8	340,000		378,084	38,084
TV Cable Franchise Fee	A-8	40,450		40,451	1
In Lieu of Taxes	A-8	128,807		93,610	(35,197)
Ambulance Rescue Squad	A-8	375,000		325,284	(49,716)
Fees - Tram Car	A-8	90,000		90,000	-
Sale of Trash Cans	A-8	4,000		6,120	2,120
GWTD Administrative Reimbursement	A-8	30,000		30,000	-
Consolidated Municipal Property Tax Relief (CMPTRA)	A-8	17,300		17,300	-
Energy Receipts Tax (P.L. 1997, Ch 162&167)	A-8	988,271		988,271	-
Uniform Fire Safety Act	A-8	40,000		44,673	4,673
Indirect Cost Allocation from Water Utility	A-8	384,575		384,575	-
Wildwood Water Utility - Rio Grande Avenue	A-8	10,862		10,862	-
Reserve for Payment of Bonds	A-8	25,619		25,619	-
1.85% Room Tax	A-8	213,906		213,936	30
General Capital Fund Balance		94,999		94,999	-
FEMA Storm		66,410		61,721	(4,689)
Interlocal Agreements					
Tax Assessor	A-8	19,000		17,906	(1,094)
Emergency Medical Services - West Wildwood	A-8	13,520		13,520	-
UEZ	A-8	63,500		8,706	(54,794)
Recycling/Trash Collection	A-8	49,414		49,414	-
Tax Collection	A-8		37,917	31,116	(6,801)

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
(CONTINUED)**

	Ref.	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Additional Revenues Offset With Appropriations:					
Alcohol Education and Rehabilitation	A-11	-	1,307	1,307	-
Clean Communities	A-11	22,952		22,952	-
Over the Limit/Under Arrest	A-11	-	4,400	4,400	-
Body Armor Replacement	A-11	1,624		1,624	-
Safe and Secure Community Program	A-11	90,000		90,000	-
COPS in Shops	A-11	7,368		7,368	-
COPS Secure Our Schools	A-11	10,000		10,000	-
ACM JIF Safety Incentive Program		6,676		6,676	-
Edward Byrne Memorial Justice Assistance	A-11	12,483		12,483	-
<b>Total Miscellaneous</b>	<b>A-2</b>	<b>5,126,736</b>	<b>43,624</b>	<b>5,132,625</b>	<b>(37,735)</b>
Receipts from Delinquent Taxes	A-2	30,000		53,358	23,358
Subtotal General Revenues		6,056,736	43,624	6,085,983	(14,377)
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	A-2	19,370,477		19,465,207	94,730
<b>Budget Totals</b>		<b>25,427,213</b>	<b>43,624</b>	<b>25,551,190</b>	<b>80,353</b>
Nonbudget Revenues	A-1:A-2			423,123	423,123
		\$ 25,427,213	43,624	25,974,313	503,476
Ref.		A-3	A-3		

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
(CONTINUED)**

<u>Analysis of Realized Revenue:</u>	<u>Ref.</u>		
<u>Allocation of Current Tax Collections:</u>			
Revenue from Collections	A-1:A-6	\$	32,586,645
Allocated to:			
School, County and Other Taxes	A-6		<u>13,452,543</u>
Balance for Support of Municipal Budget Revenues			19,134,102
Add:			
Appropriation: "Reserve for Uncollected Taxes"	A-3		<u>331,105</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u><u>19,465,207</u></u>
 <u>Receipts from Delinquent Taxes:</u>			
Delinquent Tax Collections	A-6		45,756
Tax Title Lien Collections	A-7		<u>7,602</u>
	A-2	\$	<u><u>53,358</u></u>

**CURRENT FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
(CONTINUED)**

<u>Analysis of Realized Revenue: (Continued)</u>	<u>Ref.</u>		
<u>Miscellaneous Revenue Not Anticipated:</u>			
Shopping Carts		\$ 6,005	
Copy Machine		993	
Gasoline Service		56,059	
Insurance Claim		2,988	
Off Duty Police Administration		8,704	
Police MRNA		7,475	
Senior Citizen Administration		1,096	
Miscellaneous		14,637	
Restitution		6,091	
Lot Cleaning		2,420	
Off Duty Fire		46,935	
Cancelled Outstanding Checks		912	
FEMA Reimbursement		49,673	
Recycling Fees		9,846	
Pension Adjustment Refund		18,539	
Auction Proceeds		117,694	
Cancellation of Reserves		68,782	
	A-2:A-8	\$ 418,849	A-4
<u>Miscellaneous Revenue Not Anticipated:</u>			
Tax Collector Miscellaneous	A-5:A-8	\$ 4,274	

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS**

	APPROPRIATIONS		EXPENDITURES		OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
Director's Office						
Salaries and Wages	\$ 28,300	28,000	27,979			21
Other Expenses	3,000	3,200	3,127	73		
Department of Law - Director's Office						
Salaries and Wages	46,500	39,585	35,589	3,996		
Other Expenses	280,000	323,000	322,392	608		
Police						
Salaries and Wages	4,096,132	4,106,618	3,924,734	181,884		
Seasonal Salaries and Wages	300,000	320,843	317,289			3,554
Other Expenses	125,000	101,800	85,457	16,343		
Purchase of Vehicles	1	1				1
Elections						
Other Expenses	6,000	6,000	1,948	1,552		2,500
Lifeguards						
Salaries and Wages	390,000	388,933	388,923			10
Other Expenses	24,000	25,000	23,412	288		1,300
Animal Control						
Other Expenses	32,000	32,000	31,823			177
Central Purchasing						
Salaries and Wages	349,000	306,907	305,601	1,306		
Other Expenses	55,000	79,700	71,393	8,307		
Relocation Assistance						
Other Expenses	30,000	30,000	24,020			5,980
Municipal Administrator						
Salaries and Wages	70,000	36,003	35,614			389
Other Expenses	79,000	55,250	55,226			24
City Clerk						
Salaries and Wages	189,000	196,381	194,879	1,502		4,000
Other Expenses	29,000	29,000	20,314	4,686		
Municipal Fire Fighting						
Salaries and Wages	1,470,700	1,575,789	1,566,643	7,498		1,648
Other Expenses	77,200	73,968	64,059	9,559		350

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED			
<b>OPERATIONS WITHIN "CAPS"</b>							
<b>GENERAL GOVERNMENT:</b>							
Volunteer Fire Fighting							
Other Expenses	12,500	11,635	450	11,185			
State Fire Prevention Code							
Salaries and Wages	178,500	186,125	184,621	1,500		4	
Other Expenses	5,000	5,000	4,236	102		662	
Office of Emergency Management							
Salaries and Wages	2,800	3,000	2,993	7			
Other Expenses	4,500	6,455	3,935	2,520			
Municipal Court							
Salaries and Wages	312,500	301,967	301,589	378			
Other Expenses	25,000	25,000	22,945	2,055			
Public Defender							
Salaries and Wages	6,942	6,942	6,938			4	
Prosecutor							
Salaries and Wages	22,000	20,640	20,486	154			
Other Expenses	500	500	468			32	
<b>DEPARTMENT OF REVENUE AND FINANCE:</b>							
Commissioner of Revenue and Finance							
Salaries and Wages	32,700	32,446	32,446				
Other Expenses	3,000	3,000	3,000				
Accounts and Control							
Salaries and Wages	197,200	211,932	209,321	2,611			
Other Expenses	72,000	64,000	60,007	3,993			
Tax Assessment							
Salaries and Wages	137,900	134,604	133,666	938			
Other Expenses	70,000	67,000	46,133	17,667		3,200	
Revenue Collection							
Salaries and Wages	107,000	101,588	100,657	879			
Other Expenses	15,200	15,200	10,850	250			
Collection of Taxes							
Other Expenses	1,500	1,500				1,500	

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES		OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>OPERATIONS WITHIN "CAPS"</u>						
Audit Service						
Other Expenses	59,850	59,850	59,850			
Liquidation of Tax Liens						
Other Expenses	1	1				1
Parking						
Salaries and Wages	58,200	15,756	15,756			
Other Expenses	15,050	15,050	11,020	4,030		
Insurance						
General Liability	292,000	322,677	322,677			
Worker's Compensation Insurance	940,000	909,324	898,335	10,989		
Employee Group Health	3,001,853	3,128,493	2,649,480	479,013		
Surety Bonds	1,300	1,300	1,268	32		
<u>DEPARTMENT OF PUBLIC WORKS, PARKS &amp; PROPERTY:</u>						
Commissioner of Public Works						
Salaries and Wages	30,300	30,100	29,809			291
Other Expenses	3,000	3,000	2,891			109
Engineering Fees						
Other Expenses	70,000	60,000	59,925			75
Director						
Salaries and Wages	191,200	187,662	156,135	31,527		
Other Expenses	6,700	5,500	5,356	144		
Building Maintenance						
Salaries and Wages	193,500	162,700	161,540	612		548
Other Expenses	20,000	20,000	19,509	491		
Redevelopment Agency						
Salaries and Wages	20,000	20,000	19,989			11
Other Expenses	25,000	25,000	24,404	596		
Boardwalk and Facility Construction						
Salaries and Wages	393,700	334,580	330,793	1,329		2,458
Other Expenses	14,500	31,049	25,319	5,730		

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	
<u>OPERATIONS WITHIN "CAPS"</u>						
Parks						
Salaries and Wages	209,800	186,900	185,985			915
Other Expenses	38,100	38,100	38,023	77		
Street Maintenance						
Salaries and Wages	183,200	134,212	133,862	348		2
Other Expenses	12,000	21,721	21,650	71		
Special Events						
Other Expenses	50,000	50,000	35,573	14,427		
Economic Development						
Other Expenses	45,000	45,000	45,000			
Traffic Marking						
Salaries and Wages	132,500	139,128	128,887	10,241		4,000
Other Expenses	25,000	25,000	19,199	1,801		
Seasonal Comfort Station						
Salaries and Wages	107,200	106,900	106,871			29
Other Expenses	25,000	35,202	34,564	638		
Seasonal Boardwalk and Mall Cleaning						
Salaries and Wages	-	-	-			
Other Expenses	3,300	3,300	2,891	409		
Recreation						
Salaries and Wages	173,400	185,240	183,630	1,610		
Other Expenses	30,000	29,946	22,983	6,963		
Environmental Commission						
Other Expenses	1	1				1
Environmental Maintenance						
Salaries and Wages	404,700	507,219	504,515	1,084		1,620
Other Expenses	11,000	17,488	14,697	2,791		
Fleet Maintenance						
Salaries and Wages	169,500	121,327	120,653	137		537
Other Expenses	131,374	131,246	119,194	12,052		

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED			
<u>OPERATIONS WITHIN "CAPS"</u>							
Recycling							
Salaries and Wages	330,200	271,805	271,545		260		
Other Expenses	3,000	2,207	2,207				
Sanitation/Trash							
Salaries and Wages	406,600	341,023	338,768		444		1,811
Other Expenses	217,000	214,589	214,589				
Landfill Tipping Fees							
Other Expenses	400,000	442,000	432,000		10,000		
Snow Removal							
Other Expenses	5,500	15,500	10,000		5,500		
Land Use Administration							
Salaries and Wages	141,900	112,100	112,068				32
Other Expenses	2,525	13,525	11,883		1,642		
Urban Enterprise Zone							
Salaries and Wages	95,500	73,981	69,966		4,015		3,000
Other Expenses	19,300	19,300	5,962		10,338		
Tourism							
Other Expenses	1	1					1
<u>UNIFORM CONSTRUCTION CODE:</u>							
State Uniform Construction Code							
Other Expenses	95,000	95,000	95,000				
Housing Inspections							
Salaries and Wages	73,200	75,491	72,068		387		3,036
<u>UNCLASSIFIED:</u>							
Gasoline	220,000	235,000	223,405		11,595		
Electricity	220,000	255,000	206,767		48,233		
Telephone	72,000	70,000	60,929		9,071		
Natural Gas	91,000	76,000	68,375		7,625		
Street Lighting	305,000	266,950	240,797		26,153		
Water Service	105,110	115,310	115,282		28		
Sewer Service	50,000	55,050	55,040		10		

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES		OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>OPERATIONS WITHIN "CAPS"</u>						
Postage	55,000	55,000	48,436	250		6,314
Terminal Leave - Salaries and Wages	30,000	30,000		30,000		
Deficit in Sewer Utility Operations	334,994	334,994	257,384			77,610
Total Operations Within "CAPS"	19,246,634	19,236,310	18,069,867	1,034,534	-	131,909
Contingent						
Total Operations Incl. Contingent Within "CAPS"	19,246,634	19,236,310	18,069,867	1,034,534	-	131,909
Detail:						
Salaries and Wages	11,281,774	10,977,784	10,676,708	284,493	-	16,583
Other Expenses	7,964,860	8,258,526	7,393,159	750,041	-	115,326
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>						
Deferred Charges						
Caffiero and Balliette - OE 2008	750	750	750			
Harley Shop of Wildwood - OE 2008	529	529	528			1
Court House Towing - OE 2008	275	275	275			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	196,835	196,835	189,890	3,403		3,542
Social Security System (O.A.S.I.)	565,000	575,324	513,166	5,008		57,150
Police and Fire Retirement System	568,467	568,467	536,154	17,425		14,888
Defined Contribution Retirement Plan	4,000	4,000	644			3,356
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	1,335,856	1,346,180	1,241,407	25,836	-	78,937
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	20,582,490	20,582,490	19,311,274	1,060,370	-	210,846

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES		OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>						
Insurance						
Employee Group Health	4,947	4,947	4,947			
Contribution to						
Public Employees Retirement System	291,765	291,765	291,765			
Police and Firemen's Retirement System	537,586	537,586	537,586			
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>						
Interlocal Service Agreement - Tax Assessor	19,000	19,000	17,941	1,059		
Interlocal Service Agreement - UEZ	63,500	63,500	58,963	4,537		
Interlocal Service Agreement - Wildwood Tax Collector		37,917	31,116	6,801		1
Interlocal Service Agreement - Recycling and Trash Collection	49,414	49,414	49,414			
Interlocal Service Agreement - Emergency Medical Services	13,520	13,520	13,520			
Clean Communities Program	22,952	22,952	22,952			
Safe and Secure Communities Program	90,000	90,000	90,000			
Matching Funds for Grants	1	1				1
Body Armor Replacement	1,624	1,624	1,624			
COPS in Schools	10,000	10,000	10,000			
COPS in Shops	7,368	7,368	7,368			
Municipal Alliance Program						
Local Share	3,420	3,420	3,420			
Alcohol, Education, Rehabilitation & Enf. Grant		1,307	1,307			
ACM JIF Safety Incentive Program	6,677	6,677	6,677			
Over the Limit/Under Arrest		4,400	4,400			
Edward Byrne Memorial Justice Assistance	12,483	12,483	12,483			
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>1,134,257</b>	<b>1,177,881</b>	<b>1,165,483</b>	<b>12,397</b>	<b>-</b>	<b>1</b>
Detail:						
Salaries and Wages	100,000	100,000	100,000			
Other Expenses	1,034,257	1,077,881	1,065,483	12,397		
<u>See Accompanying Notes to Financial Statements</u>						

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u> Capital Improvement Fund	1	1				1
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	1	1	-	-	-	1
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":</u> Payment of Bond Principal Payment of Bond Anticipation Notes and Capital Notes Interest on Bonds Interest on Notes Green Trust Loan Payment Loan Repayments for Principal and Interest USDA/Rural Development Program Loan Repayments for Principal and Interest Capital Lease Obligations Approved Prior to 7/1/07 Principal Interest	1,310,000 365,000 533,700 68,000 63,897 20,338 465,000 504,188	1,310,000 365,000 533,700 68,000 63,897 20,338 465,000 504,188	1,310,000 365,000 533,606 67,213 63,896 20,338 465,000 504,188			94 787 1
<u>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>	3,330,123	3,330,123	3,329,241	-	-	882
<u>DEFERRED CHARGES EXCLUDED FROM "CAPS":</u> Special Emergency Authorization - 5 Years Deferred Charge Unfunded Ord 773-09	48,400 837	48,400 837	48,400			837
<u>TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"</u>	49,237	49,237	48,400	-	-	837

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
(CONTINUED)**

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDITURES PAID OR CHARGED</u>	<u>RESERVED</u>	<u>OVER EXPENDED</u>	<u>UNEXPENDED BALANCE CANCELED</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	4,513,618	4,557,242	4,543,124	12,397	-	1,721
SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	25,096,108 331,105	25,139,732 331,105	23,854,398 331,105	1,072,767	-	212,567
TOTAL GENERAL APPROPRIATIONS	<u>\$ 25,427,213</u>	<u>25,470,837</u>	<u>24,185,503</u>	<u>1,072,767</u>	<u>-</u>	<u>212,567</u>
	A-2		A	A	A	
	<u>Ref.</u>		<u>PAID OR CHARGED</u>			
Budget	A-2	25,427,213	\$			
N.J.S.A. 40A: 4-87	A-2	43,624	48,400	389,075		
		<u>25,470,837</u>	160,231	331,105		
			23,256,692			
Deferred Charges			\$			
Encumbrances Payable	A		48,400			
Federal and State Grants	A-12		389,075			
Reserve for Uncollected Taxes	A-3		160,231			
Disbursed	A-4		331,105			
			<u>23,256,692</u>			
			\$	24,185,503		

See Accompanying Notes to Financial Statements

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**EXHIBIT B - TRUST FUNDS**

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

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Animal Control Fund			
Cash	B-1	\$ 630	684
		<u>630</u>	<u>684</u>
Other Funds:			
Cash	B-1	1,898,933	2,144,884
Change Fund		200	200
Due from State - Payroll		48	-
Due from Employees - Payroll		224	-
		<u>1,899,405</u>	<u>2,145,084</u>
		<u>1,900,035</u>	<u>2,145,768</u>
 <u>Liabilities, Reserves, and Fund Balance</u>			
Dog License Fund:			
Reserve for Dog Fund	B-2	630	684
		<u>630</u>	<u>684</u>
Other Funds:			
Deposits for Redemption of Tax Sale Certificates		64,410	202,800
Due to State - Surcharge Fees		1,927	6,858
Premiums Received at Tax Sale		113,600	98,600
Reserves:			
Payroll	B-5	88,753	108,708
Unemployment Compensation	B-5	-	108,669
Police Forfeiture	B-5	80,344	75,788
Recreation Expenditures	B-5	21,800	10,911
Special Events	B-5	35,202	36,669
Historical Society	B-5	50	50
DEDR	B-5	150	-
Lifeguard Pension	B-5	528,967	514,965
Developers Escrow	B-5	275,854	294,323
Parking Offense Adjudication Act	B-5	12,926	10,992
Fire Penalty - Compensation	B-5	74,037	59,045
Fire Penalty - Dedicated	B-5	62,643	28,163
Memorial Beaches	B-5	8,114	914
Snow Removal	B-5	26,858	7,221
UCC Fees	B-5	50,651	136,170
Accumulated Absences	B-5	108,750	108,750
Self Insurance	B-5	183,399	200,677
Tourism Development Commission	B-5	52,311	26,964
Revolving Loan Fund	B-5	108,659	107,847
		<u>1,899,405</u>	<u>2,145,084</u>
		<u>\$ 1,900,035</u>	<u>2,145,768</u>

See Accompanying Notes to Financial Statements

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**EXHIBIT C - GENERAL CAPITAL FUND**

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

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash	C-2	\$ 550,832	1,781,237
Grants Receivable	C-3	2,609,311	3,239,033
Due from:			
Bank		7,304	7,304
Deferred Charges to Future Taxation:			
Funded	C-4	20,738,372	22,569,482
Unfunded	C-5	4,006,987	2,628,837
		<u>27,912,806</u>	<u>30,225,893</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Improvement Authorizations:			
Funded	C-6	1,815,167	1,477,200
Unfunded	C-6	1,674,634	577,874
Bond Anticipation Notes	C-7	1,488,000	1,078,000
General Serial Bonds Payable	C-8	12,319,000	13,629,000
USRDA Loans Payable	C-9	351,500	356,340
ECIA Franchise Acquisition Loan Payable	C-10	7,475,000	7,940,000
Green Trust Loan Payable	C-11	592,872	644,141
Tax Appeal Refunding Notes	C-12	1,185,000	1,550,000
Contracts Payable		482,128	2,225,481
Capital Improvement Fund	C-13	905	88,405
Reserve for Payment of Bonds		102,477	128,096
Reserve for Payment of Notes		150,324	-
Reserve for Purchase of Equipment		40,292	-
Fund Balance	C-1	<u>235,507</u>	<u>531,356</u>
		<u>\$ 27,912,806</u>	<u>30,225,893</u>

There were Bonds and Notes Authorized But Not Issued at December 31, 2010 and 2009 of \$1,333,987 and \$837 respectively (C-14)

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

	<u>Ref.</u>		
Balance December 31, 2009	C	\$	531,356
Increased by:			
Premium on Note Sale		3,348	
Funded Improvement Authorizations Cancelled	C-6	<u>233,302</u>	236,650
Decreased by:			
Funding of Improvement Authorizations	C-6	437,500	
Appropriated in 2010 Current Fund Budget	A-2	<u>94,999</u>	532,499
			<hr/>
Balance December 31, 2010	C	\$	<u><u>235,507</u></u>

**EXHIBIT D - WATER UTILITY**

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

	Ref.	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash	D-5	\$ 2,142,244	1,798,646
Change Fund		100	100
		<u>2,142,344</u>	<u>1,798,746</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-7	218,180	185,308
Inventory		472,983	482,240
		<u>691,163</u>	<u>667,548</u>
Total of Operating Fund		<u>2,833,507</u>	<u>2,466,294</u>
Capital Fund:			
Cash and Investment	D-6	2,029,976	2,695,831
Due from Bank		271	271
Grants Receivable		45,447	131,470
Fixed Capital:			
Completed	D-12	25,234,022	25,234,022
Authorized and Uncompleted	D-13	22,904,629	17,404,629
Total of Capital Fund		<u>50,214,345</u>	<u>45,466,223</u>
Total Assets	D	<u>\$ 53,047,852</u>	<u>47,932,517</u>

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

	Ref.	<u>2010</u>	<u>2009</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
<b>Operating Fund:</b>			
Liabilities:			
Appropriation Reserves	D-4	\$ 215,827	268,248
Encumbrances & Accounts Payable	D-4:D-10	567,398	517,755
Accrued Interest on Bonds and Notes	D-11	137,165	147,001
Reserve for Grants Appropriated		-	905
Water Overpayments	D-9	44,104	40,333
Escrow Deposits		3,775	3,951
Due to the State of New Jersey		3,397	3,813
		<u>971,666</u>	<u>982,006</u>
Reserve for Receivables	Res.	691,163	667,548
Fund Balance	D-1	1,170,678	816,740
Total of Operating Fund		<u>2,833,507</u>	<u>2,466,294</u>
<b>Capital Fund:</b>			
Improvement Authorizations:			
Funded	D-14	1,146,725	1,501,060
Unfunded	D-14	4,995,500	-
Contracts Payable	D-14	610,494	1,003,536
Serial Bonds Payable	D-15	11,688,000	12,518,000
ECIA Franchise Acquisition Loan Payable	D-16	1,420,000	1,520,000
NJ Environmental Infrastructure Trust Bonds	D-17	1,006,633	1,063,950
USDA Loan Payable	D-18	793,577	802,934
Reserve for Amortization	D-19	25,348,970	24,352,297
Deferred Reserve for Amortization	D-20	2,881,470	2,381,470
Reserve for Preliminary Expenses		10,000	10,000
Capital Improvement Fund	D-21	90,761	90,761
Fund Balance	D-2	222,215	222,215
		<u>50,214,345</u>	<u>45,466,223</u>
Total Liabilities, Reserves and Fund Balance	D	<u>\$ 53,047,852</u>	<u>47,932,517</u>

There were Bonds and Notes Authorized But Not Issued at December 31, 2010 and 2009 of \$5,000,000 and \$0 respectively (D-22)

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Fund Balance Anticipated	D-1:D-3	\$ 456,388	220,000
Water Rents	D-3:D-7	6,504,174	6,192,752
Grant		-	131,470
Miscellaneous	D-3	109,582	72,974
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	162,395	75,234
Total Income		<u>7,232,539</u>	<u>6,692,430</u>
 <u>Expenditures</u>			
Operating			
Salaries and Wages	D-4	1,492,620	1,515,300
Other Expenses	D-4	1,604,500	1,608,785
Capital Improvements	D-4	1,102,000	1,176,059
Debt Service	D-4	1,600,093	1,649,557
Deferred Charges and Statutory Expenditures	D-4	623,000	629,045
Total Expenditures		<u>6,422,213</u>	<u>6,578,746</u>
Excess(Deficit) in Revenues		810,326	113,684
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute deferred charges to budget of succeeding year	D	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance		810,326	113,684
Fund Balance January 1	D	816,740	923,056
Decreased by:			
Utilization as Anticipated Revenue		456,388	220,000
Fund Balance December 31	D	<u>\$ 1,170,678</u>	<u>816,740</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>	
Balance December 31, 2009	D	\$ 222,215
No Activity in 2010		
Balance December 31, 2010	D	<u>\$ 222,215</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER OPERATING FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Ref.</u>	<u>ANTIC. BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus Anticipated	D-1	\$ 456,388	456,388	-
Anticipated Revenue:				
Water Rents	D-7	6,070,000	6,504,174	434,174
Miscellaneous		46,599	109,582	62,983
		<u>\$ 6,572,987</u>	<u>7,070,144</u>	<u>497,157</u>

**Analysis of Realized Revenue**Water Rents

Consumer Accounts Receivable	D-7	<u>6,504,174</u>
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Miscellaneous

Interest on Investments	27,491
Permit Fees	375
Meter Sales	19,656
Turn on Fee	6,716
FEMA Reimbursements	25,564
Hydrant Construction	1,754
Miscellaneous	28,026
	<u>109,582</u>

**WATER OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER - EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
<b>OPERATING</b>	\$						
Salaries and Wages	1,585,062	1,585,062	1,488,836		3,784	92,442	
Other Expenses	1,047,000	1,047,000	845,996	82,743	118,261		
Insurance	557,500	557,500	494,618		62,882		
	<u>3,189,562</u>	<u>3,189,562</u>	<u>2,829,450</u>	<u>82,743</u>	<u>184,927</u>	<u>92,442</u>	<u>-</u>
<b>CAPITAL IMPROVEMENTS</b>							
Capital Improvement Fund	500,000	500,000	500,000		-		
Capital Outlay	602,000	602,000	91,962	479,138	30,900		
	<u>1,102,000</u>	<u>1,102,000</u>	<u>591,962</u>	<u>479,138</u>	<u>30,900</u>	<u>-</u>	<u>-</u>
<b>DEBT SERVICE</b>							
Payment of Bond Principal	996,700	996,700	996,674			26	
Interest on Bonds	648,700	648,700	603,419			45,281	
	<u>1,645,400</u>	<u>1,645,400</u>	<u>1,600,093</u>	<u>-</u>	<u>-</u>	<u>45,307</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>							
Deferred Charges							
City of Wildwood - Indirect Costs	384,575	384,575	384,575				
City of Wildwood - Rio Grande Phase 1 Prior Year Bill	10,862	10,862	10,862				
One Call System Inc OE 2003-2008	6,388	6,388				6,388	
Contribution to:							
Public Employee Retirement System	113,800	113,800	113,752			48	
Social Security System (O.A.S.I.)	118,400	118,400	113,811			4,589	
Unemployment Compensation	2,000	2,000				2,000	
	<u>636,025</u>	<u>636,025</u>	<u>623,000</u>	<u>-</u>	<u>-</u>	<u>13,025</u>	<u>-</u>
	<u>\$ 6,572,987</u>	<u>6,572,987</u>	<u>5,644,505</u>	<u>561,881</u>	<u>215,827</u>	<u>150,774</u>	<u>-</u>

Ref.

Grant NJSA 40A: 4-87  
Original 6,572,987  
6,572,987

Accrued interest on Bonds 12/31/09 (147,001) D-11  
Accrued interest on Bonds 12/31/10 137,165 D-11  
Disbursed 5,654,341 D-5  
5,644,505

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**EXHIBIT E - SEWER UTILITY**

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

	Ref.	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash	E-5	\$ 233,609	225,187
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-7	<u>33,150</u>	<u>86,697</u>
		<u>33,150</u>	<u>86,697</u>
Total of Operating Fund		<u>266,759</u>	<u>311,884</u>
Capital Fund:			
Cash and Investment	E-6	937,666	508,432
Grants Receivable		1,377,000	1,377,000
Fixed Capital:			
Completed	E-12	10,450,010	5,763,548
Authorized and Uncompleted	E-13	4,429,187	9,201,920
Total of Capital Fund		<u>17,193,863</u>	<u>16,850,900</u>
Total Assets	E	<u>\$ 17,460,622</u>	<u>17,162,784</u>

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

	Ref.	<u>2010</u>	<u>2009</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
<b>Operating Fund:</b>			
<b>Liabilities:</b>			
Appropriation Reserves	E-4	\$ 53,233	39,422
Encumbrances Payable	E-4	15,328	34,423
Accounts Payable		152	90
Due to the Current Fund		77,610	-
Accrued Interest on Bonds and Notes	E-11	46,838	45,071
Overpayments	E-9	29,972	36,705
		<u>223,133</u>	<u>155,711</u>
 Reserve for Receivables	 Res.	 33,150	 86,697
Fund Balance	E-1	10,476	69,476
Total of Operating Fund		<u>266,759</u>	<u>311,884</u>
 <b>Capital Fund:</b>			
<b>Improvement Authorizations:</b>			
Funded	E-14	822,091	799,488
Unfunded	E-14	1,186,523	1,647,448
Contracts Payable	E-14	122,667	469,623
Bond Anticipation Notes	E-15	1,992,000	2,593,000
Serial Bonds Payable	E-16	1,154,000	1,339,000
USDA Loan Payable	E-17	4,796,224	3,101,358
Reserve for Amortization	E-18	5,613,644	4,137,714
Reserve for Deferred Amortization	E-19	1,386,900	2,658,296
Capital Improvement Fund	E-20	60,507	60,507
Fund Balance	E-2	59,307	44,466
		<u>17,193,863</u>	<u>16,850,900</u>
Total of Capital Fund		<u>17,193,863</u>	<u>16,850,900</u>
 Total Liabilities, Reserves and Fund Balance	 E	 <u>\$ 17,460,622</u>	 <u>17,162,784</u>

There were Bonds and Notes Authorized But Not Issued at December 31, 2010 and 2009 of \$100 and \$1,136,149 respectively (E-21)

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

	Ref.	<u>2010</u>	<u>2009</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	E-1:E-3	\$ 59,000	134,245
Sewer Rents	E-3:E-7	4,144,189	4,211,626
Wildwood Crest		63,804	135,652
Interest on Investments		2,361	1,850
Miscellaneous	E-3	74,399	68,991
Deficit (General Budget)		257,384	-
Other Credits to Income:			
Grant Cancelled		-	1,931
Unexpended Balance of Appropriation Reserves	E-10	8,011	20,756
Total Income		<u>4,609,148</u>	<u>4,575,051</u>
<u>Expenditures</u>			
Operating			
Salaries and Wages	E-4	524,822	667,102
Other Expenses	E-4	3,544,659	3,420,409
Capital Improvements	E-4	1	-
Debt Service	E-4	463,407	417,426
Deferred Charges and Statutory Expenditures	E-4	73,362	67,294
Refund of Prior Year Revenues		2,897	-
Total Expenditures		<u>4,609,148</u>	<u>4,572,231</u>
Excess in Revenues		-	2,820
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute deferred charges to budget of succeeding year	E	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance		-	2,820
Fund Balance January 1	E	69,476	200,901
Decreased by:			
Utilization as Anticipated Revenue		59,000	134,245
Fund Balance December 31	E	<u>\$ 10,476</u>	<u>69,476</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>		
Balance December 31, 2009	E	\$	44,466
Increased by:			
Premium on Sale of Notes			5,493
Funded Authorizations Cancelled			9,348
			<u>14,841</u>
Balance December 31, 2010	E	<u>\$</u>	<u>59,307</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Ref.</u>	<u>ANTIC. BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Surplus Anticipated	E-1	\$ 59,000	59,000	-
Anticipated Revenue:				
Sewer Rents	E-7	4,253,797	4,144,189	(109,608)
Sewer Rents - Wildwood Crest	E-7		63,804	63,804
Miscellaneous		50,000	74,399	24,399
Interest on Deposits		1,000	2,361	1,361
Deficit (General Budget)		334,994	257,384	(77,610)
		<u>\$ 4,698,791</u>	<u>4,601,137</u>	<u>(97,654)</u>

**Analysis of Realized Revenue**Water Rents

Consumer Accounts Receivable	D-7	<u>4,144,189</u>
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Miscellaneous

Interest on Delinquent Rents	23,685
Fees	43,878
Miscellaneous	6,836
	<u>74,399</u>

**SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS			EXPENDED			UNEXPENDED BALANCE CANCELLED	OVER - EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED			
<b>OPERATING</b>								
Salaries and Wages	\$ 548,090	547,356	521,889		2,933		22,534	
Other Expenses	176,900	176,900	90,239	15,328	24,042		47,291	
Insurance	260,650	260,650	239,746		20,904			
C/MC/MUA	3,154,400	3,154,400	3,149,047		5,353			
	<u>4,140,040</u>	<u>4,139,306</u>	<u>4,000,921</u>	<u>15,328</u>	<u>53,232</u>		<u>69,825</u>	<u>-</u>
<b>CAPITAL IMPROVEMENTS</b>								
Capital Outlay	1	1	-		1			
	<u>1</u>	<u>1</u>	<u>-</u>		<u>1</u>		<u>-</u>	<u>-</u>
<b>DEBT SERVICE</b>								
Payment of Bond Principal	226,400	227,134	227,134					
Interest on Bonds	228,000	228,000	211,326				16,674	
Interest on Notes	27,100	27,100	24,947				2,153	
	<u>481,500</u>	<u>482,234</u>	<u>463,407</u>				<u>18,827</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>								
Contribution to:								
Public Employee Retirement System	34,200	34,200	34,153				47	
Social Security System (O.A.S.I.)	42,000	42,000	39,209				2,791	
Unemployment Compensation	1,050	1,050					1,050	
	<u>77,250</u>	<u>77,250</u>	<u>73,362</u>				<u>3,888</u>	<u>-</u>
	<u>\$ 4,698,791</u>	<u>4,698,791</u>	<u>4,537,690</u>	<u>15,328</u>	<u>53,233</u>		<u>92,540</u>	<u>-</u>
Ref.	E-4	E-4		E	E		E-1	E
		Accrued interest on Bonds 12/31/10	46,838					
		Accrued interest on Bonds 12/31/09	(45,071)					
		Disbursed	4,535,923					
		<u>\$ 4,537,690</u>						

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**EXHIBIT G - GENERAL FIXED ASSETS**

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

	<u>2010</u>	<u>(Restated) 2009</u>
General Fixed Assets:		
Land	\$ 24,903,100	24,903,100
Land Improvements	3,864,626	3,616
Buildings and Building Improvements	23,362,567	23,302,371
Machinery and Equipment	8,360,486	7,589,286
	<u>60,490,779</u>	<u>55,798,373</u>
Total General Fixed Assets		
	<u>60,490,779</u>	<u>55,798,373</u>
Investment in General Fixed Assets	\$ <u>60,490,779</u>	<u>55,798,373</u>

See Accompanying Notes to Financial Statements

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**CITY OF WILDWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

**A. Reporting Entity**

The City of Wildwood (hereafter referred to as the “City”) is a resort community in the County of Cape May, State of New Jersey. The City covers an area of approximately 1.3 square miles with a population according to the 2005 census of 5,309. The Bureau of Census estimates the 2010 population to be 5,209. The City was incorporated by an Act of the New Jersey Legislature on January 1, 1912.

The City Commission is governed by the Walsh Act, and consists of a Mayor and two Commissioners. From 1912 to 1982, the City had a commission form of government. In 1983, the government changed to the mayor-council. In 1995, by voter referendum, the City switched back to the commission form of government.

The Commissioners serve a four-year term of office. Voters within the City choose three Commissioners to serve the four year term. The three elected commissioners then choose one of their members to serve as Mayor. The individual City Commissioners have direct supervisory control over their respective departments. The chief financial officer has been appointed to prepare and administer the annual budget.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has no component units as defined by Governmental Accounting Standards Board (GASB) Statement No. 14.

**B. Description of Funds**

The accounting policies of the City of Wildwood conform to the accounting principles applicable to municipalities that 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 City of 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.

**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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

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

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 that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the City budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City 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 unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts that 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 and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

Interfunds -- 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.

Inventories of Supplies - The cost of inventories of supplies for all funds, except for the Water and Sewer Operating Funds, are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on various balance sheets. The City did not take a physical inventory of the supplies in the Sewer Utility Fund; therefore, no amount is reported on the Sewer Utility Operating Fund balance sheet.

General Fixed Assets -- The City has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which 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 City.

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 at the time the land is foreclosed or donated. Land purchased by the City is valued at cost.

No depreciation has been provided for in the financial statements.

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

Fixed assets acquired through grants in aid or contributed capital have been accounted for separately.

The following schedule is a summarization of the changes in general fixed assets for the most recent calendar year ended December 31, 2010 and 2009.

**CITY OF WILDWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	Balance as of 12/31/08	Additions	Disposals/ Adjustment	Balance as of 12/31/09
Land	\$ 35,899,600		(10,996,500)	24,903,100
Land Improvements	1,008,582		(1,004,966)	3,616
Buildings and Building Improvements	8,166,322		15,136,049	23,302,371
Machinery and Equipment	7,544,698		44,588	7,589,286
	<u>\$ 52,619,202</u>	<u>-</u>	<u>3,179,171</u>	<u>55,798,373</u>

	Balance as of 12/31/09	Additions	Disposals	Balance as of 12/31/10
Land	\$ 24,903,100			24,903,100
Land Improvements	3,616	3,861,010		3,864,626
Buildings and Building Improvements	23,302,371	60,196		23,362,567
Machinery and Equipment	7,589,286	941,344	(170,144)	8,360,486
	<u>\$ 55,798,373</u>	<u>4,862,550</u>	<u>(170,144)</u>	<u>60,490,779</u>

Utility Fixed Assets – Property and equipment purchased by the water and sewer utility funds are recorded in the applicable utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. Contributions in aid of construction are not capitalized. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the City each year. The tax levy is based on the assessed valuation of taxable property within the City. 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 NJSA 54:5 et seq.

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

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

**CITY OF WILDWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**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 City'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-Statutory Basis and Statement of Expenditures-Statutory Basis since their inclusion would make the statements unduly complex and difficult to read.

**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 City is required to establish a reserve for uncollected taxes. The 2010 and 2009 statutory budgets included a reserve for uncollected taxes in the amount of \$331,105 and \$250,790. To balance the budget, the City is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2010 and 2009 statutory budgets was \$900,000 and \$0.

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 City Council. The following significant budget transfers were approved in the 2010 calendar year:

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**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

<u>Budget Category</u>	
Municipal Fire Fighting	
Salaries & Wages	\$ 134,582
Department of Law	
Other Expenses	30,000
Land Use Administration	
Salaries & Wages	(29,800)
Municipal Administrator	
Salaries & Wages	(34,600)
Building Maintenance	
Salaries & Wages	(33,200)
Boardwalk and Facility Construction	
Salaries & Wages	(29,738)
Street Maintenance	
Salaries & Wages	(48,188)
Environmental Maintenance	
Salaries & Wages	101,019
Fleet Maintenance	
Salaries & Wages	(48,173)
Recycling	
Salaries & Wages	(57,893)
Sanitation/Trash	
Salaries & Wages	(65,577)
Tipping Fees	
Other Expenses	42,000
Insurance	
Other Insurance	30,677
Worker's Compensation	(30,677)
Group Insurance for Employees	126,639
Street Lighting	(38,050)
Electricity	35,000

**CITY OF WILDWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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 2010, they were as follows:

Shared Service Agreement-Tax Collection	\$37,917
Municipal Alcohol Education/ Rehabilitation Program	1,307
Over the Limit Under Arrest	4,400
	\$43,624

The City may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The City approved a special emergency appropriation in 2007 for \$42,000 and in 2008 for \$200,000. Both emergencies were for the preparation of the City’s Master Plan. The unfunded balance as of December 31, 2010 was \$16,800 and \$25,200 respectively.

**Note 3: INVESTMENTS**

As of December 31, 2010 and 2009, the City had no investments.

**Interest Rate Risk.** The City 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, the local unit or school districts of which the local unit is a part; 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 City places no limit on the amount the City may invest in any one issuer.

**CITY OF WILDWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Note 4: CASH**

**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 City’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2010 and 2009, \$0 and \$0 of the City’s bank balance of \$11,946,315 and \$13,586,520, respectively were exposed to custodial credit risk.

**Note 5: LONG TERM DEBT**

Long-term debt as of December 31, 2010 consisted of the following:

	Balance Beginning	Additions	Reductions	Balance Ending	Due in One Year
General	\$ 22,569,482		1,831,109	20,738,373	1,892,354
Water Utility	15,904,884		996,674	14,908,210	994,746
Sewer Utility	4,440,358		218,423	4,221,935	229,867
Comp Absences	1,927,188	1,360,121	1,502,907	1,784,402	-
<b>Total</b>	<b>\$ 44,841,912</b>	<b>1,360,121</b>	<b>4,549,113</b>	<b>41,652,920</b>	<b>3,116,967</b>

**Paid by Current Fund:**

\$7,150,000 General Improvement Bond dated 01/01/03 payable in annual installments through 01/01/2014. \$700,000 of principal was paid on 01/01/10. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2010 was \$2,800,000.

\$10,729,000 General Improvement Bond dated 05/01/2008 payable in annual installments through 05/01/2021. \$610,000 of principal was paid on 05/01/10. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2010 was \$9,519,000.

\$500,000 Green Trust Loans Payable dated 10/07/2002 payable in semiannual installments of \$17,864 through 05/29/2019. The payment includes principal and interest. \$29,720 of principal was paid during 2010. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2010 was \$278,001.

\$289,000 Green Trust Loans Payable dated 02/20/2003 payable in semiannual installments of \$8,985 through 11/25/2022. The payment includes principal and interest. \$13,944 of principal was paid during 2010. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2010 was \$190,882.

**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

\$164,000 Green Trust Loans Payable dated 01/19/2007 payable in semiannual installments of \$5,099 through 10/24/2024. The payment includes principal and interest. \$7,604 of principal was paid during 2010. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2010 was \$123,990.

\$175,000 USDA/Rural Development Loan dated 01/23/2003 payable in semiannual installments of \$4,738 through 11/25/2042. The payment includes principal and interest. \$2,211 of principal was paid during 2010. Interest is payable at 4.50% per annum. The balance remaining as of December 31, 2010 was \$159,785.

\$208,000 USDA/Rural Development Loan dated 08/01/2003 payable in semiannual installments of \$5,431 through 08/01/2043. The payment includes principal and interest. \$2,630 of principal was paid during 2010. Interest is payable at 4.25% per annum. The balance remaining as of December 31, 2010 was \$191,714.

\$10,910,000 Essex County Improvement Authority/Franchise Acquisition Project Loan, dated 10/01/2001 payable in annual installments through 11/01/2021. \$465,000 of principal was paid on 10/01/10. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2010 was \$7,475,000.

**Paid by Water Utility Fund:**

\$1,770,000 Water Bond dated 01/01/03 payable in annual installments through 01/01/2013. \$175,000 of principal was paid on 01/01/10. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2010 was \$545,000.

\$3,490,000 Refunding Water Bond dated 01/01/04 payable in annual installments through 09/15/2016. \$315,000 of principal was paid on 01/01/10. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2010 was \$1,910,000.

\$9,903,000 Water Bond dated 05/01/08 payable in annual installments through 05/01/2028. \$340,000 of principal was paid on 05/01/10. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2010 was \$9,233,000.

\$824,726 USDA/Rural Development Loan dated 02/28/2008 payable in semiannual installments of \$21,146 through 02/28/2047. The payment includes principal and interest. \$9,357 of principal was paid during 2010. Interest is payable at 4.125% per annum. The balance remaining as of December 31, 2010 was \$793,577.

\$2,180,000 Essex County Improvement Authority/Franchise Acquisition Project Loan, dated 10/01/2001 payable in annual installments through 11/01/2021. \$100,000 of principal was paid on 11/01/10. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2010 was \$1,420,000.

**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
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\$625,000 N.J. Environmental Trust Loan Bond dated 11/10/2007 payable in annual installments through 08/01/2025. \$25,000 of principal was paid on 08/01/10. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2010 was \$530,000.

\$621,500 N.J. Environmental Fund Loan Bond dated 11/10/2007 payable in annual installments through 08/01/2025 bearing no interest. \$32,317 of principal was paid on 08/01/10. The balance remaining as of December 31, 2010 was \$476,633.

**Paid by Sewer Utility Fund:**

\$1,170,000 Sewer Bond dated 01/01/03 payable in annual installments through 01/01/2011. \$145,000 of principal was paid on 01/01/10. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2010 was \$155,000.

\$1,079,000 Sewer Bond dated 05/01/08 payable in annual installments through 05/01/2028. \$40,000 of principal was paid on 05/01/10. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2009 was \$999,000.

\$1,714,524 USDA/Rural Development Loan dated 02/28/2008 payable in semiannual installments of \$7,167 through 02/28/2047. The payment includes principal and interest. \$3,172 of principal was paid during 2010. Interest is payable at 4.125% per annum. The balance remaining as of December 31, 2010 was \$268,966.

\$1,435,000 USDA/Rural Development Loan dated 02/28/2007 payable in semiannual installments of \$36,794 through 02/28/2047. The payment includes principal and interest. \$16,282 of principal was paid during 2010. Interest is payable at 4.25% per annum. The balance remaining as of December 31, 2010 was \$1,380,799.

\$1,455,500 USDA/Rural Development Loan dated 12/05/2008 payable in semiannual installments of \$39,130 through 12/05/2048. The payment includes principal and interest. \$13,969 of principal was paid during 2010. Interest is payable at 4.5% per annum. The balance remaining as of December 31, 2010 was \$1,418,170.

\$1,737,000 USDA/Rural Development Loan Dated 6/3/2010 payable in semiannual installments of \$44,537 through 6/3/2050. The payment includes principal and interest at an annual rate of 4.125%. This loan was issued under the Build America Bond program of the United States of America Recovery and Reinvestment Act (ARRA). Under the provisions of the Act, the City is issued a semiannual interest rebate equal to 35% of the actual interest payment. The rebate is issued prior to the interest payment date. In calendar year 2010 the City made one payment of \$44,357 representing interest of \$35,826 and principal of \$8,711. The rebate amount received in 2010 was \$12,539. The balance remaining as of December 31, 2010 was \$1,728,289.

**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

Year	General		Water Utility		Sewer Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,340,000	483,769	860,000	487,072	195,000	45,869
2012	1,430,000	430,506	880,000	454,997	45,000	41,428
2013	1,530,000	372,431	920,000	420,259	45,000	39,515
2014	1,320,000	314,756	740,000	387,882	45,000	37,603
2015	810,000	270,181	760,000	356,901	45,000	35,691
2016-2020	4,810,000	775,213	2,755,000	1,366,689	260,000	146,649
2021-2025	1,079,000	23,603	2,845,000	775,246	300,000	85,537
2026-2030			1,928,000	136,746	219,000	15,517
	<u>\$ 12,319,000</u>	<u>2,670,459</u>	<u>11,688,000</u>	<u>4,385,792</u>	<u>1,154,000</u>	<u>447,809</u>

**Schedule of Annual Debt Service for Principal and Interest for USDA/Rural Development Loans**

Year	General		Water Utility		Sewer Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$5,054	15,284	9,746	32,546	52,832	177,536
2012	5,277	15,061	10,151	32,141	55,088	175,542
2013	5,510	14,828	10,573	31,719	57,439	173,464
2014	5,753	14,585	11,012	31,280	59,892	171,296
2015	6,007	14,330	11,470	30,822	62,449	169,034
2016-2020	34,253	67,436	64,908	146,552	354,602	807,709
2021-2025	42,510	59,180	79,565	131,895	437,092	734,711
2026-2030	52,758	48,932	97,531	113,929	538,810	644,635
2031-2035	65,479	36,211	119,554	91,906	664,247	533,477
2036-2040	81,270	20,420	146,549	64,911	818,945	396,292
2041-2045	47,630	3,248	179,641	31,819	1,010,743	225,972
2046-2050			52,878	2,018	684,085	45,876
	<u>\$ 351,501</u>	<u>309,515</u>	<u>793,578</u>	<u>741,538</u>	<u>4,796,224</u>	<u>4,255,544</u>

**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Schedule of Annual Debt Service for Principal and Interest for Green Trust Loans**

<u>Year</u>	<u>General Capital</u>	
	<u>Principal</u>	<u>Interest</u>
2011	52,299	11,597
2012	53,350	10,546
2013	54,423	9,474
2014	55,516	8,380
2015	56,633	7,264
2016-2020	246,573	19,318
2021-2025	74,077	2,657
	<u>\$ 592,871</u>	<u>69,236</u>

**Schedule of Annual Debt Service for Principal and Interest N.J. Environmental Trust Loans**

<u>Year</u>	<u>Water</u>	
	<u>Principal</u>	<u>Interest</u>
2010	56,504	23,481
2011	55,692	22,231
2012	63,129	20,981
2013	62,154	19,481
2014	61,180	17,981
2015-2019	334,496	70,444
2020-2024	373,478	28,876
	<u>\$ 1,006,633</u>	<u>203,475</u>

**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Schedule of Annual Debt Service for Principal and Interest for Essex County Improvement Authority / Franchise Acquisition Project Loans**

<u>Year</u>	<u>General Capital</u>		<u>Water Utility</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	495,000	477,450	100,000	68,805
2012	525,000	448,987	105,000	64,605
2013	555,000	417,488	110,000	60,090
2014	590,000	384,187	115,000	55,250
2015	625,000	348,787	120,000	49,500
2016-2020	3,770,000	1,100,025	705,000	150,750
2021-2025	915,000	61,762	165,000	8,250
	<u>\$ 7,475,000</u>	<u>3,238,686</u>	<u>1,420,000</u>	<u>457,250</u>

As of December 31, 2010, the carrying value of the above bonds approximates the fair value of the bonds.

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**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

<u>Summary of Municipal Debt</u>	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Issued:</u>			
<u>General:</u>			
Bonds & Notes Issued	\$ 14,992,000	16,257,000	17,530,000
ECIA Franchise Acquisition Loan	7,475,000	7,940,000	8,380,000
Green Trust Loans	592,872	644,141	694,399
USRDA Loans	351,500	356,342	360,978
<u>Water and Sewer:</u>			
Bonds & Notes Issued	14,834,000	16,450,000	15,122,000
ECIA Franchise Acquisition Loan	1,420,000	1,520,000	1,615,000
USRDA Loans	5,589,801	3,904,292	3,945,314
NJ Environmental Loan	1,006,633	1,063,950	1,122,079
Net Debt Issued	<u>46,261,806</u>	<u>48,135,725</u>	<u>48,769,770</u>
 <u>Authorized but not issued:</u>			
<u>General:</u>			
Bonds & Notes	1,333,987	1,237	500
<u>Water and Sewer:</u>			
Bonds & Notes	<u>5,000,100</u>	<u>1,136,149</u>	<u>2,132,049</u>
Bonds & Notes Authorized But Not Issued	<u>6,334,087</u>	<u>1,137,386</u>	<u>2,132,549</u>
Net Bonds & Notes Issued and Authorized But Not Issued	<u>52,595,893</u>	<u>49,273,111</u>	<u>50,902,319</u>
 <u>Deductions:</u>			
Reserve for Payment of Bonds	129,185	128,096	153,715
Bonds Guaranteed by Municipality	7,475,000	7,940,000	8,380,000
Self-liquidating Debt	22,702,874	23,721,551	23,936,442
Total Deductions	<u>30,307,059</u>	<u>31,789,647</u>	<u>32,470,157</u>
Net Debt	<u>\$ 22,288,834</u>	<u>\$ 17,483,464</u>	<u>18,432,162</u>

**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

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 1.20%.

	Gross Debt	Deductions	Net Debt
Self-Liquidating Purpose	\$ 27,850,534	22,702,874	5,147,660
General Debt	24,745,360	7,604,186	17,141,174
	<u>\$ 52,595,894</u>	<u>30,307,060</u>	<u>22,288,834</u>

Net Debt \$22,288,834 / Equalized Valuation Basis per NJSA 40A:2-2 as amended, \$1,861,431,580= 1.20%.

The foregoing information is not in agreement with the original Annual Debt Statement filed with the Division of Local Government Services. An amended Annual Debt Statement will be filed.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 65,150,105
Net Debt	22,288,834
Remaining Borrowing Power	<u>\$ 42,861,271</u>

The City of Wildwood School District, as a K-12 school district, is permitted to borrow up to 4% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amounts in excess of the limit is treated as an impairment of the municipal limit.

**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Calculation of "Self-Liquidating Purposes"**  
**Water 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 \$ 7,232,539

Deductions:

Operating and Maintenance Costs	\$ 3,719,120
Debt Service per Water Fund	<u>1,600,093</u>

Total Deductions 5,319,213

Excess in Revenues \$ 1,913,326

**Calculation of "Self-Liquidating Purposes"**  
**Water 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 \$ 4,351,764

Deductions

Operating and Maintenance Costs	\$ 4,145,740
Debt Service per Sewer Fund	<u>463,407</u>

Total Deductions 4,609,147

Deficit in Operations \$ (257,383)

**CITY OF WILDWOOD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Note 6: NOTES**

**Bond Anticipation and Special Emergency Notes**

The City has outstanding at December 31, 2010 and 2009, bond anticipation notes in the amount of \$3,600,000 and \$3,831,000, respectively. The December 31, 2010 amount payable to Cede & Co. is \$3,600,000. Of the December 31, 2010 amount payable to Cede & Co., \$2,464,000 is bears and interest rate of 1.50% and will mature on October 28, 2011. Of this note \$1,488,000 of the outstanding balance is a note in the General Capital Fund, \$856,000 is a note in the Sewer Utility Capital Fund and \$120,000 is a Special Emergency Note in the Current Fund. The remaining \$1,136,000 note bears an interest rate of 2.25% and will mature July 17, 2011.

**Tax Appeal Refunding Note**

The City has outstanding at December 31, 2010 and 2009, a tax appeal refunding note in the amount of \$1,185,000 and \$1,550,000, respectively. The December 31, 2010 amount is payable to Crest Savings Bank. The current interest rate on this note is 3.5% and matured on March 25, 2011. The note was reduced by \$407,000 and a new note issued maturing March 23, 2012 with an interest rate of 2.50%.

**Note 7: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2010, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2011 were as follows:

Current Fund	\$1,070,000
Water Utility	470,000

**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, 2010, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2010	2011 Budget Appropriation	Balance to Succeeding Year
Current fund:			
Special Emergency Authorization	\$ 185,200	48,400	136,800
	<u>\$ 185,200</u>	<u>48,400</u>	<u>136,800</u>

The appropriations in the proposed 2011 Budget are not less than that required by statute.

**CITY OF WILDWOOD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Note 9: SCHOOL TAXES**

Local District School Tax in the amounts of \$9,339,262 and \$9,370,402 have been raised for the 2010 and 2009 calendar year, respectively and \$9,339,262 and \$9,370,402 were remitted to the school district leaving a zero balance payable.

**Note 10: 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 12/31/10	Balance 12/31/09
Prepaid Taxes	\$ 674,498	497,677
Cash Liability for Taxes Collected in Advance	\$ 674,498	497,677

**Note 11: PENSION FUNDS**

*Description of Plans*

Substantially all of the City’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.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

*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, City, 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.

**CITY OF WILDWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

*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 5% thru June 30, 2008 and 5.5% from July 1, 2008 to December 31, 2008 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 5.5% of covered payroll and for PFRS a rate of 8.5% of covered payroll. The City's contributions to PERS for the years ending December 31, 2010, 2009 and 2008 were \$629,560, \$190,179 and \$289,517 respectively, equal to the required contributions for each year. The City's contributions to PFRS for the years ending December 31, 2010, 2009 and 2008 were \$1,073,740, \$549,244 and \$986,556 respectively, equal to the required contributions for each year.

During the preparation of the 2009 budget the City elected to defer 50% of its required pension contributions. The deferred amounts will be required to be funded starting in the 2012 budget including interest at 8.5% per annum.

**NOTE 12: PENSION PLAN FOR LIFEGUARDS**

The City of Wildwood has established a pension plan to provide retirement, disability and survivor pension benefits for the individuals who serve on the City's lifeguard force. An eligible employee becomes a plan member upon employment. Employee contributions shall be withheld from the member's salary at the rate of 4.0% and contributed to the plan for his benefit. Retiree benefits are paid out of the trust fund. A plan member may retire with a pension only after his 45<sup>th</sup> birthday and after he has completed 20 years of service, the last 10 must have been completed immediately preceding his application.

The City's contributions to the Lifeguard Pension for the years ending December 31, 2010, 2009 and 2008 were \$0, \$17,020 and \$15,585, respectively. The City's trust for the Lifeguard Pension at December 31, 2010 was \$528,967. Currently there are only three individuals receiving benefits. The benefits paid by the trust for the years ended December 31, 2010, 2009 and 2008 were \$15,042, \$15,041 and \$22,575, respectively.

**CITY OF WILDWOOD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 13: POST-RETIREMENT BENEFITS**

**Plan Description**

The New Jersey State Health Benefits Commission administers cost-sharing multiple-employer health care plans under the State Health Benefits Program and the School Employees' health . The New Jersey State Health Benefits Plan (SHBP) provides access to health care coverage to eligible retirees who qualify based on state law and local requirements. Coverage under the current program includes medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State of New Jersey pays a portion of the cost for retirees, spouses and dependents.

Members of the Public Employees' Retirement System would generally qualify for coverage under the following criteria:

Service Retirement	Eligible at age 60
Early Retirement	Eligible after 25 years of service
Service or Early Retirement Eligibility for State-paid SHBP Benefits	Attainment of 25 years of service
Ordinary Disability Retirement	Eligible after 10 years of service
Accidental Disability	Eligible upon total and permanent disability prior to age 65 as a result of a duty injury

Members of the Police and Firemen's Retirement System would generally qualify for coverage under the following criteria:

Service Retirement	Eligibility means age 55 or 20 years of credited service for an employee who is a member of the Retirement System as of January 18, 2000 and age 55 for an employee who became a member of the Retirement System after January 18, 2000. Mandatory at age 65.
Service or Early Retirement Eligibility for State-paid SHBP Benefits	Attainment of 25 years of service
Ordinary Disability Retirement	A Member is eligible for Ordinary

**CITY OF WILDWOOD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

Disability Retirement if he (she) has 4 years of service and is totally and permanently incapacitated from the performance of usual or available duties.

Accidental Retirement	Disability	A member is eligible upon total and permanent incapacitation from the performance of usual and available duties as a result of injury during the performance of regular duties.
-----------------------	------------	---

Special Disability Retirement	A member is eligible for Special Disability Retirement if he (she) has 5 years of Credited Service, is under age 55, and has received a heart transplant.
-------------------------------	---

The New Jersey State Health Benefits Plan issues a stand-alone financial report under GASB 43. To view the report, go to <http://www.state.nj.us/treasury/pensions/shbp.htm>.

The City is a member of the SHBP and provides that its retirees will be covered if they have participated in either the PERS or the PFRS for 25 years. During 2010 the City paid the SHBP \$609,661 for health care of retirees.

The City also provides dental and vision coverage for retirees but not through the NJSHBP. The City is required to calculate the future cost to provide this service. The City is not required to fund OPEB calculation but only to report the amount.

*Annual OPEB Cost.* The City's annual OPEB valuations are as follows:

Plan assets at December 31, 2010	\$0
----------------------------------	-----

The FYE 2010 Annual Required Contribution (ARC) is \$49,300 (assuming no prefunding of obligations).

Benefit payments for the year ended December 31, 2010 were \$25,600.

Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of event in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**CITY OF WILDWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

*Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

The city's calculation was based on trend assumptions along with information in published papers from other industry experts. For prescription drug and vision benefits, the initial trend is to increase the cost 4.5% annually.

**Note 14: DEFERRED COMPENSATION**

Employees of the City of Wildwood 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 City. 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.

The deferred compensation plan is administered by an unrelated financial institution. 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 City has an obligation of due care in selecting the third party administrator. In the opinion of the City's legal counsel, the City has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

**Note 15: LABOR CONTRACTS**

As of December 31, 2010, the City's employees are organized in the following collective bargaining units. Contracts are continually being negotiated the following table shows their current status.

**CITY OF WILDWOOD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

Contract	Category	Expiration	Covers
UAW #2327	Public Works, Water, Sewer, Traffic Operations, Municipal Court and Clerk Typists	12/31/10 (no new contract has been approved)	All employees in public works, water, sewer, traffic operations, municipal court and clerk typists. Supervisors are excluded.
PBA	Police	12/31/12	All uniformed police, detectives, and other special police units, excluding the chief and captain.
Firemen's Mutual Benevolent Asso.	Firefighters	12/31/11	All uniformed firefighters.

**Note 16: ACCRUED SICK AND VACATION BENEFITS**

The City has permitted full time employees to accrue unused sick and vacation 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, 2010 and 2009, the City estimates this liability to approximate \$1,784,402 and \$1,927,188, respectively. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The City has established an accrual of \$108,000.

**Note 17: ECONOMIC DEPENDENCY**

The City of Wildwood is economically dependent on the tourism industry.

**Note 18: LEASE OBLIGATIONS**

At December 31, 2010, the City had lease agreements in effect for the following:

Operating:  
 Copy Machines

**CITY OF WILDWOOD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

The following is an analysis of operating leases:

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 20,578
2012	18,900

Rental payments under operating leases for the year 2010 were \$20,578.

**Note 19: RISK MANAGEMENT**

The City 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 provides the City 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

Contributions to the Fund, are payable in an annual premium and based on actuarial assumptions determined by the Fund's actuary. The City's agreement with the pool provides that the pool will

**CITY OF WILDWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of \$500,000 for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2010, which can be obtained from:

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

**Note 20: LITIGATION**

The City is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the City, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 21: INTERFUND BALANCES**

As of December 31, 2010, the following interfunds were included on the balance sheets of the various funds of the City of Wildwood:

	Due From	Due To
Current Fund:		
Grant Fund	\$ 173,954	
Sewer Utility Fund	77,610	
 Grant Fund:		
Current Fund		173,954
 Sewer Utility Fund:		
Current Fund		77,610
	\$ 251,564	251,564

Most grants are on a reimbursement basis. The interfund with the grant fund is the result of expenditures prior to year end that were not reimbursed. The interfund with the sewer utility fund is a result of excess cash being transferred and will be repaid in 2011.

**CITY OF WILDWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Note 22: SUBSEQUENT EVENTS**

The City has evaluated subsequent events through June 30, 2011, the date which the financial statements were available to be issued and the following items were identified as events requiring disclosure:

In January 2011 the Commissioners approved Ordinance 841-11 providing \$1 million in capital funding for the Back Bay Flood Abatement Program. In February 2011 the Commissioners approved Ordinance 842-11 providing \$500,000 in funding for various water utility capital projects. In March of 2011 the Commissioners approved Ordinance 845-11 providing \$200,000 in funding for various sewer utility capital projects.

## **SUPPLEMENTARY INFORMATION**

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

The Honorable Mayor and  
Members of the Board of Commissioners  
City of Wildwood  
4400 New Jersey Avenue  
Wildwood, NJ 08260

We have audited the financial statements - regulatory basis of the City of Wildwood, New Jersey as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011. Our report disclosed that, as described in Note 1 to the financial statements – regulatory basis, the City of Wildwood, New Jersey prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”)

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Wildwood, New Jersey in a separate letter dated June 30, 2011.

The City of Wildwood's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City of Wildwood's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Finance Committee, the Mayor and Board of Commissioners, and the State of New Jersey, Division of Local Government Services and is not intended to be and should not be used by anyone other than these specified parties.

*Robert E. Swartz, CPA*

Robert E. Swartz, CPA  
Registered Municipal Accountant  
No. 319

*Swartz & Co., LLC*

Swartz & Cp., LLC  
Certified Public Accountants

June 30, 2011



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133 AND  
NEW JERSEY OMB CIRCULAR 04-04

The Honorable Mayor and  
Members of the Board of Commissioners  
City of Wildwood  
4400 New Jersey Avenue  
Wildwood, NJ 08260

Compliance

We have audited the compliance of the City of Wildwood, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grants Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended December 31, 2010. The City of Wildwood, New Jersey's major federal and state programs are identified in the *Summary of Auditor's Results Section* of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the City of Wildwood, New Jersey's management. Our responsibility is to express an opinion on the City of Wildwood, New Jersey's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Wildwood, New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Wildwood, New Jersey's compliance with those requirements.

In our opinion, the City of Wildwood, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended December 31, 2010.

Internal Control Over Compliance

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

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

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

This report is intended solely for the information and use of management, the Governing Body, others within the entity, the State of New Jersey, Division of Local Government Services, federal and state awarding agencies, and pass through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Robert E. Swartz, CPA*

Robert E. Swartz, CPA  
Registered Municipal Accountant  
No. 319

*Swartz & Co., LLC*

Swartz & Co., LLC  
Certified Public Accountants

June 30, 2011

SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA # Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/09	Receipts or Revenue Recognized	Disbursements/Expenditures	Prior Year Encumbrances Cancelled	Cancelled	Balance 12/31/10	Cumulative Expenditures	
<b>STATE OF NEW JERSEY</b>											
<b>Department of Community Affairs</b>											
Clean Communities - 2010	4900-765-042-4900-6020	01/01/10	12/31/10	22,952	-	22,952			14	22,938	
<b>Department of Human Services</b>											
Safe and Secure	100-066-1020-232-6210	01/01/09	12/31/09	87,232	7,269	7,269			-	87,232	
Safe and Secure	100-066-1020-232-6210	01/01/10	12/31/10	90,000	90,000	82,500			7,500	82,500	
<b>Department of Environmental Protection</b>											
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/08	12/31/08	6,402	-	-	6,054		6,054	348	
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/09	12/31/09	15,734	15,734				15,734	-	
<b>Department of Transportation</b>											
Garfield Avenue	6320-480-60139X-61	11/14/08	open	160,000	160,000	116,533		(43,467)	-	116,533	
Pacific Avenue	6320-480-60139X-61	12/20/05	open	150,000	150,000				150,000	-	
Pacific Avenue	6320-480-60139X-61	05/20/09	open	350,000	350,000				350,000	-	
Pacific Avenue Streetscape - Phase III	6320-480-60139X-61	09/01/06	10/31/08	400,000	14,174				14,174	385,826	
NJDOT	6320-480-60139X-61	01/01/08	12/31/08	150,000	-				-	150,000	
<b>New Jersey Commerce &amp; Economic Growth Commission</b>											
<b>UEZ Assistance</b>											
Boardwalk Construction	763-020-2830-061	09/01/06	12/31/09	1,500,000	891		2	(893)	-	1,499,107	
Fox Park Construction	763-020-2830-061	05/14/08	12/31/09	403,089	68,672			(68,672)	-	334,427	
Boardwalk Stage 2	730-020-2830-061	09/16/09	09/30/11	131,470	131,470	98,620			32,850	-	
Boardwalk Stage 2	730-020-2830-061	09/16/09	09/30/11	1,868,530	1,868,530	1,240,099			628,431	-	
Boardwalk Stage 2	730-020-2830-061	08/26/09	open	200,000	200,000	198,932			1,068	-	
<b>UEZ Administration</b>											
2010	763-020-2830-061	07/01/09	6/30/10	84,612	23,661	23,661			-	84,612	
<b>UEZ Authority</b>											
Boardwalk Sound System	763-020-2830-061	05/14/08	05/31/10	136,826	136,826	130,502			6,324	-	
Boardwalk Benches and Trash Cans	763-020-2830-061	05/14/08	05/31/10	223,388	31,426	9,757			21,669	201,719	
CCTS Phase I	763-020-2830-061	01/01/10	12/31/10	6,500	-		6,500	(6,500)	-	118,523	
<b>Department of Law and Public Safety</b>											
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/07	12/31/07	2,763	1,165				1,165	1,598	
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/08	12/31/08	2,249	2,249				2,249	-	
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/09	12/31/09	2,367	2,367				2,367	-	
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/10	12/31/10	1,307	1,307				1,307	-	
Drunk Driving Enforcement Fund	6400-100-078-6407	01/01/07	12/31/07	9,616	185				1,307	9,616	
Drunk Driving Enforcement Fund	6400-100-078-6408	01/01/08	12/31/08	6,362	6,362	2,780			3,582	2,780	
Drunk Driving Enforcement Fund	6400-100-078-6409	01/01/09	12/31/09	10,628	10,628	1,500			9,128	1,500	
Body Armor Replacement	718-066-1020-001-6120	01/01/07	12/31/07	6,248	4,223				4,150	2,098	
Body Armor Replacement	718-066-1020-001-6120	01/01/08	12/31/08	4,961	4,961	73			4,961	-	
Body Armor Replacement	718-066-1020-001-6120	01/01/09	12/31/09	4,460	4,460				4,460	-	
Body Armor Replacement	718-066-1020-001-6120	01/01/10	12/31/10	1,623	1,623				1,623	-	
<b>Total State Assistance</b>				\$ 3,195,253	115,882	1,935,349	12,556	(119,532)	1,268,810		

See Accompanying Notes to Schedule of Expenditures of Federal and State Awards

SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/09	Receipts or Revenue Recognized	Disbursements/Expenditures	Prior Year Encumbrances Cancelled	Cancellation	Balance 12/31/10	Cumulative Expenditures
<b>FEDERAL:</b>										
Federal Emergency Management Assistance	97,044	10/01/05 09/30/06	82,249	-	-	-	261	-	261	91,988
Assistance to Firefighters	97,044	10/01/05 09/30/06	39	-	-	-	39	-	39	-
Emergency Management Performance FY03										
Total Federal Emergency Management Assistance										
Department of Agriculture										
Community Facilities Grant - Emergency Access II	10,766	01/01/05 12/31/09	500,000	78,605	-	78,605	-	-	-	500,000
Boardwalk Emergency Access - Phase III	10,769	01/01/08 12/31/08	400,000	171,100	-	171,100	-	-	-	400,000
Boardwalk Enterprise - Pacific Avenue Streetscape	10,769	09/08/06 open	99,000	12,178	-	5,560	-	-	6,618	92,382
Economic Impact - Boardwalk Lights and Signs	10,769	01/01/09 12/31/09	40,020	40,020	-	40,020	-	-	-	40,020
Sewer Improvements - II	10,760	09/01/06 open	605,000	605,000	-	37,385	-	-	567,615	37,385
Sewer Improvements - 3B	10,760	05/12/09 open	772,000	772,000	-	78,423	-	-	693,577	78,423
Total Department of Agriculture				1,678,903	-	411,093	-	-	1,267,810	
Department of Justice										
ARRA - COPS Hiring Grant	16,710	01/01/09 12/31/11	819,120	789,481	-	187,516	-	-	601,965	29,639
COPS in Shops	16,710	01/01/09 12/31/09	1,368	-	1,368	1,368	-	-	-	1,368
COPS in Shops	16,710	01/01/10 12/31/10	6,000	-	6,000	6,000	-	-	-	6,000
Over the Limit/Under Arrest	16,710	01/01/10 12/31/10	4,400	-	4,400	4,400	-	-	-	4,400
COPS Secure our Schools	16,710	01/01/10 12/31/10	10,000	-	10,000	10,000	-	-	-	10,000
Edward Byrne Memorial Justice Assistance - 2007	16,738	01/01/07 12/31/07	23,647	23,647	-	23,647	-	-	-	-
Edward Byrne Memorial Justice Assistance - 2009	16,738	01/01/09 12/31/09	51,573	51,473	-	51,473	-	-	-	-
Edward Byrne Memorial Justice Assistance - 2009	16,738	01/01/10 12/31/10	12,483	12,483	-	12,483	-	-	12,483	-
Total Department of Justice				864,601	34,251	284,404	-	-	614,448	
Department of Law and Public Safety										
Bullet Proof Vest		01/20/06 open	9,795	9,795	-	-	-	-	9,795	-
Total Department of Law and Public Safety				9,795	-	-	-	-	9,795	
Housing and Urban Development										
Pacific Avenue Streetscape	14,228	01/01/09 06/30/11	475,000	475,000	-	414,371	-	-	60,629	414,371
Total Housing and Urban Development				475,000	-	414,371	-	-	60,629	
Total Federal Assistance				\$ 3,028,299	\$ 34,251	\$ 1,109,868	\$ 300	\$ -	\$ 1,952,982	

See Accompanying Notes to Schedule of Expenditures of Federal and State Awards

**NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Note 1: BASIS OF PRESENTATION**

The accompanying schedule of federal and state awards includes the federal and state grant activity of the City of Wildwood, State of New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Encumbrances are considered in determining the single audit threshold on major programs.

**Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedule agree with amounts reported in the City's financial statements. Receipts from federal and state grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the City's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services as follows:

	Federal	State
Expenditures per Schedule of Federal and State Awards		
	\$ 1,109,868	1,935,349
Add :		
County / Local Funding	3,424	
Less:		
Capital/Utility Funding	(530,188)	(1,654,184)
	\$ 583,104	1,935,349

**CITY OF WILDWOOD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Section I -- Summary of Auditor's Results**

**Financial Statement**

Type of auditor's report issued	<u>Qualified under GAAP - Unqualified under Regulatory Basis</u>		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____	yes <u>  X  </u>	no
• Significant deficiency(ies) identified?	_____	yes <u>  X  </u>	none reported
Noncompliance material to financial statements noted?	<u>  X  </u>	yes    _____	no

**Federal Awards**

Internal Control over major programs:			
• Material weakness(es) identified?	_____	yes <u>  X  </u>	no
• Significant deficiency(ies) identified?	_____	yes <u>  X  </u>	none reported
Type of auditor's report issued on compliance major programs	_____ <u>Unqualified</u> _____		
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	_____	yes <u>  X  </u>	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ <u>14.228</u> _____	_____ <u>Small Cities Block Grant</u> _____
_____ <u>16.710</u> _____	_____ <u>ARRA - Public Safety Partnership and Community Policing Grant</u> _____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?	_____	yes <u>  X  </u>	no
--	-------	------------------	----

**State Awards**

Internal Control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Type of auditor's report issued on compliance major programs

\_\_\_\_\_ Unqualified \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 04-04

\_\_\_\_\_ yes   X   no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
763-020-2830	Urban Enterprise Zone
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs:

\$   300,000  

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes   X   no

*Part II - Schedule of Financial Statement Findings*

NONE

*Part II – Schedule of Federal and State Award Findings and Questioned Costs*

NONE

## STATUS OF PRIOR RECOMMENDATIONS

### Finding 09-1

Fees are not being charged in accordance with the approved ordinances and supporting documentation for the amounts collected is not in agreement with the funds turned over to the finance office. The difference between the fees received and the fees per ordinance were unable to be determined.

This finding was cleared in 2010.

### Finding 09-2

The fixed asset ledger could not be reconciled to the general ledger. In addition, the values assigned to the assets were not reasonable.

This finding was cleared in 2010.

### Finding 09-3

Adjustments are made by the Collector that the Board of Commissioners has not approved.

This finding was cleared in 2010.

### Finding 09-4

Employees are not using the time clock properly to clock in and out for every day worked, however the employees were paid for full days and earned additional compensated time off for overtime.

This finding was cleared in 2010.

### Finding 09-5

Proper segregation of duties over the payroll and personnel functions is not in place.

This finding was cleared in 2010.

### Finding 09-6

The billings to other governmental entities authorized to use the gasoline were not done on a monthly basis, and, due to a system crash, a portion of the gasoline could not be properly billed. In addition, the system uses a swipe card for access to the pump, and the card can be used by multiple individuals and on multiple vehicles.

This finding was cleared in 2010.

### Finding 09-7

The ambulance billing service company used by the City does not have an annual internal control audit performed. In addition, the monthly bill remitted to the City is difficult to interpret and employees of the City are unable to understand the invoices, including the amount billed and the total receivables still outstanding.

This finding was cleared in 2010.

Finding 09-8

The City will perform lot clean up for properties that meet certain criteria. No approved ordinance was available for review and no procedures were documented to ensure that the City was properly identifying or billing the properties for clean up.

This finding was cleared in 2010.

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	Ref.	Treasurer	Federal and State Grant
Balance December 31, 2009	A	\$ 3,927,653	-
Increased by Receipts:			
Tax Collector	A-5	\$ 32,998,001	
Miscellaneous Revenue Anticipated	A-2:A-8	4,541,297	
Miscellaneous Revenue Not Anticipated	A-2:A-8	418,849	
Due from State - Sr. Citizens and Veterans		54,810	
Reserve for 1.85% Room Tax	A	231,100	
Due from Water Operating Fund		21,745	
Due from Trust Other		4,101	
Reserve for Auctioneer/Auction Sale		6,676	
Reserve for Street Opening Permits		8,446	
Reserve for 1.5% Health Insurance		10,669	
Federal and State Grants Receivable	A-11		1,092,407
Federal and State Grants Unappropriated	A-13		25,083
Due to Federal and State Grant Fund			155,777
		<u>38,295,694</u>	<u>1,273,267</u>
		<u>42,223,347</u>	<u>1,273,267</u>
Decreased by Disbursements:			
2010 Appropriations	A-3	23,256,692	
2009 Appropriation Reserves	A-9	1,205,370	
Accounts Payable		31,015	
Reserve for Codification of Ordinances		9,285	
Reserve for Master Plan		361	
Prior Year Revenue Returned		27,084	
Special Emergency Note	A	40,000	
County Taxes Payable	A-6	3,863,272	
Due County for Added and Omitted Taxes	A	6,194	
Local District School Tax	A-10	9,339,262	
Special District Tax	A-6	245,000	
Federal and State Grant Expenditures			1,273,267
Due to Federal and State Grant Fund	A-12	155,777	
		<u>38,179,312</u>	<u>1,273,267</u>
Balance December 31, 2010	A	\$ 4,044,035	-

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR**

	<u>Ref.</u>		
Balance December 31, 2009	A	\$	25,306
Increased by Receipts:			
Taxes Receivable	A-6	\$	32,078,632
Tax Title Liens	A-7		7,602
Interest and Cost on Taxes	A-8		199,237
2011 Prepaid Taxes	A		674,498
Premium			85,000
Tax Overpayments			4,183
Miscellaneous	A-5		<u>4,274</u>
			<u>33,053,426</u>
			<u>33,078,732</u>
Decreased by Disbursements:			
Payment to Treasurer	A-4		32,998,001
Trust - Premium			<u>70,000</u>
Balance December 31, 2010	A	\$	<u>33,068,001</u>
			<u>10,731</u>

See Accompanying Auditor's Report

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

Year	Balance Dec. 31, 2009	2010 Levy	Added Taxes	2009	2010	Over- Payments Created/(Applied)	(Transfers)/ Canceled	Transferred To Tax Title Liens	Balance Dec. 31, 2010
2008	\$ 22,565				20,234		2,331		-
2009	44,224		1,018		25,522		17,593		1,109
2010	66,789	-	1,018	-	45,756	-	19,924	-	1,109
		32,868,204	41,946	497,677	32,088,968		222,127	41,494	59,884
\$	66,789	32,868,204	42,964	497,677	32,134,724	-	242,051	41,494	60,993
Ref.	A							A-7	A

Taxes Receivable	Ref.	
Senior Citizens and Veterans	A-4	\$ 32,078,632
		56,092
		<u>32,134,724</u>

Analysis of 2010 Property Tax Levy	Ref.	
Tax Yield:		
General Property Tax		32,868,204
Added Taxes (54:4-63.1 et. seq.)		41,946
		<u>32,910,150</u>

Tax Levy:		
Local School District Tax (Abstract)	A-10	9,339,262
County Taxes:		
County Tax (Abstract)		3,151,175
County Library Tax (Abstract)		529,579
County Open Space (Abstract)		182,518
Due County for Added Taxes		
(54:4-63.1 et. seq.)		<u>5,009</u>
Total County Taxes		3,868,281
Special District Tax		245,000

Local Tax for Municipal Purposes	A-2	19,370,477
Add: Additional Tax Levied		<u>87,130</u>
		19,457,607
	A-6	\$ <u>32,910,150</u>

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS**

	<u>Ref.</u>		
Balance December 31, 2009	A	\$	54,211
Increased by:			
Transfers from Taxes			
Receivable	A-6	\$	41,494
Interest and Costs Accrued by:			
Sale of December 15, 2010	Res.	<u>          -</u>	
			<u>41,494</u>
			95,705
Decreased by:			
Collected	A-5	<u>7,602</u>	<u>7,602</u>
Balance December 31, 2010	A	\$	<u><u>88,103</u></u>

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Ref.	Balance Dec. 31, 2009	Accrued In 2010	Collected	Balance Dec. 31, 2010
Miscellaneous Revenue Anticipated:					
Licenses-Alcoholic Beverages	A-2	\$	66,052	66,052	-
Licenses-Other	A-2		335,347	335,347	-
Fees and Permits	A-2		379,805	379,805	-
Municipal Court	A-2	26,586	553,016	556,678	22,924
Interest and Costs on Taxes	A-2		199,237	199,237	-
Parking Meters	A-2		477,127	477,127	-
Interest on Investments	A-2		35,402	35,402	-
Public Property Rental	A-2		378,084	378,084	-
TV Cable Franchise Fee	A-2		40,451	40,451	-
In Lieu of Taxes	A-2		93,610	93,610	-
Ambulance Rescue Squad	A-2		325,284	325,284	-
Fees - Tram Car	A-2		90,000	90,000	-
Sale of Trash Cans	A-2		6,120	6,120	-
GWTD Administrative Reimbursement	A-2		30,000	30,000	-
Consolidated Municipal Property Tax Relief (CMPTRA)	A-2		17,300	17,300	-
Energy Receipts Tax (P.L. 1997, Ch 162&167)	A-2		988,271	988,271	-
Uniform Fire Safety Act	A-2		44,673	44,673	-
Indirect Cost Allocation from Water Utility	A-2		384,575	384,575	-
Wildwood Water Utility - Rio Grande Avenue	A-2		10,862	10,862	-
Reserve for Payment of Bonds	A-2		25,619	25,619	-
FEMA Storm Reimbursement	A-2		61,721	61,721	-
1.85% Room Tax	A-2		213,936	213,936	-
General Capital Surplus	A-2		94,999	94,999	-
Interlocal Agreements					
Tax Assessor	A-2		17,906	17,906	-
Tax Collector	A-2		31,116	31,116	-
Emergency Medical Services - West Wildwood	A-2		13,520	13,520	-
UEZ	A-2		8,706	8,706	-
Recycling/Trash Collection	A-2		49,414	49,414	-
Miscellaneous Revenue Not Anticipated:					
	A-2	\$	423,123	423,123	-
		<u>26,586</u>	<u>5,395,276</u>	<u>5,398,938</u>	<u>22,924</u>
	<u>Ref.</u>	<u>A</u>			
Treasurer				4,960,146	A-4
Reserve for 1.85% Room Tax				213,936	
Prior Year Receipts				25,619	
Miscellaneous - Tax Collector				-	
Interest and Costs on Taxes				199,237	A-5
				<u>5,398,938</u>	

See Accompanying Auditor's Report

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - 2009**

	Balance Dec. 31, 2009	Balance After Transfers	Paid	Overexpended	Balance Lapsed
OPERATIONS WITHIN "CAPS"		-			-
General Government Functions:					
<b>Department of Public Affairs and Public Safety:</b>					
Director's Office					
Other Expenses	\$ 16,798	15,928	13,958		1,970
Department of Law - Director's Office					
Other Expenses	63,705	73,705	56,234		17,471
Police					
Salaries and Wages	110,345	103,600	75,766		27,834
Other Expenses	64,526	70,271	70,165		106
Lifeguards					
Other Expenses	630	630	334		296
Central Purchasing and Personnel					
Salaries and Wages	3,253	3,253	929		2,324
Other Expenses	56,720	57,920	13,597		44,323
Relocation Assistance					
Other Expenses	7,925	10,700	10,700		-
City Clerk					
Other Expenses	29,794	29,794	28,041		1,753
Municipal Fire Fighting					
Salaries and Wages	44,100	48,570	48,522		48
Other Expenses	19,722	16,122	11,632		4,490
Elections					
Other Expenses	12,734	12,734	12,232		502
State Fire Prevention Code					
Salaries and Wages	24,613	24,613	3,687		20,926
Other Expenses	768	1,768	1,248		520
Office of Emergency Management					
Salaries and Wages	12	12	11		1
Other Expenses	2,813	2,813	2,770		43
Municipal Court					
Other Expenses	6,601	6,601	4,110		2,491
<b>Department of Revenue and Finance:</b>					
Commissioner of Revenue and Finance					
Other Expenses	17,080	17,070	14,860		2,210
Accounts and Control					
Other Expenses	19,506	19,506	8,154		11,352
Audit Service					
Other Expenses	5,000	5,000	5,000		-
Tax Assessment					
Salaries and Wages	1,107	1,107	985		122
Other Expenses	115,561	115,561	24,609		90,952
Revenue Collection					
Salaries and Wages	2,946	2,946	309		2,637
Other Expenses	9,821	9,821	9,220		601
Parking					
Other Expenses	86,931	86,941	86,855		86
Insurance					
Employee Group Health	419,191	375,533	374,609		924
<b>Department of Public Works, Parks &amp; Property</b>					
Commissioner of Public Works					
Other Expenses	16,581	16,529	13,935		2,594
Engineering					
Other Expenses	9,375	9,375	4,932		4,443
Director's Office					
Salaries and Wages	2,928	2,928	815		2,113
Other Expenses	863	863	780		83
Building Maintenance					
Salaries and Wages	1,586	1,586	507		1,079
Other Expenses	4,436	4,436	3,213		1,223
Boardwalk and Facility Construction					
Salaries and Wages	396	396	376		20
Other Expenses	4,550	4,550	1,368		3,182

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2009**

	Balance Dec. 31, 2009	Balance After Transfers	Paid	Overexpended	Balance Lapsed
Parks					
Other Expenses	1,842	1,842	342		1,500
Street Maintenance					
Other Expenses	875	875	645		230
Special Events					
Other Expenses	2,492	2,544	2,492		52
Economic Development					
Other Expenses	39,097	32,755	2,400		30,355
Traffic Marking					
Other Expenses	43,647	45,285	1,069		44,216
Snow Removal					
Other Expenses		50,000	50,000		-
Seasonal Comfort Station					
Other Expenses	2,106	10,762	9,280		1,482
Recreation					
Other Expenses	12,400	12,400	12,199		201
Environmental Maintenance					
Salaries and Wages	902	902	225		677
Other Expenses	2,546	2,546	2,041		505
Fleet Maintenance					
Other Expenses	52,708	58,708	41,945		16,763
Recycling					
Salaries and Wages	1,177	1,177	245		932
Other Expenses	584	584	413		171
Sanitation/Trash					
Salaries and Wages	927	927	435		492
Other Expenses	1,802	1,802	1,752		50
Landfill Tipping Fees					
Other Expenses	91,606	91,606	71,610		19,996
Land Use Administration					
Other Expenses	3,213	3,213	2,075		1,138
<b>Unclassified:</b>					
Gasoline	41,387	31,466	31,466		-
Electricity	42,631	20,921	20,885		36
Telephone	14,477	17,477	16,579		898
Natural Gas	7,513	7,513	7,513		-
Street Lighting	29,701	28,063	26,422		1,641
Postage	280	280	276		4
<b>Interlocal Municipal Service Agreements:</b>					
Tax Assessor	185	185	114		71
Recycling and Trash Collection		-			-
UEZ	12,030	12,030	462		11,568
Accounts with no Transactions	40,318	40,318			40,318
<b>Totals</b>	<u>\$ 1,629,363</u>	<u>1,629,363</u>	<u>1,207,348</u>	<u>-</u>	<u>422,015</u>
Ref.	A	A	A-4	A	A-1
		\$ 1,007,492	1,205,370	Disbursed	
		621,871	1,978	Accounts Payable	
		<u>\$ 1,629,363</u>	<u>1,207,348</u>		

**CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2009			
School Tax Payable	A	\$	-
Increased by:			
Levy-Calendar Year January 1, 2010			
to December 31, 2010	A-6		<u>9,339,262</u>
			9,339,262
Decreased by:			
Payments	A-4		<u>9,339,262</u>
Balance December 31, 2010			
School Tax Payable	A		<u><u>-</u></u>
 <u>2010 Liability for Local District School Tax</u>			
Tax Paid	A-4:A-10		9,339,262
Tax Payable December 31, 2010	A-11		<u>-</u>
			9,339,262
Less:			
Tax Payable December 31, 2009	A:A-10		<u>-</u>
Amount Charged to 2010 Operations	A-1	\$	<u><u>9,339,262</u></u>

**FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - RECEIVABLE**

<u>Grant</u>	<u>Balance Dec. 31, 2009</u>	<u>Anticipated Revenue</u>	<u>Received</u>	<u>Receivable Cancelled</u>	<u>Balance Dec. 31, 2010</u>
<b>State:</b>					
Alcohol Education and Rehabilitation 2010	1,307	1,307	1,307		-
Clean Communities 2010		22,952	22,952		-
Body Armor Replacement 2010		1,623	1,623		-
UEZ Assistance Fox Park Construction Boardwalk Construction	\$ 68,903 17,891		231 16,998	68,672 893	- -
UEZ Administration 2010	84,612				84,612
UEZ Authority Boardwalk Sound System Boardwalk Benches and Trash Cans CCTC Phase 1	136,826 31,426 6,500		44,370 9,758	6,500	92,456 21,668 -
Safe and Secure Community Program 2009 2010	29,077	90,000	29,077		- 90,000
NJ DOT CMC	15,461				15,461
<b>Local:</b>					
ACM JIF Safety Incentive Program 2008 2010	1,450			1,450	- -
Casino Reinvestment Development Authority	6,000		6,676		6,000
<b>Federal:</b>					
COPS in Shops 2009 2010	6,000	1,368 6,000	7,368 6,000		- -
COPS in Schools - WBOE 2010		10,000	10,000		-
COPS Hiring Recovery	819,120 See Accompanying Auditor's Report		217,155		601,965

**FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - RECEIVABLE**

<u>Grant</u>	<u>Balance Dec. 31, 2009</u>	<u>Anticipated Revenue</u>	<u>Received</u>	<u>Receivable Cancelled</u>	<u>Balance Dec. 31, 2010</u>
Over the Limit/Under Arrest 2010		4,400	4,400		-
Community Facilities					
Restrooms					-
Emergency Access II	349,428		349,428		-
USDA Rural Development					
Boardwalk Emergency Access - Phase III	354,000		307,000		47,000
Boardwalk Enterprise - Pacific Avenue Streetscape	12,178		5,561		6,617
USDA Economic Impact					
Boardwalk Lights and Signs	40,020		40,020		-
Bulletproof Vest Partnership					
2009	9,795				9,795
Edward Byrne Memorial Justice Assistance					
2007	23,647				23,647
2009		12,483	12,483		-
Hazardous Discharge Site Remediation					
	<u>\$ 2,012,334</u>	<u>156,809</u>	<u>1,092,407</u>	<u>77,515</u>	<u>999,221</u>
<u>Ref.</u>	A	A-2		A-1	A
	Unappropriated Reserves	A-13	-		
	Federal and State Grant Fund	A-4	1,092,407		
			<u>1,092,407</u>		-

**FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - APPROPRIATED**

Grant	Balance Dec. 31, 2009	2010 Budget Appropriation	Expended	Prior Encumbrance Cancelled	Appropriation Cancelled	Balance Dec. 31, 2010
<b>State:</b>						
Recycling Tonnage Grant 2008						6,054
Recycling Tonnage Grant 2009	\$ 15,734			6,054		15,734
Alcohol Education and Rehabilitation						
2007	1,165					1,165
2008	2,249					2,249
2009	2,367					2,367
2010		1,307				1,307
Clean Communities						
2010		22,952	22,938			14
Drunk Driving Enforcement Fund						
2007	185		185			-
2008	6,362		2,780			3,582
2009	10,628		1,500			9,128
Body Armor Replacement						
2006	4,223		73			4,150
2007	4,961					4,961
2008	4,460					4,460
2009		1,623				1,623
UEZ Assistance						
Boardwalk Construction	891				893	-
Fox Park Construction	68,672			2	68,672	-
UEZ Administration						
2010	23,661		23,661			-
UEZ Authority						
Boardwalk Sound System	136,826		130,502			6,324
Boardwalk Benches and Trash Cans	31,426		9,757			21,669
CCTS Phase 1				6,500	6,500	-
Safe and Secure Community Program						
2009	7,269		7,269			-
2010		90,000	82,500			7,500
<b>Local:</b>						
Municipal Alliance						
ACM JIF Safety Incentive Program						
2007	263					263
2008	3,846					3,842
2010		3,420	3,420			-
			4			6,676

See Accompanying Auditor's Report

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - APPROPRIATED

Grant	Balance Dec. 31, 2009	2010 Budget Appropriation	Expended	Prior Encumbrance Cancelled	Appropriation Cancelled	Balance Dec. 31, 2010
<b>Federal:</b>						
COPS in Shops 2009		1,368	1,368			-
2010		6,000	6,000			-
Over the Limit/Under Arrest 2010		4,400	4,400			-
COPS Hiring Recovery	789,481		187,516			601,965
Cops in Schools - WBOE 2010		10,000	10,000			-
Community Facilities Emergency Access II	78,605		78,605			-
USDA Rural Development Boardwalk Emergency Access - Phase III	171,100		171,100			-
Boardwalk Enterprise - Pacific Avenue Streetscape	12,178		5,560			6,618
USDA Economic Impact Boardwalk Lights and Signs	40,020		40,020			-
Emergency Management Performance FY03				39		39
FEMA Assistance to Firefighters FY05				261		261
Bulletproof Vest Partnership	9,795					9,795
Edward Byrne Memorial Justice Assistance 2007	23,647		23,647			-
2009	51,473		51,473			-
2009		12,483				12,483
	<u>\$ 1,501,487</u>	<u>160,229</u>	<u>864,278</u>	<u>12,856</u>	<u>80,170</u>	<u>730,124</u>
Ref.	A	A-3		A-1		A
		Encumbered	70,060			A-4
		Expended	1,273,267			A-4
		Prior Encumbrance	(479,049)			
			<u>864,278</u>			

**FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED**

<u>Grant</u>	<u>Balance Dec. 31, 2009</u>	<u>Received</u>	<u>Transferred to 2010 Budget Appropriations</u>	<u>Balance Dec. 31, 2010</u>
Body Armor Replacement Program	\$ 3,890	3,890		3,890
Drunk Driving Enforcement Fund		7,035		7,035
COPS in Shops		975		975
Recycling Tonnage Grant		13,183		13,183
	<u>\$ -</u>	<u>25,083</u>	<u>-</u>	<u>25,083</u>
	A	A-4		A

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

	Ref.	Dog Licenses	Other
Balance December 31, 2009	B	\$ 684	2,144,884
Increased by Receipts:			
Dog License Fees 2010	B-2	\$ 264	
Due to State of New Jersey	B-4	104	
Interest Earned		6	
Miscellaneous Trust Reserves	B-5		1,798,427
Due to the State of NJ Surcharge Fee			6,214
Redemption of Tax Liens			1,889,116
Premiums Received			85,000
		<u>374</u>	<u>3,778,757</u>
		1,058	5,923,641
Decreased by Disbursements			
Due to Current Fund	B-3	324	
Due to State of New Jersey	B-4	104	
Miscellaneous Trust Reserves	B-5		1,915,785
Due to the State of NJ Surcharge Fee			11,417
Redemption of Tax Liens			2,027,506
Premiums Returned			70,000
		<u>428</u>	<u>4,024,708</u>
Balance December 31, 2010	B	<u>\$ 630</u>	<u>1,898,933</u>

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

	Ref.		
Balance December 31, 2009	B	\$	684
Increased by:			
Dog License Fees Collected	B-1	\$	264
			264
			948
Decreased by:			
Statutory Excess			318
Expenditures under N.J.S. 4:19-15:11	B-1		-
			318
Balance December 31, 2010	B	\$	630

License Fees Collected:

Year	Amount
2008	\$ 318
2009	312
	\$ 630

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

	<u>Ref.</u>		
Balance December 31, 2009	A:B	\$	-
Increased by:			
Interest		\$	6
Statutory Excess			<u>318</u>
	B-1		<u>324</u>
			324
Decreased by:			
Payment	B-1		<u>324</u>
Balance December 31, 2010	A:B	\$	<u><u>-</u></u>

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO(FROM) STATE OF NEW JERSEY - DEPARTMENT OF HEALTH**

	<u>Ref.</u>		
Balance December 31, 2009	B	\$	-
Increased by:			
2010 State License Fees	B-1	\$	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 1px solid black; width: 100px; margin-right: 10px;">104</div> </div>
			104
Decreased by:			
Disbursements to the State	B-1		<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border-bottom: 1px solid black; width: 100px; margin-right: 10px;">104</div> </div>
Balance December 31, 2010	B	\$	-

**TRUST - OTHER FUNDS  
SCHEDULE OF MISCELLANEOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<u>Reserve</u>	Balance Dec 31, 2009	Increased by		Decreased by		Balance Dec 31, 2010
		Receipts	2010 Budget Appropriation	Disbursements		
Payroll	\$ 108,708	1,099,995		1,119,950		88,753
Unemployment Compensation	108,669	599		109,268		-
DEDR	-	150				150
Police Forfeiture	75,788	4,556				80,344
Recreation Expenditures	10,911	22,754		11,865		21,800
Special Events	36,669	17,030		18,497		35,202
Historical Society	50					50
Lifeguard Pension	514,965	29,044		15,042		528,967
Developers Escrow	294,323	86,174		104,643		275,854
Parking Offense Adjudication Act	10,992	1,934				12,926
Fire Penalty - Compensation	59,045	49,659		34,667		74,037
Fire Penalty - Dedicated	28,163	38,682		4,202		62,643
Memorial Beaches	914	7,200				8,114
Snow Removal	7,221	73,714	3,000	57,077		26,858
UCC Fees	136,170	268,747		354,266		50,651
Accumulated Absences	108,750					108,750
Self Insurance	200,677	1,435		18,713		183,399
Tourism Development Commission	26,964	92,942		67,595		52,311
Revolving Loan Fund	107,847	812				108,659
	<u>\$ 1,836,826</u>	<u>1,795,427</u>	<u>3,000</u>	<u>1,915,785</u>		<u>1,719,468</u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2009	----- Receipts -----		----- Disbursements -----		Balance Dec. 31, 2010
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	
					From	To
Contracts Payable	\$ 2,225,481				2,225,481	482,128
Capital Improvement Fund	88,405				87,500	905
Due from Bank	(7,304)					(7,304)
Due to Current Fund			8,877		8,877	-
Reserve for Payment of Bonds	128,096			25,619		102,477
Reserve for Purchase of Equipment			40,292			40,292
Fund Balance	531,356		3,348	94,999	437,500	233,302
Reserve for Payment of Notes			26,709			123,615
Grants Receivable	(3,239,033)		1,236,752		686,000	78,970
<u>Improvement Authorizations:</u>						
<u>Ordinance</u>						
<u>Number</u>						
535-01 Franchise Acquisition Project	7,304					7,304
571-02 Various Improvements	5,954				5,954	-
b Fire Dept. Equipment						
d Fire Dept. Equipment -	3,444				3,444	-
Volunteer	47,682				47,682	-
g Roof Repair - City Hall	1,801				1,801	-
j Master Plan Revision	14				14	-
k Boardwalk Repairs	7,059				7,059	-
m Update Tax Maps						
587-03 Various Improvements						
a Repairs to City Hall and	1,256			1,037	219	-
Court Building	3,502			23,128		-
b Community Center						19,626
662-06 Community Center	26,469			26,428	14,435	14,394
664-06 Various Improvements						
a Building Improvements	28,430			134	29,202	906
b Purchase of Public Safety	16,834				16,834	-
Equipment	14,392				14,392	-
c Purchase of Vehicles						
d Improvement to Park and	1,926			1,426	500	-
Recreation Dept.	6,098				6,098	-
f Improvements to City Hall						
694-07 Construction of Amphitheater/ Museum	26,626				26,626	-

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2009	----- Receipts -----		----- Disbursements -----		Balance Dec. 31, 2010
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	
					From	To
700-07 Various Improvements						
a Purchase of Vehicles	22,092				22,092	-
b Building Improvements	16,196			91	15,969	(136)
c Purchase Radio Pagers for Fire Dept.	304				304	-
d Purchase of Garage for Lifeguards	377				377	-
e Improvements to Curbs and Sidewalks	1,800				1,800	-
f Replacement of Street Lights	28,648				28,648	-
g Purchase of Equipment	6,705				6,705	-
h Site Remediation-City Hall	3,808				3,808	-
i Construction of Beach Walkways - ADA	24					24
j Streetscape Improvements	1,008				1,008	-
k Reconstruction of Various Roads	-					-
l Upgrade to City Communication System	318			146	406	234
739-08 Various Improvements						
a Purchase of Vehicles	85,877			16,470	69,664	257
b Purchase of Ambulance	924			39	924	39
c Building Improvements	40,470			36,826	38,323	34,944
d Purchase of Pagers - Fire	268				268	265
e Purchase of Garage for Lifeguards	482			11	482	11
f Improvements to Curbs and Sidewalks	40,662			9,179		66
g Purchase/Repair of Public Works Equipment	65,983			85,056	11,171	31,898
h Repair/Upgrade Communication Equipment	80			176	80	176
744-08 Improvements to Boardwalk	4,887				4,887	-
747-08 Purchase of Recreation Equipment	30					30

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2009	----- Receipts -----		----- Disbursements -----		Balance Dec. 31, 2010
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	
					From	To
773-09 Various Improvements						
a Replacement of Boardwalk	298,484			129,225	53,672	373
b Reconstruction of Garfield Ave.	204,696			133,848	95,933	25,085
c Pacific Ave. Streetscape	101,668			456,064	34,260	418,640
d Improvement to Pacific Ave.	511,937			1,880	28,348	28,155
778-09 Various Improvements						
a Boardwalk Reconstruction	417,717			1,439,031	1,068	1,650,813
798-10 a. Purchase of Equipment				281,999		297,500
b. Major Repairs of Equipment				24,980		30,000
805-10 Acquisition of Timekeeping System			160,000	137,571	1,354	8,000
811-10 a. Expansion/Renovation Muni. Bldgs.			100,000	1,126	72,000	505,000
b. Purchase of Vehicles			150,000	189	107,725	7,500
823-10 a. Purchase of DPW Equipment				29,705	56,420	35,200
b. Purchase of Police SUV						1,400
c. Purchase of DPW Dump Truck						1,500
d. Purchase of Various Equipment						1,500
e. City Hall Improvements/Expansion					17,201	8,700
f. Reconst. of Park Blvd.						203,820
g. Preliminary Plan - Streetscape						880
824-10 a. Purchase of DPW Vehicles					45,000	-
b. Purchase of DPW Equipment					14,981	30,019
c. Improvements - Sidewalks & Curbs						20,000
	<u>\$ 1,781,237</u>	<u>-</u>	<u>1,725,978</u>	<u>2,835,765</u>	<u>4,354,496</u>	<u>4,354,496</u>
						<u>550,832</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 3,239,033
Increased by:		
NJ DOT - Garfield Ave.		
CDBG - Expansion/Renovation of Muni Bldg	500,000	
NJ DOT - Reconst. of Park Avenue	<u>186,000</u>	
		686,000
Decreased by:		
Receipts:		
UEZ - Boardwalk Stage II	619,831	
USDA Boardwalk Phase IV	198,931	
CDBG - Pacific Ave. Streetscape Phase IV	336,806	
Reconstruction of Roads	<u>81,184</u>	
		1,236,752
Cancelled		
Byrne Fund - Amphitheater	35,503	
NJ DOT - Garfield Avenue	<u>43,467</u>	
		78,970
		<u>                    </u>
Balance December 31, 2010	C	\$ <u><u>2,609,311</u></u>

Analysis of Balance

NJ DOT - Garfield Ave.	35,349	
CDBG - Pacific Ave. Streetscape Phase IV	138,194	
NJ DOT - Pacific Ave. Streetscape	150,000	
NJ DOT - ARRA - Pacific Ave. Streetscape	350,000	
CDBG - Expansion/Renovation of Muni Bldg	500,000	
NJ DOT - Reconst. of Park Avenue	186,000	
UEZ - Boardwalk Reconstruction - Stage II	1,248,699	
USDA - Boardwalk Reconstruction - State IV	<u>1,069</u>	
		<u><u>2,609,311</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2009	C		\$ 22,569,482
Increased by:			
Decreased by:			
2010 Budget Appropriations:			
General Serial Bonds	C-8	1,310,000	
USRDA Loans	C-9	4,840	
ECIA Franchise Acquisition	C-10	465,000	
Green Trust Loans	C-11	51,270	
		<hr/>	<hr/>
			1,831,110
Balance December 31, 2010	C		\$ <u><u>20,738,372</u></u>

See Accompanying Auditor's Report



GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2009		Capital Improvement Fund	2010 Authorizations		Deferred Charge to Future Taxation	Expended	Prior Year Encumbrance Cancelled	Canceled	Balance Dec. 31, 2010	
				Funded	Unfunded		Capital Grant	Capital Fund Balance					Funded	Unfunded
535-01	Franchise Acquisition Project	04/25/01	\$ 10,910,000	7,304									7,304	
571-02	Various Improvements a Fire Dept. Equipment d Fire Dept. Equipment - Volunteer g Roof Repair - City Hall j Master Plan Revision k Boardwalk Repairs m Update Tax Maps	09/10/02	1,188,450	5,954								5,954		
587-03	Various Improvements a Repairs to City Hall and Court Building b Community Center	05/20/03	3,900,000	1,256 3,502						1,037 3,502		219		
662-06	Community Center	05/16/06	3,550,000	26,469						12,034		14,435		
664-06	Various Improvements a Building Improvements b Purchase of Public Safety Equipment c Purchase of Vehicles d Improvement to Park and Recreation Dept. f Improvements to City Hall	02/22/06	1,032,500	28,430 16,834 14,392							167	16,834 14,392		
694-07	Construction of Amphitheater/ Museum	03/28/07	150,000	1,927 6,099 26,626						1,427		500 6,099		
700-07	Various Improvements a Purchase of Vehicles b Building Improvements c Purchase Radio Pagers for Fire Dept. d Purchase of Garage for Lifeguards e Improvements to Curbs and Sidewalks f Replacement of Street Lights g Purchase of Equipment h Site Remediation-City Hall i Construction of Beach Walkways - ADA j Streetscape Improvements l Upgrade to City Communication System	06/27/07	1,540,900	22,093 16,196 304 377 1,800 28,648 6,705 3,808 24 1,008 318						228		22,093 15,968 304 377 1,800 28,648 6,705 3,808 24 1,008		
											88	406		

**GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2009		2010 Authorizations		Deferred Charge to Future Taxation	Expended	Prior Year Encumbrance Cancelled	Canceled	Balance Dec. 31, 2010	
				Funded	Unfunded	Capital Improvement Fund	Capital Grant					Funded	Unfunded
739-08	Various Improvements a Purchase of Vehicles b Purchase of Ambulance c Building Improvements d Purchase of Pagers - Fire Lifeguards e Purchase of Garage for Lifeguards f Improvements to Curbs and Sidewalks g Purchase/Repair of Public Works Equipment h Repair/Upgrade Communication Equipment	06/25/08	771,600		85,877 924 40,469 268				16,213 40,204		69,664 924 268 482		- - 265 -
744-08	Improvements to Boardwalk	08/13/08	55,000	4,887					9,113				31,549
747-08	Purchase of Recreation Equipment	09/10/08	75,213	30					64,329				1,654
773-09	Various Improvements a Replacement of Boardwalk b Reconstruction of Garfield Ave. c Pacific Ave. Streetscape d Improvement to Pacific Ave.	10/06/09	1,602,000	15,000 160,000 99,224 500,000	284,321 44,696 2,443 11,937				182,524 116,533 71,683 2,073	7,771	95,934		116,797 - 29,984 42,000
778-09	Various Improvements a Boardwalk Reconstruction	12/22/09	2,068,530	417,717					169,669	380,383		628,431	
798-10	Various Improvements a. Purchase of Equipment b. Major Repairs of Equipment	04/14/10	327,500						281,999 24,980			15,501 5,020	
805-10	Acquisition of Timekeeping System	06/09/10	168,000					160,000	138,925				29,075
811-10	Various Capital Improvements a. Expansion/Renovation Muni. Bldgs. b. Purchase of Vehicles	08/11/10	762,500					100,000 150,000	73,126 107,914			431,874	100,000 49,586
823-10	Various Capital Improvements a. Purchase of DPW Equipment b. Purchase of Police SUV c. Purchase of DPW Dump Truck d. Purchase of Various Equipment e. City Hall Improvements/Expansion f. Reconst. of Park Blvd. g. Preliminary Plan - Streetscape	11/10/10	1,586,150					702,000 26,500 30,000 28,500 174,000 356,350 15,800	86,125			1,400 1,500 1,500	651,075 26,500 30,000 28,500 165,499 356,350 15,800
824-10	Various Capital Improvements a. Purchase of DPW Vehicles b. Purchase of DPW Equipment c. Improvements - Sidewalks & Curbs	11/10/10	110,000						45,000 14,981			30,019 20,000	
			\$ 1,477,200	577,874			1,743,150	437,500	1,507,446	388,409	400,386	1,815,167	1,674,634

See Accompanying Auditor's Report

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

Ord.	Purpose	Date of Original Issue	Date of Issue	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
725-08	Improvements to Poplar Avenue	11/6/2008	10/29/2010	82,000	1.50% \$	82,000		63,263	18,737
739-08	Various Capital Improvements	11/6/2008	10/29/2010	619,000	1.50%	619,000	100		619,100
773-09	Various Capital Improvements	10/30/2009	10/29/2010	377,000	1.50%	377,000	63,163		440,163
805-10	Acquisition of Timekeeping System	10/29/2010	10/29/2010	160,000	1.50%		160,000		160,000
811-10	Various Capital Improvements	10/29/2010	10/29/2010	250,000	1.50%		250,000		250,000
						\$ 1,078,000	473,263	63,263	1,488,000
						C			C

**GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2010	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
General Improvement Bonds of 2003-A	1/1/2003	7,150,000	01/01/11	3.400% \$	3,500,000		700,000	2,800,000
			01/01/12	3.550%				
			01/01/13	3.700%				
			01/01/14	4.000%				
General Improvement Bonds of 2008	5/1/2008	10,729,000	05/01/11	4.250%	10,129,000		610,000	9,519,000
			05/01/12	4.250%				
			05/01/13	4.250%				
			05/01/14	4.250%				
			05/01/15	4.250%				
			05/01/16	4.250%				
			05/01/17	4.250%				
			05/01/18	4.250%				
			05/01/19	4.250%				
			05/01/20	4.375%				
			05/01/21	4.375%				
				\$	<u>13,629,000</u>	<u>-</u>	<u>1,310,000</u>	<u>12,319,000</u>
					C	C-4	C	

See Accompanying Auditors Report

**GENERAL CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of			
			Loans Outstanding December 31, 2010	Interest Rate	Balance Dec. 31, 2009	Balance Dec. 31, 2010
			Date	Amount	Increased	Decreased
Pacific Ave. Wastewater Ord. 557-02b	1/23/2003	175,000	2011	2,311		
			2012	2,417		
			2013	2,526		
			2014	2,641		
			2015	2,762		
			2016	2,887		
			2017	3,019		
			2018	3,156		
			2019	3,300		
			2020	3,450		
			2021	3,607		
			2022	3,771		
			2023	3,943		
			2024	4,122		
			2025	4,310		
			2026	4,506		
			2027	4,711		
			2028	4,925		
			2029	5,149		
			2030	5,383		
			2031	5,629		
			2032	5,885		
			2033	6,152		
			2034	6,432		
		2035	6,725			
		2036	7,031			
		2037	7,351			
		2038	7,686			
		2039	8,035			
		2040	8,401			
		2041	8,783			
		2042	8,779			
					2,211	159,785

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**GENERAL CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding						
			Date	Amount	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
Improvement to Rio Grande Ave. Ord. 577-02	8/1/2003	208,000	2011	2,743	4.25%	194,344		2,629	191,715
			2012	2,861					
			2013	2,984					
			2014	3,112					
			2015	3,245					
			2016	3,385					
			2017	3,530					
			2018	3,682					
			2019	3,840					
			2020	4,005					
			2021	4,177					
			2022	4,356					
			2023	4,543					
			2024	4,739					
			2025	4,942					
			2026	5,154					
			2027	5,376					
			2028	5,607					
			2029	5,847					
			2030	6,099					
			2031	6,361					
			2032	6,634					
			2033	6,919					
			2034	7,216					
		2035	7,526						
		2036	7,849						
		2037	8,186						
		2038	8,538						
		2039	8,905						
		2040	9,287						
		2041	9,686						
		2042	10,102						
		2043	10,279						
						\$ 356,340	-	4,840	351,500

See Accompanying Auditors Report

**GENERAL CAPITAL FUND  
SCHEDULE OF ECIA FRANCHISE ACQUISITION LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of		Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
			Loans Outstanding December 31, 2010	Loans Outstanding December 31, 2010					
Franchise Acquisition	10/1/2001	\$ 10,910,000	10/01/11	495,000	5.750%	7,940,000		465,000	7,475,000
			10/01/12	525,000	6.000%				
			10/01/13	555,000	6.000%				
			10/01/14	590,000	6.000%				
			10/01/15	625,000	6.000%				
			10/01/16	660,000	6.000%				
			10/01/17	705,000	6.750%				
			10/01/18	750,000	6.750%				
			10/01/19	800,000	6.750%				
			10/01/20	855,000	6.750%				
			10/01/21	915,000	6.750%				
						\$ 7,940,000	-	465,000	7,475,000

See Accompanying Auditors Report

**GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2010		Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
			Date	Amount					
Multi Parks Improvements Ord. 470-98	10/7/2002	\$ 500,000	5/29/2011	15,084	2.00%	\$ 307,721		29,720	278,001
			11/29/2011	15,235					
			5/29/2012	15,387					
			11/29/2012	15,541					
			5/29/2013	15,696					
			11/29/2013	15,853					
			5/29/2014	16,012					
			11/29/2014	16,172					
			5/29/2015	16,333					
			11/29/2015	16,497					
			5/29/2016	16,662					
			11/29/2016	16,828					
			5/29/2017	16,997					
			11/29/2017	17,167					
			5/29/2018	17,338					
			11/29/2018	17,512					
			5/29/2019	17,687					
Maxwell Field Park Project Ord. 557-02a	2/20/2003	\$ 289,000	5/25/2011	7,077	2.00%	204,826		13,944	190,882
			11/25/2011	7,147					
			5/25/2012	7,219					
			11/25/2012	7,291					
			5/25/2013	7,364					
			11/25/2013	7,437					
			5/25/2014	7,512					
			11/25/2014	7,587					
			5/25/2015	7,663					
			11/25/2015	7,740					
		5/25/2016	7,817						

See Accompanying Auditors Report

**GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
			Date	Amount					
			11/25/2016	7,895					
			5/25/2017	7,974					
			11/25/2017	8,054					
			5/25/2018	8,135					
			11/25/2018	8,216					
			5/25/2019	8,298					
			11/25/2019	8,381					
			5/25/2020	8,465					
			11/25/2020	8,549					
			5/25/2021	8,635					
			11/25/2021	8,721					
			5/25/2022	8,808					
			11/25/2022	8,897					
			4/24/2011	3,859	2.00%	131,594		7,605	123,989
Maxwell Field Park Project Ord. 557-02a	1/19/2005	\$ 164,000	10/24/2011	3,898					
			4/24/2012	3,937					
			10/24/2012	3,976					
			4/24/2013	4,016					
			10/24/2013	4,056					
			4/24/2014	4,096					
			10/24/2014	4,138					
			4/24/2015	4,179					
			10/24/2015	4,221					
			4/24/2016	4,263					
			10/24/2016	4,305					
			4/24/2017	4,349					
			10/24/2017	4,392					
			4/24/2018	4,436					
			10/24/2018	4,480					
			4/24/2019	4,525					

See Accompanying Auditors Report

**GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2010		Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
			Date	Amount					
			10/24/2019	4,570					
			4/24/2020	4,616					
			10/24/2020	4,662					
			4/24/2021	4,709					
			10/24/2021	4,756					
			4/24/2022	4,804					
			10/24/2022	4,852					
			4/24/2023	4,900					
			10/24/2023	4,946					
			4/24/2024	4,999					
			10/24/2024	5,049					
						\$ 644,141	-	51,269	592,872

See Accompanying Auditors Report

**GENERAL CAPITAL FUND  
SCHEDULE OF TAX APPEAL REFUNDING NOTES**

Ord. Num	Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2010			Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
				Date	Amount	Amount					
716-07	Tax Appeals Refunding	3/8/2008	\$ 1,900,000	03/25/11	380,000		3.500% \$	1,550,000		365,000	1,185,000
				03/25/12	395,000						
				03/25/13	410,000						
							\$	<u>1,550,000</u>	<u>-</u>	<u>365,000</u>	<u>1,185,000</u>

See Accompanying Auditors Report

**GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2009	<u>Ref.</u> C	\$ 88,405
Increased by:		
2010 Budget Appropriation	C-3	<u>88,405</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-6	<u>87,500</u>
Balance December 31, 2010	C	<u><u>\$ 905</u></u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Authorization</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2010</u>
773-09	Various Improvements a. Replacement of Boardwalk	837			837
805-10	Acquisition of Timekeeping System		168,000	168,000	-
811-10	Various Improvements a. Expansion/Renovation of Muni. Bldgs b. Purchase of Vehicles		100,000 150,000	100,000 150,000	- -
823-10	Various Improvements a. Purchase of DPW Equipment b. Purchase of Police SUV c. Purchase of DPW Dump Truck d. Purchase of Various Equipment e. City Hall Improvements/Expansion f. Reconst. of Park Blvd. g. Preliminary Plan - Streetscape		702,000 26,500 30,000 28,500 174,000 356,350 15,800		- 702,000 26,500 30,000 28,500 174,000 356,350 15,800
		\$ 837	<u>1,751,150</u>	<u>418,000</u>	<u>1,333,987</u>
		C		C	

**WATER OPERATING FUND  
SCHEDULE OF CASH - TREASURER**

	Ref.	Operating	Capital
Balance December 31, 2009	D	\$ 1,798,646	2,695,831
Increased By:			
Water Rent Collected	D-3: D-7	6,504,174	
Miscellaneous Revenue	D-3	109,582	
Escrow Deposit		6,225	
Grant Receivable			86,023
Budget Appropriations			500,000
Capital Improvement Fund			
Due to State of New Jersey - NJ Water Tax		11,737	
		<u>6,631,718</u>	<u>586,023</u>
		8,430,364	3,281,854
Decreased By:			
Current Appropriations	D-4	5,654,341	
Appropriation Reserves	D-10	618,091	
Escrow Deposits		6,400	
Due to State of New Jersey - NJ Water Tax		9,288	
Improvement Authorization	D-14		1,251,878
Change Fund			
		<u>6,288,120</u>	<u>1,251,878</u>
Balance December 31, 2010		<u>\$ 2,142,244</u>	<u>2,029,976</u>

SEE ACCOMPANYING AUDITORS' REPORT

**WATER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2009	----- Receipts -----		----- Disbursements -----		Balance Dec. 31, 2010
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	
					From	To
Fund Balance	\$ 222,215					222,215
Capital Improvement Fund	90,761	500,000			500,000	90,761
Reserve for Preliminary Expenses	10,000					10,000
Contracts Payable	1,003,536				1,003,536	610,494
Due from Bank	(271)					(271)
Grants Receivable	(131,470)		86,023			(45,447)
<u>Improvement Authorizations:</u>						
<u>Ordinance</u>						
<u>Number</u>						
592-03	Various Improvements			967		967
535-01	Franchise Acquisition Project	271				271
623-04	Various Improvements	899			4,732	3,833
633-05	Water System Improvements	51,134				51,134
645/647-05	Water Main Replacement	59,313				59,313
667-06	Various Improvements			26,024	20,607	
688-07	Various Improvements	6,623			10,410	
702-07	Various Improvements					
	(a) Water Main Replacement	261,267		711,220	220,511	40,602
	(b) Replacement Recharge Well	637,828		7,800	28,400	637,828
717-08	Various Improvements & Acquisitions	5,516		35,456	15,821	2,030
763-09	Various Improvements	463,303		356,101	113,497	30,402
779-09	Boardwalk Reconstruction	14,906		98,620	116,564	32,850
786-10	Various Improvements			15,690	192,016	292,294
830-10	Various Water Improvements					
	(a) Acquisition of West Wildwood water utility				1,600	(1,600)
	(b) Replacement of water mains				2,400	(2,400)
	(c) Replacement of Recharge Well				500	(500)
		\$ 2,695,831	86,023	1,251,878	2,114,030	2,029,976
		D	D-5	D-5: D-14		D : D-5
			D-4			

See Accompanying Auditor's Report

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

	<u>Ref.</u>		
Balance December 31, 2009	D		\$ 185,308
Increased by:			
Utility Rents Levied	Res.	<u>6,622,802</u>	<u>6,622,802</u>
			6,808,110
Decreased by:			
Collections	D-5	6,504,174	
Overpayments	D-9		
Transferred to liens	D-8		
Canceled	Res.	85,756	
		<u>                    </u>	<u>6,589,930</u>
Balance December 31, 2010	D		<u><u>\$ 218,180</u></u>

**WATER OPERATING FUND  
SCHEDULE OF WATER UTILITY LIENS**

	<u>Ref.</u>		
Balance December 31, 2009	D	\$	-
No Activity during 2010			
Balance December 31, 2010	D	<u>\$</u>	<u>-</u>

**WATER OPERATING FUND  
SCHEDULE OF WATER RENT OVERPAYMENTS**

	<u>Ref.</u>		
Balance December 31, 2009	D		\$ 40,333
Increase by:			
Overpayments created	D-7		4,805
Decreased by:			
Overpayments applied	D-7	\$ -	
Refunded	D-5	<u>1,034</u>	
			<u>1,034</u>
Balance December 31, 2010	D		<u><u>\$ 44,104</u></u>

**WATER OPERATING FUND  
SCHEDULE OF 2009 APPROPRIATION RESERVES**

	BALANCE Dec. 31, 2009	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDED
Operating:					
Salaries and Wages	\$ 2,630	2,630	464	2,166	
Other Expenses	246,037	246,037	111,706	134,331	
Insurance	57,962	57,962	53,801	4,161	
Capital Improvements					
Capital Outlay	479,167	479,167	457,637	21,530	
Other Accounts No Change	207	207		207	
	<u>\$ 786,003</u>	<u>786,003</u>	<u>623,608</u>	<u>162,395</u>	<u>-</u>

Ref.	D	D	D	D-1	D
			5,517	Accounts Payable	
		D-5	618,091	Disbursed	
			<u>623,608</u>		

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS  
AND NOTES - ANALYSIS OF BALANCE -  
DECEMBER 31, 2010**

Balance December 31, 2009	<u>Ref.</u> D	\$ 147,001
Increased by:		
Accrued interest charged to 2010 budget appropriation - Interest on bonds	D-4	<u>603,419</u>
		750,420
Decreased by:		
Disbursements	D-4	<u>613,255</u>
Balance December 31, 2010	D	<u><u>\$ 137,165</u></u>

**ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2010**

<u>Description</u>	<u>Principal Outstanding Dec. 31, 2010</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u># of Days</u>	<u>Amount</u>
Bonds	545,000	Various	7/1/10	12/31/10	183	\$ 9,688
Bonds	1,910,000	Various	9/15/10	12/31/10	107	21,221
Bonds	9,233,000	Various	11/1/10	12/31/10	60	67,926
ECIA Loans	1,420,000	Various	10/1/10	12/31/10	91	17,390
NJEIT Bonds	530,000	Various	8/1/10	12/31/10	150	9,763
USDA Loan	793,578	4.125%	8/28/10	12/31/10	123	11,177
						<u><u>\$ 137,165</u></u>

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL**

ACCOUNT	BALANCE Dec. 31, 2009	ADDITIONS BY BUDGET CAPITAL OUTLAY	BY ORDINANCE	BALANCE Dec. 31, 2010
Combined Improvements	\$ 25,234,022			25,234,022
	<u>\$25,234,022</u>	-	-	<u>25,234,022</u>
	Ref.      D		D-13	D
2010 Appropriations		\$ -	D-4	
2009 Appropriation Reserves		-	D-10	
		<u>\$ -</u>		

**WATER UTILITY CAPITAL FUND  
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2009	2010 Authorizations		Costs to Fixed Capital	Balance Dec. 31, 2010
					Deferred Reserve for Amortization	Deferred Charge to Future Taxation		
535-01	Franchise Acquisition Project	04/25/01	\$ 2,180,000	\$ 1,844,857				1,844,857
535-01	Essex County Imp. Auth.	04/25/01	2,181,802	2,181,802				2,181,802
623-04	Various Improvements	10/13/04	5,000,000	5,000,000				5,000,000
647-05	Water Main Replacement	07/13/05	1,307,700	1,246,500				1,246,500
667-06	Various Improvements	04/04/06	500,000	500,000				500,000
688-07	Various Improvements	02/14/07	500,000	500,000				500,000
702-07	Various Water Improvements	12/12/07	5,000,000	5,000,000				5,000,000
717-08	Various Improvements & Acquisitions	02/13/08	500,000	500,000				500,000
763-09	Various Improvements	06/09/09	500,000	500,000				500,000
779-09	Boardwalk Reconstruction	11/20/09	131,470	131,470				131,470
786-10	Various Improvements	03/24/10	500,000		500,000			500,000
830-10	Various Water Improvements	11/10/10	5,000,000		5,000,000			5,000,000
				\$ 17,404,629	5,500,000	-	-	22,904,629
			D	D	D-20		D-12	D

See Accompanying Auditor's Report



**WATER UTILITY CAPITAL FUND  
STATEMENT OF WATER SERIAL BONDS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING DECEMBER 31, 2010	DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2009	INCREASED	DECREASED	BALANCE DEC. 31, 2010
Water Bonds of 2003	01/01/03	1,770,000	\$ 175,000	01/01/11		3.250%	\$ 720,000		175,000	545,000
			175,000	01/01/12		3.550%				
			195,000	01/01/13		3.700%				
Refunding Bonds 2004-B	01/01/04	3,490,000	315,000	09/15/11		3.125%	2,225,000		315,000	1,910,000
			315,000	09/15/12		3.500%				
			315,000	09/15/13		3.500%				
			315,000	09/15/14		4.000%				
			320,000	09/15/15		4.000%				
			330,000	09/15/16		4.250%				
Water Bonds, Series 2008	05/01/08	9,903,000	370,000	05/01/11		4.250%	9,573,000		340,000	9,233,000
			390,000	05/01/12		4.250%				
			410,000	05/01/13		4.250%				
			425,000	05/01/14		4.250%				
			440,000	05/01/15		4.250%				
			450,000	05/01/16		4.250%				
			470,000	05/01/17		4.250%				
			485,000	05/01/18		4.250%				
			505,000	05/01/19		4.250%				
			515,000	05/01/20		4.375%				
			535,000	05/01/21		4.375%				
			555,000	05/01/22		4.500%				
			570,000	05/01/23		4.500%				
		585,000	05/01/24		4.500%					
		600,000	05/01/25		4.500%					
		620,000	05/01/26		4.625%					
		650,000	05/01/27		4.625%					
		658,000	05/01/28		4.700%					
										-
							\$ 12,518,000	-	830,000	11,688,000

Ref. D D-19 D

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF ECIA FRANCHISE ACQUISITION LOANS**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	INCREASED	DECREASED	BALANCE DEC. 31, 2010
			DATE	AMOUNT					
Franchise Acquisition	10/01/01	2,180,000	10/01/11	\$ 100,000	5.750%	\$ 1,520,000	100,000	1,420,000	
			10/01/12	105,000	5.750%				
			10/01/13	110,000	6.000%				
			10/01/14	115,000	6.000%				
			10/01/15	120,000	6.000%				
			10/01/16	125,000	6.000%				
			10/01/17	135,000	6.750%				
			10/01/18	140,000	6.750%				
			10/01/19	150,000	6.750%				
			10/01/20	155,000	6.750%				
			10/01/21	165,000	6.750%				
						\$ 1,520,000	-	100,000	1,420,000

Ref.	D	D-19	D
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SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN BONDS**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING DECEMBER 31, 2010	INT. RATE	BALANCE DEC. 31, 2009	INCREASED	DECREASED	BALANCE DEC. 31, 2010
NJFIT 2005A Trust Loan	11/10/05	625,000	\$ 25,000	5.000%	\$ 555,000		25,000	530,000
			08/01/11					
			08/01/12					
			08/01/13					
			08/01/14					
			08/01/15					
			08/01/16					
			08/01/17					
			08/01/18					
			08/01/19					
			08/01/20					
			08/01/21					
			08/01/22					
			08/01/23					
			08/01/24					
		08/01/25						
NJFIT 2005A Fund Loan	11/10/05	621,500	7,629	0.000%	508,950		32,317	476,633
			08/01/11					
			08/01/11	23,875				
			02/01/12	7,223				
			08/01/12	23,469				
			02/01/13	6,817				
			08/01/13	26,312				
			02/01/14	6,330				
			08/01/14	25,825				
			02/01/05	5,842				
			08/01/15	25,337				
			02/01/16	5,452				
			08/01/16	24,947				
			02/01/17	5,063				
			08/01/17	27,807				
		02/01/18	4,608					
		08/01/18	27,352					
		02/01/19	4,124					
		08/01/19	26,868					
		02/01/20	3,641					
		08/01/20	29,634					
		02/01/21	3,056					
		08/01/21	29,049					

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**WATER UTILITY CAPITAL FUND  
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN BONDS**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2010	INT. RATE	BALANCE DEC. 31, 2009	INCREASED	DECREASED	BALANCE DEC. 31, 2010
NJ/EIT 2005A Fund Loan (continued)			02/01/22	\$ 2,488				
			08/01/22	28,481				
			02/01/23	1,919				
			08/01/23	31,161				
			02/01/24	1,279				
			08/01/24	30,522				
			02/01/25	640				
			08/01/25	29,882				
					\$ 1,063,950	-	57,317	1,006,633

Ref. D D-19 D

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	INCREASED DECREASED	BALANCE DEC. 31, 2010
				DECEMBER 31, 2010	AMOUNT				
Rio Grande II	02/28/07	824,726	02/28/11	\$ 4,823		4.125%	\$ 802,934	9,357	793,577
			08/28/11	4,923					
			02/28/12	5,024					
			08/28/12	5,127					
			02/28/13	5,233					
			08/28/13	5,340					
			02/28/14	5,450					
			08/24/14	5,562					
			02/28/15	5,677					
			08/28/15	5,793					
			02/28/16	5,912					
			08/28/16	6,034					
			02/28/17	6,158					
			08/28/17	6,285					
			02/28/18	6,414					
			08/28/18	6,546					
			02/28/19	6,681					
			08/28/19	6,818					
			02/28/20	6,958					
			08/28/20	7,101					
			02/28/21	7,247					
			08/28/21	7,397					
			02/28/22	7,549					
			08/28/22	7,704					
			02/28/23	7,862					
			08/28/23	8,024					
			02/28/24	8,189					
			08/28/24	8,358					
			02/28/25	8,530					
			08/28/25	8,705					
			02/28/26	8,884					
			08/28/26	9,067					
			02/28/27	9,253					
			08/28/27	9,444					

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	INCREASED DECREASED	BALANCE DEC. 31, 2010
			DATE	AMOUNT				
Rio Grande II (continued)			02/28/28	\$ 9,638				
			08/28/28	9,836				
			02/28/29	10,038				
			08/28/29	10,245				
			02/28/30	10,456				
			08/28/30	10,671				
			02/28/31	10,890				
			08/28/31	11,114				
			02/28/32	11,343				
			08/28/32	11,576				
			02/28/33	11,814				
			08/28/33	12,057				
			02/28/34	12,305				
			08/28/34	12,558				
			02/28/35	12,816				
			08/28/35	13,080				
			02/28/36	13,349				
			08/28/36	13,624				
			02/28/37	13,904				
			08/28/37	14,190				
			02/28/38	14,482				
			08/28/38	14,780				
			02/28/39	15,084				
			08/28/39	15,394				
			02/28/40	15,710				
			08/28/40	16,034				
		02/28/41	16,363					
		08/28/41	16,700					
		02/28/42	17,043					
		08/28/42	17,394					
		02/28/43	17,752					
		08/28/43	18,117					
		02/28/44	18,490					
		08/28/44	18,870					
		02/28/45	19,258					
		08/28/45	19,654					
		02/28/46	20,058					
		08/28/46	20,471					

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	INCREASED	DECREASED	BALANCE DEC. 31, 2010
			DATE	AMOUNT					
Rio Grande II (continued)			02/28/47	\$ 12,350					
						\$ 802,934	-	9,357	793,577

Ref. D D

D-19

D

SEE ACCOMPANYING AUDITOR'S REPORT

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION**

	Ref.		
Balance December 31, 2009	D		\$ 24,352,297
Increased by:			
Transfer from Deferred Reserve for Amortization	D-20	-	
Serial Bonds Payable	D-15	830,000	
ECIA Loan Payable	D-16	100,000	
NJEIT Trust Bonds Payable	D-17	57,317	
USDA Loan Payable	D-18	9,356	
		<hr/>	
			<hr/> 996,673 <hr/>
Balance December 31, 2010	D		<u>\$ 25,348,970</u>

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2009	Fixed Capital Authorized	To Reserve for Amortization	Canceled	Balance Dec. 31, 2010
623-04	Various Improvements	10/13/04	\$ 250,000				250,000
667-06	Various Improvements	4/4/06	500,000				500,000
688-07	Various Improvements	2/14/07	500,000				500,000
717-08	Various Improvements	2/13/08	500,000				500,000
763-09	Various Improvements	6/9/09	500,000				500,000
779-09	Reconstruction of Boardwalk	11/20/09	131,470				131,470
786-10	Various Improvements	3/24/10		500,000			500,000
			<u>\$ 2,381,470</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>2,881,470</u>
			D	D-14	D-19	D	D

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF UTILITY CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>		
Balance December 31, 2009	D		\$ 90,761
Increase by:			
2010 Budget Appropriation	D-4	<u>500,000</u>	
			<u>500,000</u>
			590,761
Decreased by:			
Appropriated to Finance Improvement Authorizations	D-14	<u>500,000</u>	
			500,000
Balance December 31, 2010	D		<u><u>\$ 90,761</u></u>

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE Dec. 31, 2009	2010 AUTHORIZATIONS	BAN's Issued	BALANCE Dec. 31, 2010
830-10	Various Improvements	\$	5,000,000		5,000,000
		-	5,000,000	-	5,000,000
				D-12	D

SEE ACCOMPANYING AUDITOR'S REPORT

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

Ref.	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2009	\$ 225,187	508,432
Increased By:		
E-3: E-7 Sewer Rent Collected	\$ 4,137,456	
E-3 Sewer Wildwood Crest	63,804	
E-3 Miscellaneous Revenue	74,399	
E-3 Interest on Investments	2,361	
E-3 Deficit (General Fund)	257,384	
E Due to Current Fund	74,713	
E-2 Premium in Note Sale		5,493
E-15 Bond Anticipation Note		1,136,000
	<u>4,610,117</u>	<u>1,141,493</u>
	4,835,304	1,649,925
Decreased By:		
E-4 Current Appropriations	4,535,923	
E-10 Appropriation Reserves	65,682	
E Accounts Payable	90	
E-14 Improvement Authorization		712,259
	<u>4,601,695</u>	<u>712,259</u>
Balance December 31, 2010	\$ <u>233,609</u>	<u>937,666</u>

SEE ACCOMPANYING AUDITORS' REPORT



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

	<u>Ref.</u>		
Balance December 31, 2009	E		\$ 86,697
Increased by:			
Utility Rents Levied	Res.	<u>4,157,593</u>	<u>4,157,593</u>
			4,244,290
Decreased by:			
Collections	E-5	4,137,456	
Overpayments	E-9	6,733	
Transferred to liens	E-8	-	
Adjustments	Res.	<u>66,951</u>	<u>4,211,140</u>
Balance December 31, 2010	E		<u><u>\$ 33,150</u></u>

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER UTILITY LIENS**

	<u>Ref.</u>	
Balance December 31, 2009	E	\$ -
No activity in 2010		
Balance December 31, 2010	E	<u>\$ -</u>

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF WATER AND SEWER RENT OVERPAYMENTS**

	<u>Ref.</u>		
Balance December 31, 2009	E		\$ 36,705
Increase by:			
Overpayments created	E-7		-
Decreased by:			
Overpayments applied	E-7	\$ <u>6,733</u>	6,733
			<hr/>
Balance December 31, 2010	E		<u>\$ 29,972</u>

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2009 APPROPRIATION RESERVES**

	BALANCE Dec. 31, 2009	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDED
Operating:					
Salaries and Wages	1,911	1,911	1,053	858	
Other Expenses	41,724	42,317	35,434	6,883	
Insurance	29,925	29,347	29,347	-	
Other Accounts No Change	285	270		270	
	<u>73,845</u>	<u>73,845</u>	<u>65,834</u>	<u>8,011</u>	<u>-</u>

Ref. E E E E-5 E-1 E

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS  
AND NOTES - ANALYSIS OF BALANCE -  
DECEMBER 31, 2010**

Balance December 31, 2009	<u>Ref.</u> E	\$ 45,071
Increased by:		
Accrued interest charged to 2010 budget appropriation - Interest on bonds	E-4	<u>236,273</u>
		281,344
Decreased by:		
Disbursements	E-4	<u>234,506</u>
Balance December 31, 2010	E	<u><u>\$ 46,838</u></u>

**ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2010**

only updated dates

<u>Description</u>	<u>Principal Outstanding Dec. 31, 2010</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u># of Days</u>	<u>Amount</u>
Bonds	155,000	Various	7/1/10	12/31/10	183	\$ 2,679
Bonds	999,000	Various	11/1/10	12/31/10	60	7,304
USDA Loans	268,967	4.125%	8/28/10	12/31/10	125	3,852
USDA Loans	1,380,799	4.225%	8/29/10	12/31/10	125	20,376
USDA Loans	1,418,170	4.500%	12/5/10	12/31/10	26	4,609
USDA Loans	1,728,289	2.681%	12/3/10	12/31/10	28	4,813
Notes	856,000	1.500%	10/30/10	12/31/10	62	994
Notes	1,136,000	2.250%	12/17/10	12/31/10	14	2,211
						<u><u>\$ 46,838</u></u>

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL**

ACCOUNT	BALANCE Dec. 31, 2009	ADDITIONS BY BUDGET CAPITAL OUTLAY	TRANSFERRED FROM UNCOMPLETED	BALANCE Dec. 31, 2010
Combined Improvements	\$ 5,763,548		4,686,462	10,450,010
	<u>\$ 5,763,548</u>	<u>-</u>	<u>4,686,462</u>	<u>10,450,010</u>
Ref.	E		E-13	E

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

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2009	2010 Authorizations		Costs to Fixed Capital	Canceled	Balance Dec. 31, 2010
					Deferred Reserve for Amortization	Deferred Charge to Future Taxation			
620-04	Continued Construction of Sewer Infrastructure Imp.	09/08/04	\$ 2,300,000	\$ 2,300,000			2,300,000		-
626-04	Various Improvements	01/18/05	128,000	128,000			127,980	20	-
634-05	Sewer System Improvements	04/13/05	560,000	560,000			546,635	13,365	-
665-06	Sewer System Improvements	02/22/06	132,000	132,000			132,000		-
690-07	Various Sewer System Imp.	03/28/07	1,733,900	-					-
703-07	Various Sewer System Imp.	12/12/07	932,420	932,420			922,718	9,702	-
704-07	Various Sewer System Imp.	07/11/07	2,342,000	2,342,000					2,342,000
726-08	Prem. Stormwater Assessment	03/26/08	28,000	28,000			26,787	1,213	-
738-08	Various Sewer System Imp.	06/28/08	415,000	415,000			390,351	24,649	-
745-08	Various Sewer System Imp.	08/13/08	250,500	250,500			239,991	10,509	-
772-09	Various Sewer System Imp.	09/09/09	206,000	206,000				26,813	179,187
776-09	Sewer Plant IIIB Project	12/22/09	1,908,000	1,908,000					1,908,000
				<u>\$ 9,201,920</u>	<u>-</u>	<u>-</u>	<u>4,686,462</u>	<u>86,271</u>	<u>4,429,187</u>
			E	E	E-19	E-21	E-12		E

See Accompanying Auditor's Report

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

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2009		2010 Authorizations Capital Improvement Fund / Other	Deferred Charge to Future Revenue	Expended	Encumbrances Canceled	Canceled	Balance Dec. 31, 2010	
				Funded	Unfunded						Funded	Unfunded
626-04	Various Improvements	01/18/05	128,000 \$	20						20	-	-
634-05	Sewer System Improvements	04/13/05	560,000	418	49					467	-	-
665-06	Sewer System Improvements	02/22/06	132,000	14,845			14,845				-	-
690-70	Various Sewer System Improvements	03/28/07	1,733,900	1						1	-	-
703-07	Various Sewer System Improvements b. Purchase Vehicles & Equipment	12/12/07	932,420	9,347						9,347	-	-
704-07	Various Sewer System Improvements	07/11/07	2,342,000		379,916			251,479			631,395	-
726-08	Preliminary Stormwater Assessment	03/26/08	28,000		1,247		34			1,213	-	-
738-08	Various Sewer System Improvements	06/28/08	415,000		24,936		288			24,648	-	-
745-08	Various Sewer System Improvements a. Inflow Infiltration Survey b. Sewer Evaluation Master Plan	08/13/08	250,500		6,910 3,647		180	133		6,730 3,780	-	-
772-09	Various Sewer System Improvements a. Boardwalk Replacement Project b. Repair of Sewer Mains	09/09/09	206,000		34,743 60,000		7,929 12,334			26,814	-	50,523
776-09	Sewer Phase IIIB Project	12/22/09	1,908,000	772,000	1,136,000		581,304				190,696	1,136,000
			\$ 799,488	1,647,448			616,914	251,612	73,020		822,091	1,186,523
			E				E-6		E-21		E	E

See Accompanying Auditor's Report

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Purpose	Date of Original Issue	Date of Issue	Date of Maturity	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
726-08 Premil Stormwater Assessment	11/6/2008	10/29/2010	10/28/2011	26,500	1.50% \$	26,500			26,500
745-08 Sewer System Improvements	11/6/2008	10/29/2010	10/28/2011	238,500	1.50%	238,500			238,500
738-08 Sewer System Improvements	10/30/2009	10/29/2010	10/28/2011	591,000	1.50%	395,000			395,000
772-09 Sewer System Improvements	10/30/2009	10/29/2010	10/28/2011	196,000	1.50%	196,000			196,000
776-09 Sewer Phase III B	12/17/2010	12/17/2010	7/15/2011	1,136,000	2.25%		1,136,000		1,136,000
704-07 Sewer System Improvements	12/3/2009	12/3/2009	6/30/2010	1,737,000	N/A	1,737,000		1,737,000	-
						\$ 2,593,000	1,136,000	1,737,000	1,992,000
						E	E-21		E

See Accompanying Auditor's Report

**SEWER UTILITY CAPITAL FUND  
STATEMENT OF SEWER SERIAL BONDS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	INCREASED DECREASED	BALANCE DEC. 31, 2010
			DATE	AMOUNT				
Sewer Bonds of 2003	01/01/03	1,170,000	01/01/11	\$ 155,000	3.250%	\$ 300,000	145,000	155,000
Sewer Bonds, Series 2008	05/01/08	1,079,000	05/01/11	40,000	4.250%	1,039,000	40,000	999,000
			05/01/12	45,000	4.250%			
			05/01/13	45,000	4.250%			
			05/01/14	45,000	4.250%			
			05/01/15	45,000	4.250%			
			05/01/16	50,000	4.250%			
			05/01/17	50,000	4.250%			
			05/01/18	50,000	4.250%			
			05/01/19	55,000	4.250%			
			05/01/20	55,000	4.375%			
			05/01/21	55,000	4.375%			
			05/01/22	60,000	4.500%			
			05/01/23	60,000	4.500%			
05/01/24	60,000	4.500%						
05/01/25	65,000	4.500%						
05/01/26	70,000	4.625%						
05/01/27	75,000	4.625%						
05/01/28	74,000	4.700%						
						\$ 1,339,000	-	1,154,000

Ref. E E-18 E

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	INCREASED DECREASED	BALANCE DEC. 31, 2010
				DECEMBER 31, 2010	AMOUNT				
Rio Grande II	02/28/07	279,524	02/28/11	\$	1,635	4.125%	\$ 272,138	3,172	268,966
			08/28/11		1,668				
			02/28/12		1,703				
			08/28/12		1,738				
			02/28/13		1,773				
			08/28/13		1,810				
			02/28/14		1,847				
			08/24/14		1,885				
			02/28/15		1,924				
			08/28/15		1,964				
			02/28/16		2,004				
			08/28/16		2,045				
			02/28/17		2,087				
			08/28/17		2,130				
			02/28/18		2,174				
			08/28/18		2,219				
			02/28/19		2,264				
			08/28/19		2,311				
			02/28/20		2,358				
			08/28/20		2,407				
			02/28/21		2,456				
			08/28/21		2,507				
			02/28/22		2,558				
			08/28/22		2,611				
			02/28/23		2,665				
			08/28/23		2,720				
			02/28/24		2,776				
			08/28/24		2,833				
			02/28/25		2,891				
			08/28/25		2,950				
			02/28/26		3,011				
			08/28/26		3,073				
			02/28/27		3,136				
			08/28/27		3,201				
			02/28/28		3,267				
			08/28/28		3,334				
			02/28/29		3,402				
			08/28/29		3,472				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	BALANCE DEC. 31, 2010
			DATE	AMOUNT			
Rio Grande II Continued			02/28/30	\$ 3,544	4.125%		
			08/28/30	3,617			
			02/28/31	3,691			
			08/28/31	3,767			
			02/28/32	3,844			
			08/28/32	3,923			
			02/28/33	4,004			
			08/28/33	4,086			
			02/28/34	4,171			
			08/28/34	4,256			
			02/28/35	4,344			
			08/28/35	4,433			
			02/28/36	4,524			
			08/28/36	4,617			
			02/28/37	4,712			
			08/28/37	4,809			
			02/28/38	4,908			
			08/28/38	5,009			
			02/28/39	5,112			
			08/28/39	5,217			
			02/28/40	5,325			
			08/28/40	5,434			
			02/28/41	5,546			
		08/28/41	5,660				
		02/28/42	5,777				
		08/28/42	5,895				
		02/28/43	6,017				
		08/28/43	6,140				
		02/28/44	6,267				
		08/28/44	6,396				
		02/28/45	6,527				
		08/28/45	6,661				
		02/28/46	6,798				
		08/28/46	6,938				
		02/28/47	4,186				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING DECEMBER 31, 2010	INT. RATE	BALANCE DEC. 31, 2009	INCREASED DECREASED	BALANCE DEC. 31, 2010
Miscellaneous Sewer I	02/28/07	1,435,000	\$ 8,393	4.250%	1,397,081	16,282	1,380,799
			02/28/11				
			08/28/11				
			02/28/12				
			08/28/12				
			02/28/13				
			08/28/13				
			02/28/14				
			08/24/14				
			02/28/15				
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			08/28/27				
			02/28/28				
			08/28/28				
			02/28/29				

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**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	BALANCE DEC. 31, 2010
			DATE	AMOUNT			
Miscellaneous Sewer I Continued			08/28/29	\$ 17,827	4.250%		
			02/28/30	18,194			
			08/28/30	18,568			
			02/28/31	18,950			
			08/28/31	19,340			
			02/28/32	19,737			
			08/28/32	20,143			
			02/28/33	20,558			
			08/28/33	20,981			
			02/28/34	21,412			
			08/28/34	21,853			
			02/28/35	22,302			
			08/28/35	22,761			
			02/28/36	23,229			
			08/28/36	23,707			
			02/28/37	24,194			
			08/28/37	24,692			
			02/28/38	25,200			
			08/28/38	25,718			
			02/28/39	26,247			
			08/28/39	26,787			
			02/28/40	27,338			
			08/28/40	27,900			
			02/28/41	28,474			
			08/28/41	29,060			
			02/28/42	29,657			
			08/28/42	30,267			
		02/28/43	30,890				
		08/28/43	31,525				
		02/28/44	32,174				
		08/28/44	32,836				
		02/28/45	33,511				
		08/28/45	34,200				
		02/28/46	34,904				
		08/28/46	35,622				
		02/28/47	21,380				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	INCREASED DECREASED	BALANCE DEC. 31, 2010
				DECEMBER 31, 2010	AMOUNT				
Park & Maple Wastewater	02/28/07	1,445,500	06/05/11	\$	7,221	4.500%	1,432,139	13,969	1,418,170
			12/05/11		7,384				
			06/05/12		7,550				
			12/05/12		7,720				
			06/05/13		7,893				
			12/05/13		8,071				
			06/05/14		8,252				
			12/05/14		8,438				
			06/05/15		8,628				
			12/05/15		8,822				
			06/05/16		9,021				
			12/05/16		9,224				
			06/05/17		9,431				
			12/05/17		9,643				
			06/05/18		9,860				
			12/05/18		10,082				
			06/05/19		10,309				
			12/05/19		10,541				
			06/05/20		10,778				
			12/05/20		11,021				
			06/05/21		11,269				
			12/05/21		11,522				
			06/05/22		11,782				
			12/05/22		12,047				
			06/05/23		12,318				
			12/05/23		12,595				
			06/05/24		12,878				
			12/05/24		13,168				
			06/05/25		13,464				
		12/05/25		13,767					
		06/05/26		14,077					
		12/05/26		14,394					
		06/05/27		14,718					
		12/05/27		15,049					
		06/05/28		15,387					
		12/05/28		15,733					
		06/05/29		16,087					
		12/05/29		16,449					

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	BALANCE DEC. 31, 2010
			DATE	AMOUNT			
Park & Maple Wastewater Continued			06/05/30	\$ 16,820	4.500%		
			12/05/30	17,198			
			06/05/31	17,585			
			12/05/31	17,981			
			06/05/32	18,385			
			12/05/32	18,799			
			06/05/33	19,222			
			12/05/33	19,654			
			06/05/34	20,097			
			12/05/34	20,549			
			06/05/35	21,011			
			12/05/35	21,484			
			06/05/36	21,967			
			12/05/36	22,461			
			06/05/37	22,966			
			12/05/37	23,484			
			06/05/38	24,012			
			12/05/38	24,552			
			06/05/39	25,105			
			12/05/39	25,669			
		06/05/40	26,247				
		12/05/40	26,838				
		06/05/41	27,441				
		12/05/41	28,059				
		06/05/42	28,690				
		12/05/42	29,336				
		06/05/43	29,996				
		12/05/43	30,670				
		06/05/44	31,361				
		12/05/44	32,066				
		06/05/45	32,788				
		12/05/45	33,526				
		06/05/46	34,280				
		12/05/46	35,051				
		06/05/47	35,840				
		12/05/47	36,646				
		06/05/48	37,471				
		12/05/48	36,269				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	INCREASED	DECREASED	BALANCE DEC. 31, 2010
			DATE	AMOUNT					
Various Sewer Improvements	06/03/10	1,737,000	06/03/11	8,891	4.125%	-	1,737,000	8,711	1,728,289
			12/03/11	9,074					
			06/03/12	9,262					
			12/03/12	9,453					
			06/03/13	9,648					
			12/03/13	9,847					
			06/03/14	10,050					
			12/03/14	10,257					
			06/03/15	10,468					
			12/03/15	10,684					
			06/03/16	10,905					
			12/03/16	11,130					
			06/03/17	11,359					
			12/03/17	11,593					
			06/03/18	11,833					
			12/03/18	12,077					
			06/03/19	12,326					
			12/03/19	12,580					
			06/03/20	12,839					
			12/03/20	13,104					
		06/03/21	13,374						
		12/03/21	13,650						
		06/03/22	13,932						
		12/03/22	14,219						
		06/03/23	14,512						
		12/03/23	14,812						
		06/03/24	15,117						
		12/03/24	15,429						
		06/03/25	15,747						
		12/03/25	16,072						
		06/03/26	16,404						
		12/03/26	16,742						
		06/03/27	17,087						
		12/03/27	17,440						
		06/03/28	17,799						
		12/03/28	18,166						

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE DATE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	INCREASED DECREASED	BALANCE DEC. 31, 2010
			DATE	AMOUNT				
			06/03/29	\$ 18,541	4.125%			
			12/03/29	18,924				
			06/03/30	19,314				
			12/03/30	19,712				
			06/03/31	20,119				
			12/03/31	20,534				
			06/03/32	20,957				
			12/03/32	21,389				
			06/03/33	21,831				
			12/03/33	22,281				
			06/03/34	22,740				
			12/03/34	23,209				
			06/03/35	23,688				
			12/03/35	24,177				
			06/03/36	24,675				
			12/03/36	25,184				
			06/03/37	25,704				
			12/03/37	26,234				
			06/03/38	26,775				
			12/03/38	27,327				
			06/03/39	27,891				
			12/03/39	28,466				
			06/03/40	29,053				
			12/03/40	29,652				
			06/03/41	30,264				
			12/03/41	30,888				
			06/03/42	31,525				
			12/03/42	32,175				
			06/03/43	32,839				
			12/03/43	33,516				
			06/03/44	34,208				
			12/03/44	34,913				
			06/03/45	35,633				
			12/03/45	36,368				
			06/03/46	37,118				
			12/03/46	37,884				
			06/03/47	38,665				
			12/03/47	39,463				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF USRDA LOANS PAYABLE**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INT. RATE	BALANCE DEC. 31, 2009	INCREASED	DECREASED	BALANCE DEC. 31, 2010
			DATE	AMOUNT					
			06/03/48	\$ 40,277	4.125%				
			12/03/48	41,107					
			06/03/49	41,955					
			12/03/49	42,820					
			06/03/50	40,410					
						\$ 3,101,358	1,737,000	42,134	4,796,224

Ref.

E

E-18

E

SEE ACCOMPANYING AUDITOR'S REPORT

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

	Ref.		
Balance December 31, 2009	E		\$ 4,137,714
Increased by:			
Transfer from Deferred Reserve for Amortizatic	E-19	1,248,796	
Serial Bonds Payable	E-16	185,000	
USDA Loan Payable	E-17	42,134	
		<hr/>	<hr/>
			1,475,930
Balance December 31, 2010	E		<u>\$ 5,613,644</u>

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

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2009	Fixed Capital Authorized	To Reserve for Amortization	Canceled	Balance Dec. 31, 2010
620-04	Sewer Infrastructure Improvements	09/08/04	\$ 700,000		700,000		-
634-05	Sewer System Improvements	04/13/05	264,296		251,398	12,898	-
703-07	Various Sewer System Improvements	12/12/07	273,600		263,898	9,702	-
704-07	Various Sewer System Improvements	07/11/07	605,000				605,000
726-08	Preliminary Stormwater Assessment	03/26/08	1,500		1,500		-
738-08	Various Sewer System Improvements	06/25/08	20,000		20,000		-
745-08	Various Sewer System Improvements	08/13/08	12,000		12,000		-
772-09	Various Improvements	09/09/09	9,900				9,900
776-09	Sewer Phase IIIB Project	12/22/09	772,000				772,000
			<u>\$ 2,658,296</u>	E-14	<u>1,248,796</u>	<u>22,600</u>	<u>1,386,900</u>
			E	E-14	E-18		E
	Grants		-				
	Capital Improvement Fund		-				

SEE ACCOMPANYING AUDITOR'S REPORT

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

	<u>Ref.</u>		
Balance December 31, 2009	E		\$ 60,507
Increase by:			
2010 Budget Appropriation	E-4	_____ -	
			_____ -
			60,507
Decreased by:			
Appropriated to Finance Improvement Authorizations	E-14	_____ -	
			_____ -
Balance December 31, 2010	E		<u><u>\$ 60,507</u></u>

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE Dec. 31, 2009	2010 AUTHORIZATIONS	BAN's Issued	Cancelled	BALANCE Dec. 31, 2010
634-05	Sewer System Improvements	\$ 49			49	-
772-09	Sewer System Improvements	100				100
776-09	Sewer Phase III B	1,136,000		1,136,000		-
		<u>\$ 1,136,149</u>	<u>-</u>	<u>1,136,000</u>	<u>49</u>	<u>100</u>

E

E-14

E-15

E

SEE ACCOMPANYING AUDITOR'S REPORT

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**CITY OF WILDWOOD**

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2010**

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## **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 or 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 is 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 \$29,000 except by contract or agreement."

The governing body of the City has the responsibility of determining whether the expenditures in any category will exceed \$29,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Commission's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal payments in excess of \$29,000 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

- Parking Meters
- Boardwalk Materials
- Computer Hardware
- Road Salt
- Water System Repairs
- Road Construction
- Beach Tractor
- Wheel Loader

### **Contracts and Agreements Requiring Solicitation of Quotations**

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is \$4,350 or more."

Our examination of expenditures did reveal purchases made in excess of \$4,350 without obtaining quotes as required by statute.

## **Collection of Interest on Delinquent Taxes and Assessments**

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 would become delinquent.

The governing body, on April 1, 1980, adopted the following resolution authorizing interest to be charged on delinquent taxes:

“NOW, THEREFORE, BE IT RESOLVED, effective July 1, 1980 all taxes and assessments which are delinquent on or subsequent to July 1, 1980 shall bear interest at the rate of 8 percent per annum on the first \$1,500 of delinquency and 18 percent per annum on any amount in excess of \$1,500.”

It appears from an examination of the collector’s records that interest on delinquent taxes was collected in accordance with the foregoing resolution. However, this resolution should be adopted each year.

## **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 15, 2010 and was complete, except for several bankruptcies from prior years not sold.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2010	12
2009	14
2008	8
2007	0
2006	2

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

## Verification of Delinquent Taxes and Other Charges

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

<u>Type:</u>	<u>Number Mailed</u>
Payment of 2011 and 2010 Taxes	15
Payment of 2011 and 2010 Water Utility Bills	15
Payment of 2011 and 2010 Sewer Utility Bills	15
Delinquent Taxes	2
Municipal Court	10

As of the date of this audit report, all verifications have not been returned. No problems were noted with the verifications that have been returned related to property taxes, utilities or municipal court.

### Deposit of Municipal Funds

N.J.S. 40A:5-15 states, "All municipal funds shall be deposited within 48 hours upon receipt."

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

### 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>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2010	32,910,150	32,586,645	99.02%
2009	34,041,233	33,756,895	99.16%
2008	30,921,680	30,700,041	99.28%
2007	29,519,059	29,405,577	99.62%
2006	27,770,493	27,711,261	99.79%

### Comparative Schedule of Tax Rate Information

	2010	2009	2008	2007	2006
Tax Rate	1.834	1.828	1.657	1.550	1.510
Apportionment of Tax Rate:					
Municipal	1.089	1.110	0.928	0.831	0.812
County	0.219	0.208	0.216	0.216	0.205
School	0.526	0.510	0.513	0.503	0.493
Assessed Valuation	1,778,832,252	1,838,006,789	1,838,284,332	1,861,748,849	1,765,349,691

### Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	88,103	60,993	149,096	0.45%
2009	66,789	54,211	121,000	0.36%
2008	16,202	33,641	49,843	0.16%
2007	-	6,960	6,960	0.02%
2006	24,016	68	24,084	0.09%

**Other Financial Statement Findings**

NONE

## **STATUS OF PRIOR RECOMMENDATIONS**

### Finding 09-9

Quotes and bids were not obtained on all purchases that exceeded the state limit.

This finding was not cleared until July 2010. Subsequent to July 2010 corrective action has been taken to correct the finding.

### Finding 09-10

The City approved contracts without following the pay-to-play requirements.

This finding was not cleared in 2010.

The purchasing department has been moved to the supervision of the finance office to ensure compliance with all applicable state laws.

### Finding 09-11

No complete listing of foreclosed properties was available that could be reconciled to the audit balance.

This finding was cleared in 2010.

### Finding 09-12

The funds received from third parties are being deposited directly into the Current Fund account.

This finding was cleared in 2010.

### Finding 09-13

The City does not use the State Health Benefit Program for the vision and dental benefits provided, and no actuarial report was received.

This finding was cleared in 2010.

### Finding 09-14

Many different departments throughout the City collect funds, and not all were deposited within the required forty eight hours.

This finding was cleared in 2010.

### Finding 09-15

The City was unable to provide copies of the PILOT agreements in effect during 2009 for examination.

This finding was cleared in 2010.

Finding 09-16

The purchasing department utilized State Contracts for purchases, however no resolution approving the contract was available for examination.

This finding was cleared in 2010.

Finding 09-17

State Purchasing Laws were not followed for certain purchases, with the explanation that there was an emergency situation. However, no emergency was certified through an approved resolution.

This finding was cleared in 2010.

## RECOMMENDATIONS

NONE

Should any questions arise, please do not hesitate to call me.

Very truly yours,

*Robert E. Swartz, CPA*

Robert E. Swartz  
Registered Municipal Accountant  
No. 319

*Swartz & Co., LLC*  
Swartz & Co., LLC  
Certified Public Accountants

June 30, 2011