CITY OF WILDWOOD

CAPE MAY COUNTY

NEW JERSEY

AUDIT REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2012

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, 2012

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Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 in accordance with the basis of financial reporting prescribed by the

Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2013 on our consideration of the City of Wildwood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal

control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wildwood's internal control over financial reporting and compliance.

Robert E. Swartz

Robert E. Swartz, CPA, RMA #319

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC

May 30, 2013

EXHIBIT A - CURRENT FUND

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

	Ref.		2012	2011
Assets				
Regular Fund:				
Cash:				
Treasurer	A-4	$	3,243,177	4,714,492
Collector	A-5		14,878	8,848
Change Fund			825	825
Due from the State of New Jersey:				
Veterans' and Senior Citizens' Deductions			2,190	2,531
			3,261,070	4,726,696
Receivables and Other Assets with Full Reserves:				
Delinquent Property Taxes Receivable	A-6		5,438	53,807
Tax Title Liens Receivable	A-7		82,744	139,495
Property Acquired / Assessed Valuation			620,100	620,100
Revenue Accounts Receivable	A-8		23,337	22,251
NJSEA Mortgage Receivable			2,449,314	2,449,314
NJSEA Payment in Lieu of Tax Receivable			90,000	60,000
			3,270,933	3,344,967
Deferred Charges				
Special Emergency Authorizations			795,800	514,400
Emergency Authorizations			-	2,159,800
			795,800	2,674,200
			7,327,803	10,745,863
Federal and State Grant Fund:				
Cash	A-4		64,087	1,131,931
Federal and State Grants Receivable	A-11		767,985	541,528
			832,072	1,673,459
		$	8,159,875	12,419,322

See Accompanying Notes to Financial Statements

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

	Ref.		2012	2011
Liabilities, Reserves and Fund Balance				
Regular Fund:				
Appropriation Reserves	A-3	$	266,089	1,178,804
Encumbrances & Accounts Payable	A-3:A-9		753,569	382,154
Refunds Payable			1,728	3,516
Prepaid Taxes			540,994	705,171
Tax Overpayments			2,801	10,170
Prepaid Rental Fees			43,913	-
Due to Sewer Utility Operating Fund			-	117,453
Special Emergency Notes Payable			380,000	360,000
Emergency Notes Payable			-	1,958,000
Due County for Added and Omitted Taxes			7,161	4,884
Reserve for:				
Tax Map			8,233	-
Accumulated Absence Liabilities			-	136,699
GWTD Authority Fee			8,871	2,275
Reassessment			201,661	-
Tax Appeals			62,156	62,156
Codification of Ordinance			24,872	32,413
Master Plan			1,960	12,438
Auctioneer/Auction Sale			114	10
Human Services			533	708
1.85% Room Tax			-	200,647
Street Opening Permits			-	7,331
Performance Deposit			230,650	365,770
			2,535,305	5,540,599
Reserves for Receivables	A		3,270,933	3,344,967
Fund Balance	A-1		1,521,565	1,860,297
			7,327,803	10,745,863
Federal and State Grant Fund:				
Reserve for Encumbrances			15,589	18,745
Reserve for State Grants:				
Unappropriated Reserves	A-13		30,393	1,030,258
Appropriated Reserves	A-12		786,090	624,456
			832,072	1,673,459
		$	8,159,875	12,419,322

See Accompanying Notes to Financial Statements

Exhibit A-1
Sheet 1

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

	Ref.		2012	2011
Revenue and Other Income Realized:				
Fund Balance Utilized	A-2	$	360,000	1,070,000
Miscellaneous Revenues Anticipated	A-2		8,321,973	5,364,591
Receipts from Delinquent Taxes	A-2		220,715	66,717
Receipts from Current Taxes	A-2		30,585,657	29,901,948
Nonbudget Revenues	A-2		411,634	385,254
Other Credits to Income:				
Unexpended Balance of Appropriation Reserves	A-9		60,943	339,758
Statutory Excess-Animal Control Fund			384	267
Accounts Payable Cancelled			8,051	4,014
Interfunds Returned			-	251,564
			39,969,357	37,384,113
Expenditures:				
Budget and Emergency Appropriations:				
Appropriations Within "CAPS" Operations:				
Salaries and Wages	A-3		8,648,544	9,637,586
Other Expenses	A-3		8,768,977	8,571,735
Deferred Charges and Statutory Expenditures	A-3		3,732,665	2,436,497
Appropriations Excluded from "CAPS" Operations:				
Salaries and Wages	A-3		94,500	111,612
Other Expenses	A-3		190,407	233,528
Capital Improvements	A-3		452,000	100,000
Debt Service	A-3		3,383,697	3,367,255
Deferred Charges	A-3		785,056	48,400
Deficit in Utility Operations	A-3		155,774	187,000
County Taxes Payable	A-6		3,698,684	3,323,437
County Share of Added and Omitted Taxes	A-6		7,161	4,884
Local District School Tax	A-10		9,587,624	9,360,222
Special District Tax	A-6		442,500	315,500
Cancellation of Grant Receivables			-	46,881
Prior Year Revenue Refunded			500	79,698
			39,948,089	37,824,235

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,

	Ref.		2012	2011
Excess/(Deficit) in Revenues			21,268	(440,122)
Adjustments to Income Before Fund Balance - Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year			-	2,159,800
Statutory Excess to Fund Balance			21,268	1,719,678
Fund Balance January 1	A		1,860,297	1,210,619
Total			1,881,565	2,930,297
Decreased by:				
Utilization as Anticipated Revenue	A-2		360,000	1,070,000
Fund Balance December 31	A	$	1,521,565	1,860,297

See Accompanying Notes to Financial Statements

Exhibit A-2
Sheet 1

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	$ 360,000		360,000	-
		360,000	-	360,000	-
Miscellaneous Revenues:					
Licenses-Alcoholic Beverages	A-8	69,700		76,211	6,511
Licenses-Other	A-8	362,500		392,650	30,150
Fees and Permits	A-8	364,600		432,502	67,902
Municipal Court	A-8	474,500		524,060	49,560
Interest and Costs on Taxes	A-8	133,000		124,755	(8,245)
Parking Meters	A-8	665,000		628,606	(36,394)
Interest on Investments	A-8	38,000		33,636	(4,364)
Public Property Rental	A-8	344,500		352,620	8,120
TV Cable Franchise Fee	A-8	40,100		40,164	64
In Lieu of Taxes	A-8	93,000		104,574	11,574
Ambulance Rescue Squad	A-8	290,800		407,461	116,661
Fees - Tram Car	A-8	90,000		90,000	-
GWTDA Administrative Reimbursement	A-8	30,000		30,000	-
Energy Receipts Tax (P.L. 1997, Ch 162&167)	A-8	1,005,571		1,005,571	-
Uniform Fire Safety Act	A-8	50,800		49,469	(1,331)
Indirect Cost Allocation from Water Utility	A-8	401,175		451,175	50,000
Wildwood Water Utility - Rio Grande Avenue	A-8	10,862		10,862	-
Proceeds from sale of municipal assets	A-8	225,000		225,000	-
Reserve for Payment of Bonds	A-8	27,451		27,451	-
1.85% Room Tax	A-8	426,100		463,063	36,963
Cape May County MUA- Recycling Rebate	A-8	100,086		100,086	-
Water Utility Fund Balance	A-8	200,000		200,000	-
Lease of Municipal property		1,600,000		-	(1,600,000)
UEZ Reserves	A-8	978,000		978,258	258
Sale of Bankruptcy Lien	A-8	120,000		120,293	293
Photography Concession	A-8	28,000		28,111	111
Cancellation of 2011 Appropriation Reserve	A-9	610,500		610,500	-
Prior Year Interlocal	A-8	50,000		50,390	390
Lease of Wharfage	A-8	13,000		13,000	-
Concessionaire Agreeement	A-8	176,021		13,000	(163,021)
Kenny Chesney Event Reimbursement	A-8	18,000		18,308	308
Interlocal Agreements					
Cops in School-WBOE	A-8	60,000		60,000	-

See Accompanying Notes to Financial Statements

Exhibit A-2
Sheet 2

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:					
Clean Communities	A-11	21,979		21,979	-
Alcohol Education and Rehabilitiation Fund	A-11	1,241		1,241	-
GWTIDA - Municipal Event Support	A-11		100,000	100,000	-
Safe and Secure Community Program	A-11	90,000		90,000	-
UEZ Authority- Purchase of PortableEntertainment Stage	A-11	52,000		52,000	-
Recycling Tonnage	A-11	5,477		5,477	-
COPS in Shops	A-11		4,500	4,500	-
NJDOT-Reconstruction of Park BLVD -Phase II	A-11	205,000		205,000	-
NJDOT-Reconstruction of Park BLVD -Phase III	A-11	180,000		180,000	-
Total Miscellaneous	A-2	9,651,963	104,500	8,321,973	(1,434,490)
Receipts from Delinquent Taxes	A-2	85,000		220,715	135,715
Subtotal General Revenues		10,096,963	104,500	8,902,688	(1,298,775)
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	A-2	17,094,077		17,143,004	48,927
Budget Totals		27,191,040	104,500	26,045,692	(1,249,848)
Nonbudget Revenues	A-1:A-2			411,634	411,634
		$ 27,191,040	104,500	26,457,326	(838,214)
	Ref.	A-3	A-3		

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

Analysis of Realized Revenue:	Ref.		
Allocation of Current Tax Collections:			
Revenue from Collections	A-1:A-6	$	30,585,657
Allocated to:			
School, County and Other Taxes	A-6		13,735,969
Balance for Support of Municipal Budget Revenues			16,849,688
Add:			
Appropriation: "Reserve for Uncollected Taxes"	A-3		293,316
Amount for Support of Municipal Budget Appropriations	A-2		17,143,004
Receipts from Delinquent Taxes:			
Delinquent Tax Collections	A-6		58,817
Tax Title Lien Collections	A-7		161,898
	A-2	$	220,715

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
(CONTINUED)

Analysis of Realized Revenue: (Continued)	Ref.		
Miscellaneous Revenue Not Anticipated:			
Shopping Carts		$ 1,304	
Copy Machine		161	
Gasoline Service		44,840	
Insurance Claim		1,508	
Off Duty Police Administration		11,495	
Police MRNA		8,757	
Senior Citizen Administration		1,072	
Miscellaneous		238,396	
Restitution		3,816	
Lot Cleaning		17,847	
Off Duty Fire		9,800	
Health Insurance Reimbursement		16,471	
Cancelled 2011 Sewer utility Appropr. Reserves		25,185	
FEMA Reimbursement		1,562	
Recycling Fees		10,816	
Auction Proceeds		18,372	
Homestead Rebate Administrative Fee		232	
	A-2:A-8		$ 411,634
			A-4

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS

	APPROPRIATIONS		EXPENDITURES			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	UNEXPENDED BALANCE CANCELED
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Commissioner of Public Affairs and Public Safety						
Salaries and Wages	$ 28,100	28,068	28,028			40
Other Expenses	3,600	3,600	2,808			792
Prosecutor						
Salaries and Wages	18,500	18,500	18,500			
Department of Law - Director's Office						
Other Expenses	335,000	335,000	283,043	51,957		
Police						
Salaries and Wages	3,273,100	3,295,407	3,167,238	16,537		111,632
Seasonal Salaries and Wages	347,400	317,705	315,034			2,671
Other Expenses	97,000	101,857	101,854	3		
Purchase of Vehicles	31,000	33,317				33,317
Lifeguards						
Salaries and Wages	375,000	364,996	364,996			
Other Expenses	15,700	15,766	15,766			
Office of Emergency Management						
Salaries and Wages	1,300	6,045	1,299	4,746		
Other Expenses	5,000	1,955	1,955			
Traffic Marking						
Salaries and Wages	147,700	146,500	146,489			11
Other Expenses	67,691	67,691	67,510			181
Municipal Fire Fighting						
Salaries and Wages	1,574,500	1,605,800	1,538,628	4,500		62,672
Other Expenses	60,000	91,023	90,160	863		
Volunteer Fire Fighting						
Other Expenses	9,500	7,800	7,800			
Parking						
Salaries and Wages	19,000	15,928	15,928			
Other Expenses	12,000	12,000	10,950			1,050

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)

	APPROPRIATIONS		EXPENDITURES			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	UNEXPENDED BALANCE CANCELED
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
State Fire Prevention Code						
Salaries and Wages	181,300	182,517	178,716			3,801
Other Expenses	7,700	1,013	1,013			
Animal Control						
Other Expenses	34,000	34,000	33,931			69
Property Inspectors						
Salaries and Wages	54,400	55,487	55,472			15
Other Expenses	38,000	29,643	29,643			
Municipal Court						
Salaries and Wages	306,600	300,485	300,108	5		372
Other Expenses	20,600	23,700	23,073	627		
Public Defender						
Salaries and Wages	7,000	6,942	6,942			
DEPARTMENT OF REVENUE AND FINANCE:						
Commissioner of Revenue and Finance						
Salaries and Wages	28,600	28,524	28,524			
Other Expenses	3,600	3,600	2,607			993
Municipal Administrator						
Salaries and Wages	10,000	-				
Other Expenses	30,000	30,000	29,059			941

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)

	APPROPRIATIONS		EXPENDITURES			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	UNEXPENDED BALANCE CANCELED
OPERATIONS WITHIN "CAPS"						
Collection of Taxes						
Other Expenses	1,500	1,500				1,500
City Clerk						
Salaries and Wages	201,000	200,471	200,471			
Other Expenses	20,500	25,500	21,564	1,501		2,435
Elections						
Other Expenses	11,000	11,000	1,726			9,274
Accounts and Control						
Salaries and Wages	216,800	213,900	213,876			24
Other Expenses	32,000	32,000	29,282	2,718		
Audit Service						
Other Expenses	59,850	59,850	59,850			
Liquidation of Tax Liens						
Other Expenses	1	1				1
Tax Assessment						
Salaries and Wages	117,400	117,400	117,304			96
Other Expenses	194,500	194,500	148,961	6,039		39,500
Revenue Collection						
Salaries and Wages	98,100	92,120	91,311	1		808
Other Expenses	14,500	13,780	10,913			2,867
Purchasing						
Salaries and Wages	89,000	88,835	88,718			117
Other Expenses	17,400	17,400	17,399			1
Redevelopment Agency						
Salaries and Wages	11,000	10,170	10,170			
Other Expenses	47,000	41,500	41,500			
Economic Development						
Other Expenses	119,800	128,000	128,000			
Insurance						
General Liability	285,000	285,000	248,955			36,045
Worker's Compensation Insurance	940,500	940,500	936,024			4,476
Employee Group Health	3,242,500	3,234,300	3,114,163	5,000		115,137
Surety Bonds	50	50	50			

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)

	APPROPRIATIONS		EXPENDITURES			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	UNEXPENDED BALANCE CANCELED
OPERATIONS WITHIN "CAPS"						
Human Resources						
Salaries and Wages	130,600	151,800	151,145	33		622
Other Expenses	35,800	35,800	21,109	4,691		10,000
Relocation Assistance						
Other Expenses	20,000	-				
DEPARTMENT OF PUBLIC WORKS, PARKS & PROPERTY:						
Commissioner of Public Works						
Salaries and Wages	30,400	30,400	30,302			98
Other Expenses	3,600	3,600	3,349			251
Director						
Salaries and Wages	152,000	149,200	146,827	38		2,335
Other Expenses	77,000	50,356	20,804	14,552		15,000
Engineering Fees						
Other Expenses	95,000	74,100	74,100			
Building Maintenance						
Salaries and Wages	135,100	140,100	138,080	23		1,997
Other Expenses	181,300	121,300	84,264	25,036		12,000
Boardwalk and Facility Construction						
Salaries and Wages	174,600	169,875	164,151			5,724
Other Expenses	20,000	20,000	18,271	1,729		
Special Events						
Other Expenses	60,000	60,000	50,730			9,270
Recreation						
Salaries and Wages	264,500	262,500	256,884	16		5,600
Other Expenses	36,850	36,850	34,376	2,474		
Street Maintenance						
Salaries and Wages	404,200	395,000	388,837	15		6,148
Other Expenses	61,000	58,000	21,798	10,202		26,000
Snow Removal						
Other Expenses	1	3,001		3,000		1

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)

	APPROPRIATIONS		EXPENDITURES			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	UNEXPENDED BALANCE CANCELED
OPERATIONS WITHIN "CAPS"						
Environmental Maintenance						
Salaries and Wages	652,100	649,234	647,915	50		1,269
Other Expenses	34,700	34,700	4,198	6,502		24,000
Fleet Maintenance						
Salaries and Wages	94,700	89,700	84,699			5,001
Other Expenses	120,400	157,044	120,181	36,863		
Sanitation/Trash						
Salaries and Wages		-				
Other Expenses	530,200	530,200	515,151	8,049		7,000
Landfill Tipping Fees						
Other Expenses	370,000	420,000	370,000	18,800		31,200
Urban Enterprize Zone						
Salaries and Wages	123,300	95,200	95,190			10
Other Expenses	9,350	17,450	5,880			11,570
Land Use Administration						
Salaries and Wages	148,500	148,500	145,015			3,485
Other Expenses	65,000	32,933	26,872			6,061
UNIFORM CONSTRUCTION CODE:						
State Uniform Construction Code						
Other Expenses	42,000	82,900	62,850			20,050
UNCLASSIFIED:						
Gasoline	270,000	293,700	287,987			5,713
Water Service	120,000	120,000	120,000			
Street Lighting	305,000	322,000	300,294	17,706		4,000
Electricity	170,000	194,315	185,032	8,919		364
Natural Gas	80,000	56,200	50,398	5,802		
Telephone	96,000	91,000	83,911	7,089		
Sewer Service	55,000	51,184	51,184			
Postage	50,000	45,800	42,340			3,460

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)

	APPROPRIATIONS		EXPENDITURES			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	UNEXPENDED BALANCE CANCELED
OPERATIONS WITHIN "CAPS"						
Terminal Leave - Salaries and Wages	35,000	35,000				35,000
Total Operations Within "CAPS"	18,115,493	18,101,588	17,151,435	266,086	-	684,067
Contingent		-				
Total Operations Incl. Contingent Within "CAPS"	18,115,493	18,101,588	17,151,435	266,086	-	684,067
Detail:						
Salaries and Wages	9,450,800	8,888,997	8,622,596	25,948	-	240,453
Other Expenses	8,664,693	9,212,591	8,528,839	240,138	-	443,614
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
Deferred Charges						
Emergency Authorizations	1,508,344	1,508,344	1,508,344			
Pro Video- OE 2009	575	575	575			-
Pro Video- OE 2010	925	925	925			-
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	629,400	629,400	629,379			21
Social Security System (O.A.S.I.)	433,000	451,739	447,543			4,196
Police and Fire Retirement System	1,139,200	1,116,500	1,107,515			8,985
Unemployment Comp Ins.	37,700	37,700	36,098			1,602
Defined Contribution Retirement Plan	3,000	3,000	2,286			714
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	3,752,144	3,748,183	3,732,665	-	-	15,518
Deficit in Sewer Utility Operations	195,723	195,723	155,774	3		39,946

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)

	APPROPRIATIONS		EXPENDITURES			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	UNEXPENDED BALANCE CANCELED
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	22,063,360	22,045,494	21,039,874	266,089	-	739,531
OPERATIONS EXCLUDED FROM "CAPS":						
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Interlocal Service Agreement - Cops in Schools WBOE	60,000	60,000	60,000			
Clean Communities Program	21,979	21,979	21,979			
Safe and Secure Communities Program	90,000	90,000	90,000			
Recycling Tonnage	5,477	5,477	5,477			
Matching Funds for Grants	1	1				1
GTWIDA Municipal Event Support		100,000	100,000			
COPS in Shops		4,500	4,500			
Municipal Alliance Program						
Local Share	1,710	1,710	1,710			
Alcohol, Education, Rehabilitation & Enf. Grant	1,241	1,241	1,241			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	180,408	284,908	284,907	-	-	1
Detail:						
Salaries and Wages	90,000	94,500	94,500	-	-	-
Other Expenses	90,408	190,408	190,407	-		

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)

	APPROPRIATIONS		EXPENDITURES			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	UNEXPENDED BALANCE CANCELED
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":						
Capital Improvement Fund	51,000	66,000	15,000			51,000
NJ DOT Trust Fund Authority Act						
Reconstruction of Park Boulevard Phase II	205,000	205,000	205,000			
Reconstruction of Park Boulevard Phase III	180,000	180,000	180,000			
Urban Enterprise Zone Assistance Fund Grant						
Purchase of Portable Entertainment Stage	52,000	52,000	52,000			
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	488,000	503,000	452,000	-	-	51,000
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":						
Payment of Bond Principal	2,095,000	2,095,000	2,095,000			
Payment of Bond Anticipation Notes and Capital Notes	395,000	395,000	395,000			
Interest on Bonds	650,100	650,100	650,097			3
Interest on Notes	156,500	159,366	159,366			
Green Trust Loan Payment						
Loan Repayments for Principal and Interest	63,900	63,900	63,896			4
USDA/Rural Development Program						
Loan Repayments for Principal and Interest	20,400	20,400	20,338			62
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	3,380,900	3,383,766	3,383,697	-	-	69

See Accompanying Notes to Financial Statements

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
(CONTINUED)

	APPROPRIATIONS		EXPENDITURES			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	OVER EXPENDED	UNEXPENDED BALANCE CANCELED
DEFERRED CHARGES EXCLUDED FROM "CAPS"						
Emergency Authorizations	651,456	651,456	651,456			
Special Emergency Authorization - 5 Years	133,600	133,600	133,600	-		
TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"	785,056	785,056	785,056	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	4,834,364	4,956,730	4,905,660	-	-	51,070
SUBTOTAL GENERAL APPROPRIATIONS	26,897,724	27,002,224	25,945,534	266,089	-	790,601
RESERVE FOR UNCOLLECTED TAXES	293,316	293,316	293,316			
TOTAL GENERAL APPROPRIATIONS	$ 27,191,040	27,295,540	26,238,850	266,089	-	790,601
	A-2			A	A	

	Ref.	
Budget	A-2	27,191,040
N.J.S.A. 40A: 4-87 Emergency Appropriation	A-2	104,500
		27,295,540

	Ref.	PAID OR CHARGED
Deferred Charges		$ 785,056
Encumbrances Payable	A	748,097
Federal and State Grants	A-12	224,907
Reserve for Uncollected Taxes	A-3	293,316
Reimbursed	A-4	(331,048)
Disbursed	A-4	24,518,522
		$ 26,238,850

See Accompanying Notes to Financial Statements

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EXHIBIT B - TRUST FUNDS

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Exhibit B

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

Assets	Ref.	2012	2011
Animal Control Fund			
Cash	B-1	$ 511	576
		511	576
Other Funds:			
Cash	B-1	1,979,310	2,318,127
Change Fund		200	200
Due from Employees - Payroll		-	243
		1,979,510	2,318,570
		1,980,021	2,319,146
Liabilities, Reserves, and Fund Balance			
Dog License Fund:			
Due to State of NJ		1	-
Reserve for Dog Fund	B-2	510	576
		511	576
Other Funds:			
Deposits for Redemption of Tax Sale Certificates		84,898	187,172
Due to State - Surcharge Fees		1,522	1,278
Premiums Received at Tax Sale		435,000	430,500
Reserves:			
Payroll	B-5	122,139	115,973
Police Forfeiture	B-5	89,431	86,585
Recreation Expenditures	B-5	16,394	24,080
Special Events	B-5	3,184	52,684
Historical Society	B-5	50	50
DEDR	B-5	150	150
Lifeguard Pension	B-5	533,158	531,307
Developers Escrow	B-5	113,992	210,198
Parking Offense Adjudication Act	B-5	16,326	14,480
Fire Penalty - Compensation	B-5	77,230	69,095
Fire Penalty - Dedicated	B-5	47,128	70,777
Memorial Benches	B-5	33,634	25,234
Snow Removal	B-5	7,130	23,988
UCC Fees	B-5	12,362	19,437
Accumulated Absences	B-5	103,692	109,779
Self Insurance	B-5	112,337	162,513
Tourism Development Commission	B-5	59,904	73,917
Revolving Loan Fund	B-5	109,849	109,373
		1,979,510	2,318,570
		$ 1,980,021	2,319,146

See Accompanying Notes to Financial Statements

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EXHIBIT C - GENERAL CAPITAL FUND

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Exhibit C

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

	Ref.		2012	2011
Assets				
Cash	C-2	$	634,767	2,404,307
Grants Receivable	C-3		1,625,000	1,186,000
Deferred Charges to Future Taxation:				
Funded	C-4		20,261,389	19,041,018
Unfunded	C-5		1,213,650	5,315,650
			23,734,806	27,946,975
Liabilities, Reserves and Fund Balance				
Improvement Authorizations:				
Funded	C-6		1,319,736	1,166,720
Unfunded	C-6		830,650	2,284,752
Bond Anticipation Notes	C-7		-	3,282,500
General Serial Bonds Payable	C-8		19,433,000	18,154,000
USRDA Loans Payable	C-9		341,168	346,446
Green Trust Loan Payable	C-10		487,221	540,572
Tax Appeal Refunding Notes	C-11		383,000	778,000
Contracts Payable			762,722	252,083
Capital Improvement Fund	C-12		5,459	50,905
Reserve for Payment of Bonds			86,041	76,859
Reserve for Payment of Notes			32,621	997,135
Fund Balance	C-1		53,188	17,003
		$	23,734,806	27,946,975

There were Bonds and Notes Authorized But Not Issued at December 31, 2012 and 2011 of $830,650 and $1,255,150 respectively (C-13)

See Accompanying Notes to Financial Statements

Exhibit C-1

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.		12/31/2012	12/31/2011
Balance at the beginning of the year	C	$	17,003	235,507
Increased by:				
Premium on Bond/Note Sale			48,951	33,425
Funded Improvement Authorizations Cancelled	C-6		4,234	771
			53,185	34,196
Decreased by:				
Appropriated in Current Fund Budget	A-2			252,700
Appropriated to Finance Improvement Auth.	C-6		17,000	
			17,000	252,700
Balance at the end of the year	C	$	53,188	17,003

See Accompanying Notes to Financial Statements

EXHIBIT D - WATER UTILITY

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

	Ref.		2012	2011
ASSETS				
Operating Fund:				
Cash	D-5	$	2,646,233	2,051,053
Change Fund			200	100
			2,646,433	2,051,153
Receivables and Other Assets with Full Reserves:				
Consumer Accounts Receivable	D-7		175,874	250,227
Inventory			255,548	232,692
			431,422	482,919
Total of Operating Fund			3,077,855	2,534,072
Capital Fund:				
Cash and Investment	D-6		2,122,308	2,517,140
Fixed Capital:				
Completed	D-12		35,387,025	34,887,025
Authorized and Uncompleted	D-13		16,348,500	13,796,500
Total of Capital Fund			53,857,833	51,200,665
Total Assets	D	$	56,935,688	53,734,737

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.		2012	2011
LIABILITIES, RESERVES AND FUND BALANCE				
Operating Fund:				
Liabilities:				
Appropriation Reserves	D-4	$	219,556	223,857
Encumbrances & Accounts Payable	D-4:D-10		688,326	335,572
Accrued Interest on Bonds and Notes	D-11		118,809	165,803
Water Overpayments	D-9		38,853	45,625
Escrow Deposits			7,900	4,537
Due to the State of New Jersey			3,136	4,112
			1,076,580	779,506
Reserve for Receivables	Res.		431,422	482,919
Fund Balance	D-1		1,569,853	1,271,647
Total of Operating Fund			3,077,855	2,534,072
Capital Fund:				
Improvement Authorizations:				
Funded	D-14		1,507,520	140,199
Unfunded	D-14		4,309,800	3,578,648
Contracts Payable	D-14		526,006	1,519,769
Bond Anticipation Note Payable	D-23		-	2,000,000
Serial Bonds Payable	D-15		14,178,000	12,178,000
NJ Environmental Infrastructure Trust Bonds	D-16		894,437	950,129
USDA Loan Payable	D-17		773,681	783,832
Reserve for Amortization	D-18		28,797,408	27,221,564
Deferred Reserve for Amortization	D-19		2,500,000	2,500,000
Reserve for Preliminary Expenses			10,000	10,000
Capital Improvement Fund	D-20		90,761	90,761
Fund Balance	D-2		270,220	227,763
Total of Capital Fund			53,857,833	51,200,665
Total Liabilities, Reserves and Fund Balance	D	$	56,935,688	53,734,737

There were Bonds and Notes Authorized But Not Issued at December 31, 2012 and 2011 of $4,592,000 and $3,050,000 respectively (D-22)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.		2012	2011
Revenue and Other Income Realized				
Fund Balance Anticipated	D-1:D-3	$	376,937	470,000
Water Rents	D-3:D-7		6,905,645	6,496,673
Miscellaneous	D-3		112,411	102,778
Other Credits to Income:				
Voided Prior Year Checks			-	5,495
Cancellation of Prior Year Payable			2,755	-
Unexpended Balance of Appropriation Reserves	D-10		175,847	136,883
Total Income			7,573,595	7,211,829
Expenditures				
Operating				
Salaries and Wages	D-4		1,505,560	1,549,039
Other Expenses	D-4		1,585,969	1,569,939
Capital Improvements	D-4		1,242,000	980,476
Debt Service	D-4		1,623,427	1,666,241
Deferred Charges and Statutory Expenditures	D-4		741,177	875,165
Surplus (General Budget)	D-4		200,000	-
Refund of Prior Year Revenue			319	-
Total Expenditures			6,898,452	6,640,860
Excess of Revenues			675,143	570,969
Adjustments to Income before Fund Balance:				
Expenditures included above which are by Statute deferred charges to budget of succeeding year	D		-	-
Statutory Excess to Fund Balance			675,143	570,969
Fund Balance January 1	D		1,271,647	1,170,678
Decreased by:				
Utilization as Anticipated Revenue			376,937	470,000
Fund Balance December 31	D	$	1,569,853	1,271,647

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.		12/31/2012	12/31/2011
Balance at the beginning of the year	D	$	227,763	222,215
Increased by:				
Premium on bond sale			42,457	3,272
Cancelled Authorizations			-	2,276
			42,457	5,548
Balance December 31, 2012	D	$	270,220	227,763

SEE ACCOMPANYING AUDITOR'S REPORT

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

	Ref.	ANTIC. BUDGET	REALIZED	EXCESS OR (DEFICIT)
Operating Surplus Anticipated	D-1	$ 376,937	376,937	-
Anticipated Revenue:				
Water Rents	D-7	6,539,000	6,905,645	366,645
Miscellaneous		65,000	112,411	47,411
		$ 6,980,937	7,394,993	414,056

Analysis of Realized Revenue

Water Rents		
Consumer Accounts Receivable	D-7	6,905,645
Miscellaneous		
Interest on Investments	19,193	
Miscellaneous	93,218	
		112,411

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	APPROPRIATIONS		EXPENDED				
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED	OVER - EXPENDED
OPERATING							
Salaries and Wages	$ 1,677,600	1,505,560	1,489,155		16,405		
Other Expenses	991,600	991,600	694,806	107,396	185,898	3,500	
Insurance	642,100	642,100	537,588	60,281	-	44,231	
	3,311,300	3,139,260	2,721,549	167,677	202,303	47,731	-
CAPITAL IMPROVEMENTS							
Capital Improvement Fund	500,000	500,000	500,000		-		
Capital Outlay	620,000	742,000	209,298	515,449	17,253		
	1,120,000	1,242,000	709,298	515,449	17,253	-	-
DEBT SERVICE							
Payment of Bond Principal	1,076,000	1,076,000	1,075,843			157	
Interest on Bonds	536,000	536,000	527,136			8,864	
Interest on Notes	37,200	37,200	20,448			16,752	
	1,649,200	1,649,200	1,623,427	-	-	25,773	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES							
Deferred Charges							
City of Wildwood - Indirect Costs	401,175	451,175	451,175		-		
City of Wildwood - Rio Grande Phase 1	10,862	10,862	10,862		-		
Contribution to:							
Public Employee Retirement System	160,600	160,600	160,539		-	61	
Social Security System (O.A.S.I.)	122,000	122,040	113,063		-	8,977	
Unemployment Compensation	5,800	5,800	5,538		-	262	
Surplus (General Budget)	200,000	200,000	200,000		-		
					-		
	900,437	950,477	941,177	-	-	9,300	-
	$ 6,980,937	6,980,937	5,995,451	683,126	219,556	82,804	-
Ref.	D-4	D-4		D	D	D-1	D

Original	6,980,937	
	6,980,937	

Accrued interest on Bonds 12/31/11	(165,803)	D-11
Accrued interest on Bonds 12/31/12	118,809	D-11
Disbursed	6,042,445	D-5
	5,995,451	

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.	2012	2011
ASSETS			
Operating Fund:			
Cash	E-5	$ 192,343	1,431
Due from the Current Fund		-	117,453
		192,343	118,884
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-7	78,321	57,806
Utility Liens Receivable	E-8	-	1,279
		78,321	59,085
Deferred Charges:			
Deficit in Operations		-	45,200
		-	45,200
Total of Operating Fund		270,664	223,169
Capital Fund:			
Cash and Investment	E-6	230,245	274,314
Grants Receivable		789,110	363,400
Fixed Capital:			
Completed	E-12	10,629,197	10,629,197
Authorized and Uncompleted	E-13	6,369,000	4,450,000
Total of Capital Fund		18,017,552	15,716,911
Total Assets	E	$ 18,288,216	15,940,080

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	2012	2011
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-4	$ 14,020	53,708
Encumbrances Payable	E-4	51,791	10,141
Accrued Interest on Bonds and Notes	E-11	55,583	56,800
Overpayments	E-9	60,473	32,959
		181,867	153,608
Reserve for Receivables	Res.	78,321	59,085
Fund Balance	E-1	10,476	10,476
Total of Operating Fund		270,664	223,169
Capital Fund:			
Improvement Authorizations:			
Funded	E-14	629,193	44,242
Unfunded	E-14	1,064,000	7,904
Contracts Payable	E-14	267,855	471,942
Bond Anticipation Notes	E-15	-	972,000
Serial Bonds Payable	E-16	2,026,000	959,000
USDA Loan Payable	E-17	5,807,578	5,879,392
Reserve for Amortization	E-18	5,999,106	5,882,292
Reserve for Deferred Amortization	E-19	2,102,000	1,387,000
Capital Improvement Fund	E-20	43,507	50,507
Fund Balance	E-2	78,313	62,632
Total of Capital Fund		18,017,552	15,716,911
Total Liabilities, Reserves and Fund Balance	E	$ 18,288,216	15,940,080

There were Bonds and Notes Authorized But Not Issued at December 31, 2012 and 2011 of $1,064,000 and $0 respectively (E-21)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.		2012	2011
Revenue and Other Income Realized				
Fund Balance Anticipated	E-1:E-3	$	-	-
Sewer Rents	E-3:E-7		4,458,742	4,397,799
Interest on Investments			1,727	990
Miscellaneous	E-3		49,506	50,265
Deficit (General Budget)			155,774	187,000
Other Credits to Income:				
Unexpended Balance of Appropriation Reserves	E-10		-	-
Total Income			4,665,749	4,636,054
Expenditures				
Operating				
Salaries and Wages	E-4		426,553	349,225
Other Expenses	E-4		3,755,599	3,736,889
Capital Improvements	E-4		-	-
Debt Service	E-4		380,274	519,687
Deferred Charges and Statutory Expenditures	E-4		58,123	68,798
Deficit in Operations in Prior Years	E-4		45,200	-
Refund of Prior Year Revenues			-	6,655
Total Expenditures			4,665,749	4,681,254
Deficit in Revenues			-	(45,200)
Adjustments to Income before Fund Balance:				
Cash deficit in operations	E		-	45,200
Statutory Excess to Fund Balance			-	-
Fund Balance January 1	E		10,476	10,476
Decreased by:				
Utilization as Anticpated Revenue			-	-
Fund Balance December 31	E	$	10,476	10,476

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Exhibit E-2

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

	Ref.		12/31/2012	12/31/2011
Balance December 31, 2011	E	$	62,632	59,307
Increased by:				
Premium on Sale of Bonds/Notes			15,681	3,325
		$	78,313	62,632
Balance December 31, 2012	E			

SEE ACCOMPANYING AUDITOR'S REPORT

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

	Ref.	ANTIC. BUDGET	REALIZED	EXCESS OR (DEFICIT)
Anticipated Revenue:				
Sewer Rents	E-7	$ 4,162,086	4,102,451	(59,635)
Sewer Rents - Additional Rents	E-7	356,291	356,291	-
Miscellaneous		50,000	49,506	(494)
Interest on Deposits		900	1,727	827
Deficit (General Budget)		195,723	155,774	(39,949)
		$ 4,765,000	4,665,749	(99,251)

Analysis of Realized Revenue

Sewer Rents		
Consumer Accounts Receivable	E-7	4,457,463
Sewer Utility Lien Collections	E-8	1,279
Less:		
Additional Rents		(356,291)
		4,102,451
Miscellaneous		
Interest on Delinquent Rents	21,792	
Miscellaneous	27,714	
		49,506

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Exhibit E-4

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

		APPROPRIATIONS		EXPENDED				
		BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED	OVER - EXPENDED
OPERATING								
Salaries and Wages	$	445,800	445,800	426,553		-	19,247	
Other Expenses		191,399	191,399	96,272	31,021	14,020	50,086	
Insurance		247,400	247,400	212,897	20,770	-	13,733	
CMCMUA		3,380,900	3,380,900	3,380,619		-	281	
		4,265,499	4,265,499	4,116,341	51,791	14,020	83,347	-
CAPITAL IMPROVEMENTS								
Capital Outlay		1	1			-	1	
		1	1	-	-	-	1	-
DEBT SERVICE								
Payment of Bond Principal		116,900	116,900	116,812			88	
Payment of Bond Anticipation Notes			-				-	
Interest on Bonds		254,600	254,600	247,532			7,068	
Interest on Notes		20,700	20,700	15,930			4,770	
		392,200	392,200	380,274	-	-	11,926	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES								
Contribution to:								
Public Employee Retirement System		24,400	24,400	24,350		-	50	
Social Security System (O.A.S.I.)		35,000	35,000	32,177		-	2,823	
Unemployment Compensation		2,700	2,700	1,596		-	1,104	
Deficit in Operations in Prior Years		45,200	45,200	45,200		-		
		107,300	107,300	103,323	-	-	3,977	-
	$	4,765,000	4,765,000	4,599,938	51,791	14,020	99,251	-
Ref.		E-4	E-4		E	E	E-1	E

Accrued interest on Bonds 12/31/12	55,583	E-11
Accrued interest on Bonds 12/31/11	(56,800)	E-11
Deficit in Operations in Prior Years	45,200	
Disbursed	4,555,955	E-5
	$ 4,599,938	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EXHIBIT G - GENERAL FIXED ASSETS

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Exhibit G

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

		2012	2011
General Fixed Assets:			
Land	$	24,903,100	24,903,100
Land Improvements		5,283,404	4,341,953
Buildings and Building Improvements		24,169,842	23,414,717
Machinery and Equipment		8,590,075	9,131,309
Total General Fixed Assets		62,946,421	61,791,079
Investment in General Fixed Assets	$	62,946,421	61,791,079

See Accompanying Notes to Financial Statements

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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 2010 census of 5,325. 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. During 2011 the Commissioners approved a change in the election from May to December, this will extend the current terms an additional six months. 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 Wildwood Special Improvement District and Business Improvement District are component units of the City; however they are not presented as part of the financial statements of the City. The Corporations issue separate financial statements which are available from the corporate offices.

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.

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.

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 is 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 years ended December 31, 2012 and 2011.

	Balance as of 12/31/10	Additions	Disposals	Balance as of 12/31/11
Land	$ 24,903,100			24,903,100
Land Improvements	3,864,626	477,327		4,341,953
Buildings and Building Improvements	23,362,567	52,150		23,414,717
Machinery and Equipment	8,360,486	770,823		9,131,309
	$ 60,490,779	1,300,300	-	61,791,079

	Balance as of 12/31/11	Additions	Disposals	Balance as of 12/31/12
Land	$ 24,903,100			24,903,100
Land Improvements	4,341,953	941,451		5,283,404
Buildings and Building Improvements	23,414,717	755,125		24,169,842
Machinery and Equipment	9,131,309	536,148	(1,077,382)	8,590,075
	$ 61,791,079	2,232,724	(1,077,382)	62,946,421

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.

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. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Assets and Statement of Activities.

E. 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.

F. Recent Accounting Pronouncements Not Yet Effective

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

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

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

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

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

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

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 2012 and 2011 statutory budgets included a reserve for uncollected taxes in the amount of

$293,316 and $312,688. To balance the budget, the City is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2012 and 2011 statutory budgets was $360,000 and $1,070,000.

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 2012 and 2011 calendar years:

Budget Category	2012	2011
Current Fund		
Municipal Fire Fighting		
Salaries & Wages	31,300	72,900
Other Expenses	31,023	-
Department of Law		
Other Expenses	-	23,500
Police		
Salaries & Wages	-	(130,000)
Other Expenses	-	70,000
Traffic Marking		
Other Expenses	-	77,100
Land Use Administration		
Other Expenses	(32,067)	-
Municipal Administrator		
Other Expenses	-	(37,400)
Public Works - Director		
Salaries & Wages	(26,644)	-
Building Maintenance		
Other Expenses	(60,000)	-
Uniform Construction Code		
Other Expenses	40,900	-
Fleet Maintenance		
Salaries & Wages	-	(26,300)
Other Expenses	50,000	-
Urban Enterprise Zone		
Salaries & Wages	(28,100)	-
Tax Assessment		
Salaries & Wages	-	(23,600)
Other Expenses	-	23,600
Street Lighting	-	27,900

Budget Category	2012	2011
Water Utility Fund		
Salaries and Wages	(172,040)	-
Other Expenses	-	(81,570)
Capital Outlay	122,000	(114,524)
City of Wildwood - Indirect Costs	50,000	196,094

Budget Category	2012	2011
Sewer Utility Fund		
Salary & Wages	-	(12,640)
Other Expenses	-	12,640

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2012 and 2011, they were as follows:

	2012	2011
GWTIDA - Muni Event Support	$ 100,000	-
Drunk Driving Enforcement Fund	-	9,324
Clean Communities	-	22,335
Energy Efficiency Block Grant	-	11,354
Urban Enterprise Zone FY 11 Admin	-	76,500
Body Armor Grant	-	3,142
Recycling Tonnage Grant	-	13,609
COPS in Shops	4,500	4,400
COPS Secure Our Schools	-	19,760
Justice Assistance Grant	-	11,711
Municipal Alcohol Education/ Rehabilitation Program	-	1,348
	$ 104,500	173,483

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. During 2011 the City approved a special emergency appropriation for Accumulated Absence Liabilities. During 2012 the City approved two special emergency appropriations, one for the preparation of a reassessment program and one for the preparation of the tax map. The unfunded balance as of December 31, 2012 was $0, $40,000, $340,800, $330,000 and $85,000 respectively. During 2011 the City also approved an emergency appropriation in the amount of $2,159,800. This amount was raised in the 2012 budget.

Note 3: INVESTMENTS

As of December 31, 2012 and 2011, 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.

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. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2012 and 2011, $0 and $0 of the City's bank balance of $12,559,007 and $15,800,451, respectively were exposed to custodial credit risk.

Note 5: LONG TERM DEBT

Long-term debt as of December 31, 2012 and 2011 consisted of the following:

	Balance as of 12/31/10	Additions	Reductions	Balance as of 12/31/11	Due in One Year
General	$ 20,738,373	7,175,000	8,872,355	19,041,018	2,126,821
Water Utility	14,908,210	1,350,000	2,346,249	13,911,961	1,075,949
Sewer Utility	5,950,224	1,136,000	247,832	6,838,392	116,814
Comp Absences	1,784,402	1,689,756	1,957,418	1,516,740	-
Total	$ 43,381,209	11,350,756	13,423,854	41,308,111	3,319,584

	Balance as of 12/31/11	Additions	Reductions	Balance as of 12/31/12	Due in One Year
General	$ 19,041,018	3,374,000	2,153,628	20,261,390	2,413,933
Water Utility	13,911,961	3,010,000	1,075,844	15,846,117	1,258,702
Sewer Utility	6,838,392	1,112,000	116,814	7,833,578	186,662
Comp Absences	1,516,740	144,631	89,101	1,572,270	-
Total	$ 41,308,111	7,640,631	3,435,387	45,513,355	3,859,297

Paid by Current Fund:

$7,150,000 General Improvement Bond dated 01/01/03 payable in annual installments through 01/01/2014. $750,000 of principal was paid on 01/01/12. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2012 was $1,350,000.

$10,729,000 General Improvement Bond dated 05/01/2008 payable in annual installments through 05/01/2021. $680,000 of principal was paid on 05/01/12. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2012 was $8,199,000.

$7,175,000 Refunding Bonds dated 12/28/11 payable in annual installments through 11/01/21. Interest is paid semiannually at rates varying from 3.00% to 4.00% per annum. $665,000 of principal was paid on 11/01/12. The balance remaining as of December 31, 2011 was $6,510,000.

$3,374,000 General Improvement Bonds dated 10/26/12 payable in annual installments through 10/01/23. Interest is paid semiannually at rates varying from 2.00% to 3.00% per annum. The balance remaining as of December 31, 2012 was $3,374,000.

$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 $30,928 of principal was

paid during 2012. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2012 was $216,754.

$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 $14,510 of principal was paid during 2012. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2012 was $162,148.

$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 $7,913 of principal was paid during 2012. Interest is payable at 2.00% per annum. The balance remaining as of December 31, 2012 was $108,321.

$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 $2,417 of principal was paid during 2012. Interest is payable at 4.50% per annum. The balance remaining as of December 31, 2012 was $155,058.

$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 $2,861 of principal was paid during 2012. Interest is payable at 4.25% per annum. The balance remaining as of December 31, 2012 was $186,111.

$10,910,000 Essex County Improvement Authority/Franchise Acquisition Project Loan, dated 10/01/2001 payable in annual installments through 11/01/2021. The loan was refunded through the issuance of bonds in December 2011.

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 01/01/12. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2012 was $195,000.

$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 01/01/12. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2012 was $1,280,000.

$9,903,000 Water Bond dated 05/01/08 payable in annual installments through 05/01/2028. $390,000 of principal was paid on 05/01/12. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2012 was $8,473,000.

$1,350,000 Refunding Bonds dated 12/28/11 payable in annual installments through 11/01/21. Interest is paid semiannually at rates varying from 2.00% to 3.00% per annum. $130,000 of principal was paid on 11/1/12. The balance remaining as of December 31, 2012 was $1,220,000.

$3,010,000 General Improvement Bonds dated 10/26/12 payable in annual installments through 10/01/27. Interest is paid semiannually at rates varying from 2.00% to 3.00% per annum. The balance remaining as of December 31, 2012 was $3,010,000.

$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. $10,151 of principal was paid during 2012. Interest is payable at 4.125% per annum. The balance remaining as of December 31, 2012 was $773,681.

$2,180,000 Essex County Improvement Authority/Franchise Acquisition Project Loan, dated 10/01/2001 payable in annual installments through 11/01/2021. The loan was refunded through the issuance of bonds in December 2011.

$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 08/01/12. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2012 was $480,000.

$621,500 N.J. Environmental Fund Loan Bond dated 11/10/2007 payable in annual installments through 08/01/2025 bearing no interest. $30,692 of principal was paid on 08/01/12. The balance remaining as of December 31, 2012 was $414,436.

Paid by Sewer Utility Fund:

$1,079,000 Sewer Bond dated 05/01/08 payable in annual installments through 05/01/2028. $45,000 of principal was paid on 05/01/12. Interest is paid semiannually at varying rates. The balance remaining as of December 31, 2012 was $914,000.

$1,112,000 General Improvement Bonds dated 10/26/12 payable in annual installments through 10/01/27. Interest is paid semiannually at rates varying from 2.00% to 3.00% per annum. The balance remaining as of December 31, 2012 was $1,112,000.

$279,524 USDA/Rural Development Loan dated 02/28/2007 payable in semiannual installments of $7,167 through 02/28/2047. The payment includes principal and interest. $3,440 of principal was paid during 2012. Interest is payable at 4.125% per annum. The balance remaining as of December 31, 2012 was $262,223.

$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. $17,664 of principal was paid during 2012. Interest is payable at 4.25% per annum. The balance remaining as of December 31, 2012 was $1,346,176.

$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. $15,269 of principal was paid during 2012. Interest is payable at 4.5% per annum. The balance remaining as of December 31, 2012 was $1,388,295.

$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 2012 the City made principal payments

of $18,714. The rebate amount received in 2012 was $24,626. The balance remaining as of December 31, 2012 was $1,691,609.

$1,136,000 USDA/Rural Development Loan dated 7/15/2011 payable in semiannual installments of $22,550 through 7/15/2051. $16,735 of principal was pad during 2012. The payment includes principal and interest. Interest is payable at 2.5% per annum. The balance remaining as of December 31, 2011 was $1,119,275.

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

	General		Water Utility		Sewer Utility	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 2,354,000	676,175	1,185,000	514,942	112,000	63,375
2014	2,160,000	600,406	1,005,000	482,182	110,000	61,903
2015	1,795,000	532,531	1,030,000	445,901	110,000	58,691
2016	1,860,000	470,694	1,050,000	408,788	115,000	55,372
2017	1,930,000	399,381	770,000	369,814	115,000	51,947
2018-2022	8,959,000	831,541	4,155,000	1,423,580	640,000	204,903
2023-2027	375,000	7,500	4,325,000	627,686	750,000	94,343
2028	-	-	658,000	15,463	74,000	1,739
	$19,433,000	3,518,228	14,178,000	4,288,356	2,026,000	592,273

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

	General		Water Utility		Sewer Utility	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 5,510	14,828	10,573	31,719	74,662	201,341
2014	5,753	14,585	11,012	31,280	77,548	198,739
2015	6,007	14,331	11,470	30,822	80,549	196,034
2016	6,272	14,066	11,946	30,346	83,599	193,293
2017	6,549	13,789	12,443	29,849	86,917	190,296
2018-2022	37,344	64,346	70,415	141,045	487,996	903,382
2023-2027	46,345	55,345	86,315	125,145	591,253	810,425
2028-2032	57,519	44,171	105,806	105,654	717,168	697,142
2033-2037	71,389	30,301	129,697	81,763	871,014	558,790
2038-2042	88,203	13,084	158,984	52,476	1,059,933	388,874
2043-2047	10,278	326	165,020	16,752	1,225,526	183,671
2048-2051					451,413	20,622
	$ 341,169	279,172	773,681	676,851	5,807,578	4,542,609

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

	General Capital	
Year	Principal	Interest
2013	$ 54,423	9,474
2014	55,516	8,381
2014	56,633	7,264
2016	57,771	6,126
2017	58,932	4,965
2018-2022	184,051	10,385
2023-2024	19,895	500
	$ 487,221	47,095

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

	Water	
Year	Principal	Interest
2013	63,129	20,981
2014	62,154	19,481
2015	61,180	17,981
2016	60,400	16,781
2017	67,869	15,581
2018-2022	349,301	55,144
2023-2025	230,403	11,813
	$ 894,436	157,762

As of December 31, 2012 and 2011, the carrying value of the above bonds approximates the fair value of the bonds.

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Summary of Municipal Debt	Year 2012	Year 2011	Year 2010
Issued:			
General:			
Bonds & Notes Issued	$ 19,816,000	22,214,500	14,992,000
ECIA Franchise Acquisition Loan	-	-	7,475,000
Green Trust Loans	487,221	540,572	592,872
USRDA Loans	341,169	346,446	351,500
Water and Sewer:			
Bonds & Notes Issued	16,204,000	16,109,000	14,834,000
ECIA Franchise Acquisition Loan	-	-	1,420,000
USRDA Loans	6,581,259	6,663,224	5,589,801
NJ Environmental Loan	894,436	950,129	1,006,633
Total Debt Issued	44,324,085	46,823,871	46,261,806
Authorized but not issued:			
General:			
Bonds & Notes	830,650	1,255,150	1,333,987
Water and Sewer:			
Bonds & Notes	5,656,000	3,050,000	5,000,100
Bonds & Notes Authorized But Not Issued	6,486,650	4,305,150	6,334,087
Net Bonds & Notes Issued and Authorized But Not Issued	50,810,735	51,129,021	52,595,893
Deductions:			
Reserve for Payment of Bonds/Notes	118,662	1,073,992	129,185
Bonds Guaranteed by Municipality	-	-	7,475,000
Self-liquidatng Debt	27,120,868	22,261,429	22,702,874
Total Deductions	27,239,530	23,335,421	30,307,059
Net Debt	$ 23,571,205	27,793,600	22,288,834

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 1.479%.

	Gross Debt	Deductions	Net Debt
Self-Liquidating Purpose	$ 29,335,695	27,120,868	2,214,827
General Debt	21,475,040	118,662	21,356,378
	$ 50,810,735	27,239,530	23,571,205

Net Debt $23,571,205 / Equalized Valuation Basis per NJSA 40A:2-2 as amended, $1,593,585,638= 1.479%.

The foregoing information is in agreement with the original Annual Debt Statement filed with the Division of Local Government Services.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	$	55,775,497
Net Debt		23,571,205
Remaining Borrowing Power	$	32,204,292

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.

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		$ 7,573,277
Deductions:		
Operating and Maintenance Costs	$ 3,821,844	
Debt Service per Water Fund	1,618,453	
Total Deductions		5,440,297
Excess in Revenues		$ 2,132,980

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

Cash Receipts from Fees, Fund Balance Anticipated Interest and Other Investment Income, and Other Charges for the Year		$ 4,509,808
Deductions		
Operating and Maintenance Costs	$ 4,240,275	
Debt Service per Sewer Fund	380,274	
Total Deductions		4,620,549
Deficit in Operations		$ (110,741)

Note 6: NOTES

Bond Anticipation, Special Emergency Notes and Emergency Notes

The City has outstanding at December 31, 2012 and 2011, bond anticipation notes in the amount of $380,000 and $9,533,000, respectively. The December 31, 2012 amount payable to Jefferies & Company is $380,000. Of the December 31, 2012 amount payable to Jefferies & Company,

$380,000 bears an interest rate of 1.25% and will mature on October 25, 2013. Of this note $380,000 is a Special Emergency in the Current Fund.

Tax Appeal Refunding Note

The City has outstanding at December 31, 2012 and 2011, a tax appeal refunding note in the amount of $383,000 and $778,000, respectively. The December 31, 2012 amount is payable to Jefferies & Company. The current interest rate on this note is 1.25% and matures on October 25, 2013.

Short term notes as of December 31, 2012 and 2011 consisted of the following:

	Balance as of 12/31/10	Additions	Reductions	Balance as of 12/31/11
General	$ 1,488,000	1,953,837	159,337	3,282,500
Tax Appeal Refunding	1,185,000	-	407,000	778,000
Water Utility	-	2,000,000	-	2,000,000
Sewer Utility	1,992,000	190,000	1,210,000	972,000
Special Emergency	120,000	280,000	40,000	360,000
Emergency	-	1,958,000	-	1,958,000
Total	$ 4,785,000	6,381,837	1,816,337	9,350,500

	Balance as of 12/31/11	Additions	Reductions	Balance as of 12/31/12
General	$ 3,282,500		3,282,500	-
Tax Appeal Refunding	778,000		395,000	383,000
Water Utility	2,000,000	500,000	2,500,000	-
Sewer Utility	972,000		972,000	-
Special Emergency	360,000	145,200	125,200	380,000
Emergency	1,958,000		1,958,000	-
Total	$ 9,350,500	645,200	9,232,700	763,000

Note 7: FUND BALANCES APPROPRIATED

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

Current Fund	$1,002,000
Water Utility	250,000

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, 2012, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2012	2013 Budget Appropriation	Balance to Succeeding Year
Current fund:			
Special Emergency Authorization	$ 795,800	208,200	587,600
	$ 795,800	208,200	587,600

The appropriations in the 2013 Budget are not less than that required by statute.

Note 9: SCHOOL TAXES

Local District School Tax in the amounts of $9,587,624 and $9,360,222 have been raised for the 2012 and 2011 calendar year, respectively and $9,587,624 and $9,360,222 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 12/31/12	Balance 12/31/11
Prepaid Taxes	$ 540,994	705,171
Cash Liability for Taxes Collected in Advance	$ 540,994	705,171

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/annrprts.shtml.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, 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.

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 10% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 6.5% thru June 30, 2012 and 6.64% from July 1, 2012 to December 31, 2012 of employees' annual compensation, as defined. PFRS provide for employee contributions of 10.0% 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 12% of covered payroll and for PFRS a rate of 28% of covered payroll. The City's contributions to PERS for the years ending December 31, 2012, 2011 and 2010 were $629,379, $831,671 and $629,560 respectively, equal to the required contributions for each year. The City's contributions to PFRS for the years ending December 31, 2012, 2011 and 2010 were $1,107,515, $1,348,272 and $1,073,740 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.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also

requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an $8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

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 45th 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, 2012, 2011 and 2010 were $0, $0 and $0, respectively. The City's trust for the Lifeguard Pension at December 31, 2011 was $531,307. Currently there are only three individuals receiving benefits. The benefits paid by the trust for the years ended December 31, 2012, 2011 and 2010 were $15,216, $15,042 and $15,042, respectively.

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 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 Disability Retirement	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 2012 and 2011 the City paid the SHBP $1,065,467 and $868,857, respectively 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, 2011 $0

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

Benefit payments for the year ended December 31, 2011 were $31,947.

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.

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.

The required calculation was not completed for the year ended December 31, 2012 as required by GASB 45.

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, 2012, the City's employees are organized in the following collective bargaining units. Contracts are continually being negotiated the following table shows their current status.

Contract	Category	Expiration	Covers
UAW #2327	Public Works, Water, Sewer, Traffic Operations, Municipal Court and Clerk Typists	12/31/14	All employees in public works, water, sewer, traffic operations, municipal court and clerk typists. Supervisors are excluded.
PBA	Police	12/31/14	All uniformed police, detectives, and other special police units, excluding the chief and captain.
Firemen's Mutual Benevolent Asso.	Firefighters	12/31/12	All uniformed firefighters.

Pursuant to P.L. 2011, c. 78 any collective bargaining agreement entered into after June 28, 2011 requires employee contributions to health insurance coverage based on percentages of income as listed in the law.

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, 2012 and 2011, the City estimates this liability to approximate $1,572,270 and $1,516,740, 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 $104,000.

Note 17: ECONOMIC DEPENDENCY

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

Note 18: LEASE OBLIGATIONS

At December 31, 2012, the City had lease agreements in effect for the following:

Operating:
Copy Machines

The following is an analysis of operating leases:

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

Year	Amount
2013	$ 24,282
2014	24,282
2015	24,215
2016	16,153
	$ 88,932

Rental payments under operating leases for the year 2012 were $18,900.

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 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, 2012, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund
P.O. Box 488
Marlton, New Jersey 08053

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: MORTGAGE RECEIVABLE

On February 8, 2000, the City entered into an intergovernmental agreement with the New Jersey Sports and Exposition Authority for the construction of the Wildwood Convention Center. This agreement included a mortgage in the amount of $3,092,392 payable to the City. The mortgage requires annual payments through 2016. The State is currently behind in the annual payments.

The agreement also calls for a payment in lieu of taxes in the amount of $30,000 per year. This amount has not been paid for the 2011 and 2012 years and a receivable has been established.

Note 22: SUBSEQUENT EVENTS

The City has evaluated subsequent events through May 30, 2013, the date which the financial statements were available to be issued and the following items were identified as events requiring disclosure:

During 2013 the City has approved several capital ordinances totaling $1,091,400 in general capital authorizations and $2,575,000 in water utility capital authorizations.

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SUPPLEMENTARY INFORMATION

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various funds and account group of the City, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated May 30, 2013, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying *schedule of findings and question costs* that we consider to be significant deficiencies as item 2012-1.

Compliance and Other Matters

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

City's Responses to Findings

The City's response to the finding identified in our audit is described in the accompanying *schedule of findings and questioned costs*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Robert E. Swartz

Robert E. Swartz, CPA, RMA #319

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC

May 30, 2013

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& ASSOCIATES, L.L.C.
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Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the City of Wildwood's (City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the New Jersey OMB 04-04 *State Grant Compliance Supplement* that could have a direct and material effect on each of City's major federal and state programs for the year ended December 31, 2012. The City'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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 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 City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, 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 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 program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have audited the balance sheet - regulatory basis of the various funds and account group of the City of Wildwood as of and for the year ended December 31, 2012, and have issued our report thereon dated May 30, 2013, which contained an adverse opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Robert E. Swartz

Robert E. Swartz, CPA, RMA #319

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC

May 30, 2013

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 1
Sheet 1

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From	Grant Period To	Program or Award Amount	Balance 12/31/2011	Receipts or Revenue Recognized	Disbursements/ Expenditures	Prior Year Encumbrances Cancelled	Cancelled	Balance 12/31/2012	Cumulative Expenditures
STATE OF NEW JERSEY											
Department of Community Affairs											
Clean Communities - 2010	4900-765-042-4900-6020	01/01/10	12/31/10	22,952	14		14			-	22,952
Clean Communities - 2011	4900-765-042-4900-6020	01/01/11	12/31/11	22,335	22,335		22,143			192	22,143
Clean Communities - 2012	4900-765-042-4900-6020	01/01/12	12/31/12	21,979		21,979	4,738			17,241	4,738
Department of Human Services											
Safe and Secure	100-066-1020-232-6210	01/29/12	01/28/13	90,000	-	90,000				90,000	-
Safe and Secure	100-066-1020-232-6210	01/01/11	12/31/11	76,237	76,237		76,237			-	76,237
Department of Environmental Protection											
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/08	12/31/08	6,402	27		27			-	6,402
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/09	12/31/09	15,734	68		68			-	15,734
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/10	12/31/10	13,182	4,660		3,905			755	12,427
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/11	12/31/11	13,609	13,609		6,300			7,309	6,300
Recycling Tonnage Grant	1900-752-042-4900-001-6020	01/01/12	12/31/12	5,477		5,477				5,477	-
Department of Transportation											
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 Rio Grande to Creese	6320-480-60139X-61	02/08/11	open	290,000	-	290,000	261,292			28,708	261,292
Park Boulevard Phase II	6320-480-60139X-61	01/01/11	open	205,000		205,000				205,000	-
Park Boulevard Phase III	6320-480-60139X-61	01/01/12	open	180,000		180,000				180,000	-
New Jersey Commerce & Economic Growth Commission											
UEZ Assistance											
Purchase of Portable Stage	730-020-2830-061	10/27/11	12/31/12	52,000		52,000	52,000			-	52,000
UEZ Authority											
Boardwalk Sound System	763-020-2830-061	05/14/08	05/31/10	136,826						-	130,502
Boardwalk Benches and Trash Cans	763-020-2830-061	05/14/08	05/31/10	223,388						-	223,388
Department of Law and Public Safety											
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/07	12/31/07	2,763	1,165		1,165			-	2,763
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/08	12/31/08	2,249	2,249		585			1,664	585
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/09	12/31/09	2,367	2,367		1,100			1,267	1,100
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/10	12/31/10	1,307	1,307					1,307	-
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/11	12/31/11	1,349	1,349					1,349	-
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-6020	01/01/12	12/31/12	1,241		1,241				1,241	-
Drunk Driving Enforcement Fund	6400-100-078-6409	01/01/09	12/31/09	10,628	9,018		2,616			6,402	4,226
Drunk Driving Enforcement Fund	6400-100-078-6409	01/01/11	12/31/11	16,358	9,958		635			9,323	7,035
Body Armor Replacement	718-066-1020-001-6120	01/01/08	12/31/08	4,961	4,866		2,762			2,104	2,857
Body Armor Replacement	718-066-1020-001-6120	01/01/09	12/31/09	4,460	4,460		754			3,706	754
Body Armor Replacement	718-066-1020-001-6120	01/01/10	12/31/10	1,623	1,623					1,623	-
Body Armor Replacement	718-066-1020-001-6120	01/01/11	12/31/11	7,031	7,031					7,031	-
Total State Assistance				$	662,343	845,697	436,341	-	-	1,071,699	

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 1
Sheet 2

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From	Grant Period To	Program or Award Amount	Balance 12/31/2011	Receipts or Revenue Recognized	Disbursements/ Expenditures	Prior Year Encumbrances Cancelled	Cancellation	Balance 12/31/2012	Cumulative Expenditures
FEDERAL:											
Federal Emergency Management Assistance											
Assistance to Firefighters	97.044	01/27/12	01/26/13	351,554		351,554	250,234			101,320	250,234
Total Federal Emergency Management Assistance					-	351,554	250,234	-	-	101,320	
Department of Agriculture											
Sewer Improvements - II	10.760	09/01/06	open	605,000	549,806		205,503			344,303	260,697
Sewer Improvements - 3B	10.760	05/12/09	open	772,000	14,099		6,191			7,908	764,092
Total Department of Agriculture					563,905	-	211,694	-	-	352,211	
Department of Justice											
ARRA - COPS Hiring Grant	16.710	01/01/09	12/31/11	819,120	429,625		208,833			220,792	598,328
COPS in Shops	16.710	01/01/11	12/31/11	5,376	81		81			-	5,376
COPS in Shops	16.710	05/23/12	09/30/12	4,500		4,500	4,500			-	4,500
Edward Byrne Memorial Justice Assistance - 2009	16.738	01/01/10	12/31/10	12,483	6,815					6,815	5,668
Edward Byrne Memorial Justice Assistance - 2011	16.738	01/01/11	12/31/11	11,711	11,711					11,711	-
Total Department of Justice					448,232	4,500	213,414	-	-	239,318	
U.S. Department of Energy - Passed through the NJ Board of Public Utilities											
Energy Efficiency & Conservation Grant	81.128	01/01/11	12/31/11	11,354	11,354		11,354			-	11,354
Total U.S. Department of Energy					11,354	-	11,354	-	-	-	
Department of Law and Public Safety											
Bullet Proof Vest		01/20/06	open	9,795	-		754	2,008		1,254	8,541
Total Department of Law and Public Safety					-	-	754	2,008	-	1,254	
Housing and Urban Development											
ADA Compliant Access Ramp	14.228	02/01/12	01/31/14	400,000	-	400,000	400,000			-	400,000
Expansion and Renovation of Municipal Building	14.228	01/01/09	06/30/11	500,000	452,000		22,728			429,272	70,728
Total Housing and Urban Development					452,000	400,000	422,728	-	-	429,272	
Total Federal Assistance				$	1,475,491	756,054	1,110,178	2,008	-	1,123,375	

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, 2012

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	$ 1,110,178	436,341
Add :		
County / Local Funding		101,710
Less:		
Capital/Utility Funding	(884,656)	(261,292)
	$ 225,522	276,759

CITY OF WILDWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Section I -- Summary of Auditor's Results

Financial Statement

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

Federal Awards

Internal Control over major programs:				
• Material weakness(es) identified?		yes	X	no
• Significant deficieny(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 section 510(a) of OMB Circular A-133?		yes	X	no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	ADA Compliant Access Ramp
16.710	Cops Hiring Grant - ARRA

Dollar Threshold used to distinguisth between type A and type B programs:			$ 300,000	
Auditee qualified as low-risk auditee?		yes	X	no

State Awards **Not Applicable**

Internal Control over major programs:

- Material weakness(es) identified? _____ yes _____ no
- Significant deficieny(ies) identified? _____ yes _____ none reported

Type of auditor's report issued on compliance major programs _____

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 04-04 _____ yes _____ no

Identification of major programs:

GMIS Number(s)	Name of State Program

Dollar Threshold used to distinguisth between type A and type B programs: $ _____

Auditee qualified as low-risk auditee? _____ yes _____ no

Part II - Schedule of Financial Statement Findings

Finding 2012-1

Criteria:

The City is required to follow the purchasing procedures contained in the Local Public Contracts Law.

Condition:

We found several violations of the Local Public Contracts Law. We found that resolutions approving certain contracts were awarded as professional services; however the services being performed are not professional services in accordance with State rules and regulations. We also found that contracts were awarded prior to obtaining the required certification of availability of funds from the Chief Financial Officer. We found one change order in excess of 20% of the original contract was approved and that the State rules and regulations were not followed for this change order.

Cause:

Contracts are being awarded without prior consultation with the Chief Financial Officer and the Qualified Purchasing Agent.

Effect:

The City is not in compliance with Local Public Contracts Law.

Recommendation:

That the City review its purchasing procedures and ensure they are in compliance with the Local Public Contracts Law.

Management Response:
The City will review and update the purchasing procedures to comply with Local Public Contracts Law.

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

NONE

STATUS OF PRIOR RECOMMENDATIONS

NONE

Exhibit A-4

CURRENT FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Treasurer		Federal and State Grant	
Balance December 31, 2011	A		$ 4,714,492		1,131,931
Increased by Receipts:					
Tax Collector	A-5	$ 30,567,731			
Miscellaneous Revenue Anticipated	A-2:A-8	6,698,423			
Miscellaneous Revenue Not Anticipated	A-2:A-8	411,634			
Due from State - Sr. Citizens and Veterans		53,591			
Appropriation Refunds	A-3	331,048			
Appropriation Reserve Refunds	A-9	10,503			
Special Emergency Note Proceeds		380,000			
Due from Sewer Operating Fund		1,164			
Due from Water Operating Fund		15,657			
Prepaid Rental Fees	A	43,913			
Federal and State Grants Receivable	A-11			254,284	
Federal and State Grants Unappropriated	A-13			157,849	
			38,513,664		412,133
			43,228,156		1,544,064
Decreased by Disbursements:					
2012 Appropriations	A-3	24,518,522			
2011 Appropriation Reserves	A-9	860,359			
Accounts Payable		15,634			
Reserve for 1.5% Health Insurance		200,647			
Reserve for Auctioneer/Auction Sale		1,387			
Reserve for Boardwalk Viewers		988			
Reserve for Tax Map		76,767			
Reserve for Human Services		175			
Reserve for Codification of Ordinances		7,541			
Reserve for Accumulated Absence Liabilities		139,699			
Reserve for Performance Bonds		172,639			
Reserve for Master Plan		2,121			
Reserve for Prep of Reassessment		128,339			
Prior Year Revenue Returned		3,813			
Due to Sewer Operating	A	122,656			
County Taxes Payable	A-6	3,698,684			
Due County for Added and Omitted Taxes	A	4,884			
Local District School Tax	A-10	9,587,624			
Special District Tax	A-6	442,500			
Federal and State Grant Expenditures	A-12			501,287	
Due to the Current Fund				978,690	
			39,984,979		1,479,977
Balance December 31, 2012	A		$ 3,243,177		64,087

See Accompanying Auditor's Report

Exhibit A-5

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

	Ref.		
Balance December 31, 2011	A		$ 8,848
Increased by Receipts:			
Taxes Receivable	A-6	$ 29,746,114	
Tax Title Liens	A-7	161,898	
Interest and Cost on Taxes	A-8	124,755	
2013 Prepaid Taxes	A	540,994	
			30,573,761
			30,582,609
Decreased by Disbursements:			
Payment to Treasurer	A-4	30,567,731	
			30,567,731
Balance December 31, 2012	A		$ 14,878

See Accompanying Auditor's Report

Exhibit A-6

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

Year	Balance Dec. 31, 2011	2012 Levy	Added Taxes	Collections 2011	Collections 2012	Over-Payments Created(Applied)	(Transfers)/ Canceled	Transferred To Tax Title Liens	Balance Dec. 31, 2012
2011	$ 53,807		5,010		58,817				-
	53,807	-	5,010	-	58,817	-	-	-	-
2012		30,903,696	54,856	705,171	29,880,486		267,480	99,977	5,438
	$ 53,807	30,903,696	59,866	705,171	29,939,303	-	267,480	99,977	5,438
Ref.	A							A-7	A

	Ref.	
Taxes Receivable	A-5	$ 29,746,114
Homestead Benefit Credit		139,439
Senior Citizens and Veterans		53,750
		29,939,303

Analysis of 2012 Property Tax Levy	Ref.			
Tax Yield:				
General Property Tax			30,903,696	
Added Taxes (54:4-63.1 et. seq.)			54,856	
	A-6			30,958,552
Tax Levy:				
Local School District Tax (Abstract)	A-10		9,587,624	
County Taxes:				
County Tax (Abstract)		3,074,138		
County Library Tax (Abstract)		464,354		
County Open Space (Abstract)		160,192		
Due County for Added Taxes (54:4-63.1 et. seq.)		7,161		
Total County Taxes			3,705,845	
Special District Tax			442,500	
Local Tax for Municipal Purposes	A-2	17,094,077		
Add: Additional Tax Levied		128,506		
			17,222,583	
	A-6			$ 30,958,552

See Accompanying Auditor's Report

Exhibit A-7

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	Ref.				
Balance December 31, 2011	A			$	139,495
Increased by:					
Transfers from Taxes Receivable	A-6	$	99,977		
Interest and Costs Accrued by:					
Sale of December 13, 2012	Res.		5,170		
					105,147
					244,642
Decreased by:					
Collected	A-5		161,898		
					161,898
Balance December 31, 2012	A			$	82,744

See Accompanying Auditor's Report

Exhibit A-8

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance Dec. 31, 2011	Accrued In 2012	Collected	Balance Dec. 31, 2012	
Miscellaneous Revenue Anticipated:						
Licenses-Alcoholic Beverages	A-2	$	76,211	76,211	-	
Licenses-Other	A-2		392,650	392,650	-	
Fees and Permits	A-2		432,502	432,502	-	
Municipal Court	A-2	22,251	525,146	524,060	23,337	Dec 2012
Interest and Costs on Taxes	A-2		124,755	124,755	-	
Parking Meters	A-2		628,606	628,606	-	
Interest on Investments	A-2		33,636	33,636	-	
Public Property Rental	A-2		352,620	352,620	-	
TV Cable Franchise Fee	A-2		40,164	40,164	-	
In Lieu of Taxes	A-2		104,574	104,574	-	
Ambulance Rescue Squad	A-2		407,461	407,461	-	
Fees - Tram Car	A-2		90,000	90,000	-	
GWTDA Administrative Reimbursement	A-2		30,000	30,000	-	
Energy Receipts Tax (P.L. 1997, Ch 162&167)	A-2		1,005,571	1,005,571	-	
Uniform Fire Safety Act	A-2		49,469	49,469	-	
Indirect Cost Allocation from Water Utility	A-2		451,175	451,175	-	
Wildwood Water Utility - Rio Grande Avenue	A-2		10,862	10,862	-	
Interlocal Service Agreement - Cops in School - WBOE	A-2		60,000	60,000	-	
Reserve for Payment of Bonds	A-2		27,451	27,451	-	
1.85% Room Tax	A-2		463,063	463,063	-	
Water Utility Surplus	A-2		200,000	200,000	-	
Cape May County MUA - Recycling Rebate	A-2		100,086	100,086	-	
UEZ Reserves	A-2		978,258	978,258	-	
Sale of Bankruptcy Lien	A-2		120,293	120,293	-	
Photography Concession	A-2		28,111	28,111	-	
Prior Year Interlocal agreemtn	A-2		50,390	50,390	-	
Lease of Wharfage	A-2		13,000	13,000	-	
Concession Agreement	A-2		13,000	13,000	-	
Kenny Chesney Event Reimbursement	A-2		18,308	18,308	-	
Proceeds from Sale of Municipal Assets	A-2		225,000	225,000	-	
Miscellaneous Revenue Not Anticipated:	A-2		411,634	411,634	-	
		$ 22,251	7,463,996	7,462,910	23,337	
	Ref.	A				

Treasurer	7,110,057	A-4
Reserve for 1.85% Room Tax	200,647	
Prior Year Receipts	27,451	
Interest and Costs on Taxes	124,755	A-5
	7,462,910	

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2011

	Balance Dec. 31, 2011	Balance After Transfers	Paid	Overexpended	Balance Lapsed
OPERATIONS WITHIN "CAPS"					
General Government Functions:					
Department of Public Affairs and Public Safety:					
Department of Law - Director's Office					
Other Expenses	$ 112,341	112,341	23,305		89,036
Engineer					
Other Expenses	19,690	22,552	6,382		16,170
Police					
Salaries and Wages	85,112	85,112	61,401		23,711
Other Expenses	25,775	28,349	28,034		315
Purchase of Vehciles	49,330	49,330	49,329		1
Lifeguards					
Other Expenses	11,157	11,157	3,648		7,509
Emergency Management					
Other Expenses	1,580	1,580	1,580		-
Traffic Marking					
Other Expenses	78,079	78,079	78,079		-
Municipal Fire Fighting					
Salaries and Wages	4,556	4,556	4,500		56
Other Expenses	10,878	12,775	11,646		1,129
Volunteer Fire Fighting					
Other Expenses	963	963	963		-
Parking					
Other Expenses	1,979	29,479	26,946		2,533
State Fire Prevention Code					
Other Expenses	3,691	3,691	3,568		123
Redevelopment Agency					
Other Expenses	2,948	3,188	2,948		240
Economic Development					
Other Expenses	21,656	34,881	26,144		8,737
Land Use Administration					
Salaries and Wages	52	2,152			2,152
Other Expenses	9,123	8,473	7,359		1,114
Urban Enterprise Zone					
Other Expenses	2,394	2,394	2,229		165
Municipal Court					
Other Expenses	3,217	3,217	2,639		578
Department of Revenue and Finance:					
Commissioner of Revenue and Finance					
Other Expenses	89	89	89		-
City Clerk					
Other Expenses	6,221	6,221	5,351		870
Accounts and Control					
Other Expenses	26,352	26,352	6,898		19,454
Tax Assessment					
Other Expenses	137,366	137,366	19,097		118,269
Recreation					
Other Expenses	3,164	3,506	3,304		202
Purchasing					
Other Expenses	94	1,344	1,344		-
Insurance					
Employee Group Health	645,434	589,441	331,251		258,190
Human Resources					
Salaries and Wages	866	866	416		450
Other Expenses	12,464	21,464	16,054		5,410
Department of Public Works, Parks & Property					
Director's Office					
Other Expenses	192	5,192	192		5,000
Building Maintenance					
Salaries and Wages	781	781	378		403
Other Expenses	3,346	16,396	5,337		11,059
Boardwalk and Facility Construction					
Other Expenses	29,421	29,421	23,953		5,468

Exhibit A-9

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2011

	Balance Dec. 31, 2011	Balance After Transfers	Paid	Overexpended	Balance Lapsed
Special Events					
Other Expenses	6,122	11,452	11,452		-
Street Maintenance					
Salaries and Wages	824	824	730		94
Other Expenses	2,053	2,053	1,491		562
Environmental Maintenance					
Salaries and Wages	1,847	1,847	479		1,368
Other Expenses	1,144	1,144	199		945
Fleet Maintenance					
Other Expenses	32,314	32,314	17,199		15,115
Sanitation/Trash					
Other Expenses	154	154	154		-
Landfill Tipping Fees					
Other Expenses	22,020	24,720	14,684		10,036
Property Inspectors					
Other Expenses	456	456	456		-
Unclassified:					
Gasoline	28,751	18,751	9,016		9,735
Electricity	24,431	12,211	8,003		4,208
Telephone	15,005	5,666	5,666		-
Street Lighting	1,880	1,583	917		666
Water Service	26,049	26,049	25,120		929
Sewer Service	74	42	3		39
Postage	-	1,317	657		660
Statutory:					
Prior Year Bills	14,097	14,097	14,097		-
Defined Contribution Retirement System	-	144	144		-
Accounts with no Transactions	48,742	48,742			48,742
Totals	$ 1,536,274	1,536,274	864,831	-	671,443
Ref.	A	A	A-4	A	

Reserved	$ 1,178,804	860,359	Disbursed	
Encumbered	357,470	4,472	Accounts Payable	
	$ 1,536,274	864,831		

Anticipated in 2012 Budget	A-2	610,500
Balance to Operations	A-1	60,943
		671,443

Exhibit A-10

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Balance December 31, 2011			
School Tax Payable	A	$	-
Increased by:			
Levy-Calendar Year January 1, 2012 to December 31, 2012	A-6		9,587,624
			9,587,624
Decreased by:			
Payments	A-4		9,587,624
Balance December 31, 2012			
School Tax Payable	A		-
2012 Liability for Local District School Tax			
Tax Paid	A-4:A-10		9,587,624
Tax Payable December 31, 2012	A-11		-
			9,587,624
Less:			
Tax Payable December 31, 2011	A:A-10		-
Amount Charged to 2012 Operations	A-1	$	9,587,624

See Accompanying Auditor's Report

Exhibit A-11

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

Grant	Balance Dec. 31, 2011	Anticipated Revenue	Received	Receivable Cancelled	Balance Dec. 31, 2012
State:					
Alcohol Education and Rehabilitation					
2012		1,241	1,241		-
Clean Communities					
2012		21,979	21,979		-
UEZ Authority					
Purchase of Portable Stage		52,000	52,000		-
Safe and Secure Community Program					
2011	76,237		76,237		-
2012		90,000			90,000
NJ DOT					
CMC	15,461		15,461		-
Park Boulevard - Phase II		205,000			205,000
Park Boulevard - Phase III		180,000			180,000
Recycling Tonnage Grant		5,477	5,477		-
Local:					
Casino Reinvestment Development Authority	6,000				6,000
Greater Wildwood Tourism Development Authority Municipal Event Support		100,000	100,000		
Federal:					
COPS in Shops					
2011	4,400		4,319		81
2012		4,500	4,500		
COPS Hiring Recovery	429,635		145,506		284,129
Bulletproof Vest Partnership					
2009	9,795		7,020		2,775
	$ 541,528	660,197	433,740	-	767,985
Ref.	A	A-2		A-1	A

Unappropriated Reserves	A-13	179,456
Federal and State Grant Fund	A-4	254,284
		433,740

See Accompanying Auditor's Report

Exhibit A-12

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

Grant	Balance Dec. 31, 2011	2012 Budget Appropriation	Expended	Prior Encumbrance Cancelled	Appropriation Cancelled	Balance Dec. 31, 2012
State:						
Recycling Tonnage Grant 2008	$ 27		27			-
Recycling Tonnage Grant 2009	68		68			-
Recycling Tonnage Grant 2010	4,660		3,905			755
Recycling Tonnage Grant 2011	13,609		6,300			7,309
Recycling Tonnage Grant 2012		5,477				5,477
Alcohol Education and Rehabilitation						
2007	1,165		1,165			-
2008	2,249		585			1,664
2009	2,367		1,100			1,267
2010	1,307					1,307
2011	1,349					1,349
2012		1,241				1,241
Clean Communities						
2010	14		14			-
2011	22,335		22,143			192
2012		21,979	4,738			17,241
Drunk Driving Enforcement Fund						
2008	-		-			-
2009	9,018		2,616			6,402
2010	635		635			-
2011	9,323					9,323
Body Armor Replacement						
2007	4,866		2,762			2,104
2008	4,460		754			3,706
2009	1,623					1,623
2010	3,890					3,890
2011	3,141					3,141
Department of Transportation						
Park Boulevard Phase II		205,000				205,000
Park Boulevard Phase III		180,000				180,000
UEZ Authority						
Purchase of Portable Stage		52,000	52,000			-
Safe and Secure Community Program						
2010	76,237		76,237			-
2011		90,000				90,000
Local:						
Municipal Alliance		1,710	1,710			-
ACM JIF Safety Incentive Program						
2010	2,517		-			2,517
Greater Wildwood Tourism Development Authority						
Municipal Event Support		100,000	100,000			-

See Accompanying Auditor's Report

Exhibit A-12

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

Grant	Balance Dec. 31, 2011	2012 Budget Appropriation	Expended	Prior Encumbrance Cancelled	Appropriation Cancelled	Balance Dec. 31, 2012
Federal:						
COPS in Shops						
2011	81		81			-
2012		4,500	4,500			-
COPS Hiring Recovery	429,635		208,833			220,802
Energy Efficiency & Conservation Block Grant	11,354		11,354			-
Bulletproof Vest Partnership			754	2,008		1,254
Edward Byrne Memorial Justice Assistance						
2011	11,711					11,711
2009	6,815					6,815
	$ 624,456	661,907	502,281	2,008	-	786,090
Ref.	A	A-3				A

Encumbered	15,589	A-4
Expended	501,287	A-4
Prior Encumbrance	(14,595)	
	502,281	

See Accompanying Auditor's Report

Exhibit A-13

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

Grant	Balance Dec. 31, 2011	Received	Transferred to 2012 Budget Appropriations	Transferred to 2012 Budget Revenue	Balance Dec. 31, 2012
Body Armor Replacement Program	$	3,302			3,302
Drunk Driving Enforcement Fund		7,434			7,434
COPS in Shops		1,000			1,000
Clean Communities Program		21,979	21,979		-
Recycling Tonnage Grant		24,134	5,477		18,657
GWTIDA Muni Event Support		100,000	100,000		-
Urban Enterprise Zone Projects	1,030,258		52,000	978,258	-
	$ 1,030,258	157,849	179,456	978,258	30,393
	A	A-4			A

See Accompanying Auditor's Report

Exhibit B-1

TRUST FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Dog Licenses		Other	
Balance December 31, 2011	B		$ 576		2,318,127
Increased by Receipts:					
Dog License Fees 2012	B-2	$ 318			
Due to State of New Jersey	B-4	115			
Interest Earned		1			
Miscellaneous Trust Reserves	B-5			14,252,983	
Due to the State of NJ Surcharge Fee				9,115	
Due from Employees				3,209	
Redemption of Tax Liens				3,583,274	
Premiums Received				302,500	
			434		18,151,081
			1,010		20,469,208
Decreased by Disbursements					
Due to Current Fund	B-3	385			
Due to State of New Jersey	B-4	114			
Dog Fund Expenditures	B-3	-			
Miscellaneous Trust Reserves	B-5			14,494,513	
Due to the State of NJ Surcharge Fee				8,871	
Due from Employees				2,966	
Redemption of Tax Liens				3,685,548	
Premiums Returned				298,000	
			499		18,489,898
Balance December 31, 2012	B		$ 511		1,979,310

See Accompanying Auditor's Report

Exhibit B-2

TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

	Ref.				
Balance December 31, 2011	B			$	576
Increased by:					
Dog License Fees Collected		$	318		
	B-1				318
					894
Decreased by:					
Statutory Excess			384		
Expenditures under N.J.S. 4:19-15:11	B-1		-		
					384
Balance December 31, 2012	B			$	510

License Fees Collected:

Year		Amount
2010	$	264
2011		246
	$	510

See Accompanying Auditor's Report

Exhibit B-3

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

	Ref.		
Balance December 31, 2011	A:B		$ -
Increased by:			
Interest		$ 1	
Statutory Excess		384	
	B-1		385
			385
Decreased by:			
Payment	B-1		385
Balance December 31, 2012	A:B		$ -

See Accompanying Auditor's Report

Exhibit B-4

TRUST FUND

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

	Ref.				
Balance December 31, 2011	B			$	-
Increased by:					
2012 State License Fees	B-1	$	115		
					115
					115
Decreased by:					
Disbursements to the State	B-1				114
Balance December 31, 2012	B			$	1

See Accompanying Auditor's Report

Exhibit B-5

TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2012

		Increased by		Decreased by	
Reserve	Balance Dec 31, 2011	Receipts	2012 Budget Appropriation	Disbursements	Balance Dec 31, 2012
Payroll	$ 115,973	13,405,801		13,399,635	122,139
DEDR	150				150
Offduty Police Officers		166,585		166,585	-
Police Forfeiture	86,585	3,041		195	89,431
Recreation Expenditures	24,080	38,303		45,989	16,394
Special Events	52,684	36,500		86,000	3,184
Historical Society	50				50
Lifeguard Pension	531,307	17,067		15,216	533,158
Developers Escrow	210,198	58,935		155,141	113,992
Parking Offense Adjudication Act	14,480	1,846			16,326
Fire Penalty - Compensation	69,095	32,551		24,416	77,230
Fire Penalty - Dedicated	70,777	105,563		129,212	47,128
Memorial Benches	25,234	8,400			33,634
Snow Removal	23,988			16,858	7,130
UCC Fees	19,437	262,970		270,045	12,362
Accumulated Absences	109,779			6,087	103,692
Self Insurance	162,513	612		50,788	112,337
Tourism Development Commission	73,917	114,333		128,346	59,904
Revolving Loan Fund	109,373	476			109,849
	$ 1,699,620	14,252,983	-	14,494,513	1,458,090

See Accompanying Auditor's Report

Exhibit C-2

GENERAL CAPITAL FUND
ANALYSIS OF CASH

			---------- Receipts ----------		------- Disbursements -------		---- Transfers ----		
		Balance Dec. 31, 2011	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Balance Dec. 31, 2012
Contracts Payable		$ 252,083					252,083	762,722	762,722
Capital Improvement Fund		50,905	15,000				60,446		5,459
Reserve for Payment of Bonds		76,859				27,451		36,633	86,041
Reserve for Preliminary Expenses		-				47,000		47,000	-
Fund Balance		17,003		48,951			17,000	4,234	53,188
Reserve for Payment of Notes		997,135		32,619		960,500	36,633		32,621
Grants Receivable		(1,186,000)		602,554			1,041,554		(1,625,000)
Improvement Authorizations:									
Ordinance Number									
773-09	Various Improvements								
	a Replacement of Boardwalk	99,294			8,164		39,299	24,924	76,755
	c Pacific Ave. Streetscape	6,633			341		6,337	45	-
	d Improvement to Pacific Ave.	509,826			9,372		398,404	17,272	119,322
	e Street lights and Street signs				1,088			7,221	6,133
798-10	a. Purchase of Equipment	15,501			3,015		2,249		10,237
	b. Major Repairs of Equipment	5,020			5,020				-
805-10	Acquisition of Timekeeping System	30,210			2,004				28,206
811-10	a. Expansion/Renovation Muni. Bldgs.	522,801			35,869		112,338	17,698	392,292
	b. Purchase of Vehicles	18,968			22,899			10,295	6,364
823-10/	a. Purchase of DPW Equipment	56,763			23,286		3,599	49,337	79,215
867-11	b. Purchase of Police SUV	1,353			26,648			26,500	1,205
	c. Purchase of DPW Dump Truck	82,851			56,639				26,212
	d. Purchase of Various Equipment	3,258			11,604			8,685	339
	e. City Hall Improvements/Expansion	110,451			17,336		9,441	3,093	86,767
	f. Reconst. of Park Blvd.	559,522			2		373,670		185,850
	g. Preliminary Plan - Streetscape	16,680					16,680		-
824-10	b. Purchase of DPW Equipment	30,019			26,528				3,491
	c. Improvements - Sidewalks & Curbs	20,000			1,285				18,715

See Accompanying Auditor's Report

Exhibit C-2

GENERAL CAPITAL FUND
ANALYSIS OF CASH

			---------- Receipts ----------		------- Disbursements -------		---- Transfers ----		
		Balance Dec. 31, 2011	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Balance Dec. 31, 2012
841-11	Back Bay Flood Abatement	2,494			669				1,825
860-11	Preliminary Expense - Redevelopment of Bayside Area	104,678			77,411		70,612	94,234	50,889
885-11	Purchase of Lifeguard Vehicle				17,000			17,000	-
904-12	Acquisition of Firefighting Equipment			42,000	250,995		105,871	354,000	39,134
906-12	Construction of Boardwalk Ramp				662,396		26,593	695,000	6,011
917-12	Various Capital Improvements								
	a. Improvements to Rec Bldg/City Hall				453			46,200	45,747
	b. Improvements to Lifeguard Equip.				257			22,100	21,843
	c. Restoration of Lifeguard Boats				84			8,400	8,316
	d. Lifeguard Communication Equipment				177			9,650	9,473
	e. Purchase of Equip. for Court & Police				114,467		5,718	157,500	37,315
	f. Purchase of Equip. for Fire Dept & Human Resources				2,819		2,204	10,500	5,477
	g. Purchase of Fire Equipment				194			3,150	2,956
	h. Purchase of Parking Meters				33,051			34,650	1,599
	i. Purchase of Computers				9,664		291	17,850	7,895
	j. Purchase of Recreation Dept Truck				16,014			21,000	4,986
	k. Restoration of Recreation Fields				9,882			10,500	618
	l. Replacement of Boardwalk Subdeck				203			20,500	20,297
	m. Purchase & Install Street Signs				27,280			28,350	1,070
929-12	Purchase & Installation of Street Signs				9,779			9,779	-
930-12	Acquisition of Beach boxes			49,500	41,318			5,000	13,182
		$ 2,404,307	15,000	775,624	1,525,213	1,034,951	2,581,022	2,581,022	634,767

See Accompanying Auditor's Report

Exhibit C-3

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	Ref.			
Balance December 31, 2011	C		$	1,186,000
Increased by:				
FEMA - 2011 Assistance to Firefighters		351,554		
NJ DOT - Boardwalk access ramp		290,000		
CDBG - Boardwalk access ramp		400,000		
				1,041,554
Decreased by:				
Receipts:				
NJ DOT - Boardwalk access ramp		217,500		
CDBG - Boardwalk access ramp		385,054		
				602,554
Balance December 31, 2012	C		$	1,625,000

Analysis of Balance

NJ DOT - Pacific Ave. Streetscape	150,000
NJ DOT - ARRA - Pacific Ave. Streetscape	350,000
CDBG - Expansion/Renovation of Muni Bldg	500,000
FEMA - 2011 Assistance to Firefighters	351,554
NJ DOT - Boardwalk access ramp	72,500
CDBG - Boardwalk access ramp	14,946
NJ DOT - Reconst. of Park Avenue	186,000
	1,625,000

See Accompanying Auditor's Report

Exhibit C-4

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

	Ref.			
Balance December 31, 2011	C		$	19,041,018
Increased by:				
Bonds Issued	C-8			3,374,000
Decreased by:				
2012 Budget Approriations:				
General Serial Bonds	C-8	2,095,000		
USRDA Loans	C-9	5,278		
Green Trust Loans	C-10	53,351		
				2,153,629
Balance December 31, 2012	C		$	20,261,389

See Accompanying Auditor's Report

Exhibit C-5

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012	Analysis of Balance Dec. 31, 2012: Financed by Notes	Expended	Unexpended Improvement Authorization
716-07	Tax Appeals Refunding	$ 778,000		395,000	383,000	383,000		
725-08	Improvements to Poplar Avenue	18,000		18,000	-	-		
739-08	Various Improvements							
	a Purchase of Vehicles	56,337		56,337	-	-		
	b Purchase of Ambulance	27,076		27,076	-	-		
	c Building Improvements	165,100		165,100	-	-		
	d Purchase of Pagers - Fire	5,000		5,000	-	-		
	e Purchase of Garage for Lifeguards	6,518		6,518	-	-		
	f Improvements to Curbs and Sidewalks	47,000		47,000	-	-		
	g Purchase/Repair of Public Works Equipment	192,049		192,049	-	-		
	h Repair/Upgrade Communication Equipment	13,920		13,920	-	-		
773-09	Various Improvements							
	a Replacement of Boardwalk	285,000		285,000	-			
	b Reconstruction of Garfield Ave.	12,500		12,500	-	-		
	c Pacific Ave. Streetscape	49,000		49,000	-	-		
	d Improvement to Pacific Ave.	42,000		42,000	-	-		
805-10	Acquisition of Timekeeping System	160,000		160,000	-	-		
811-10	a. Expansion/Renovation Muni. Bldgs.	100,000		100,000	-	-		
	b. Purchase of Vehicles	150,000		150,000	-	-		
823-10/ 867-11	a. Purchase of DPW Equipment	702,000		702,000	-			
	b. Purchase of Police SUV	26,500		26,500	-			
	c. Purchase of DPW Dump Truck	30,000		30,000	-			
	d. Purchase of Various Equipment	28,500		28,500	-			
	e. City Hall Improvements/Expansion	174,000		174,000	-			
	f. Reconst. of Park Blvd.	356,350		356,200	150			150
	g. Preliminary Plan - Streetscape	15,800		15,800	-			
841-11	Back bay Flood Abatement Program	950,000		120,000	830,000			830,000
860-11	Preliminary Expenses - Revelopment of Bayside Area	500,000		500,000	-			
880-11	Refunding Costs of ECIA Loan	425,000		425,000	-			
904-12	Acquisition of Fire Fighting Equipment		42,000	42,000	-			
930-12	Acquisition of Beach Boxes		50,000	49,500	500			500
		$ 5,315,650	92,000	4,194,000	1,213,650	383,000	-	830,650
		C			C:C-12		C-2	C-6

See Accompanying Auditor's Report

Exhibit C-6

GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011 Funded	Balance Dec. 31, 2011 Unfunded	2012 Authorizations: Capital Improvement Fund	2012 Authorizations: Capital Grant	2012 Authorizations: Capital Fund Balance	2012 Authorizations: Deferred Charge to Future Taxation	Expended	Prior Year Encumbrance Cancelled	Transfer	Canceled	Balance Dec. 31, 2012 Funded	Balance Dec. 31, 2012 Unfunded
773-09	Various Improvements	10/06/09	1,602,000												
	a Replacement of Boardwalk				99,294					37,463	24,924	(10,000)		76,755	
	c Pacific Ave. Streetscape				6,633					341	45	(6,000)	337	-	
	d Improvement to Pacific Ave.			467,826	42,000					407,776	17,272			119,322	
	e Street lights and signs					1,000				1,088		6,221		6,133	
798-10	Various Improvements	04/14/10	327,500												
	a. Purchase of Equipment			15,501						5,264				10,237	
	b. Major Repairs of Equipment			5,020						5,020				-	
														-	
805-10	Acquisition of Timekeeping System	06/09/10	168,000		30,210					2,004				28,206	
														-	
811-10	Various Capital Improvements	08/11/10	762,500												
	a. Expansion/Renovation Muni. Bldgs.			422,801	100,000					148,207	17,698			392,292	
	b. Purchase of Vehicles				18,968					22,899	10,295			6,364	
823-10/	Various Capital Improvements	11/10/10	1,586,150												
867-11	a. Purchase of DPW Equipment				56,763					26,885	49,337			79,215	
	b. Purchase of Police SUV				1,353					26,648	26,500			1,205	
	c. Purchase of DPW Dump Truck			1,351	81,500					56,639				26,212	
	d. Purchase of Various Equipment				3,258					11,604	8,685			339	
	e. City Hall Improvements/Expansion			-	110,451					26,777	3,093			86,767	
	f. Reconst. of Park Blvd.			203,322	356,350					2		(373,670)		185,850	150
	g. Preliminary Plan - Streetscape			880	15,800							(16,680)		-	
824-10	Various Capital Improvements	11/10/10	110,000												
	b. Purchase of DPW Equipment			30,019						26,528				3,491	
	c. Improvements - Sidewalks & Curbs			20,000						1,285				18,715	
841-11	Back Bay Flood Abatement	02/23/11	1,000,000		832,494					669				1,825	830,000
860-11	Preliminary Expense - Redevelopment of Bayside Area	07/27/11	500,000		104,678					148,023	94,234			50,889	-
880-11	Refunding Costs of ECIA Loan	11/22/11	620,000		425,000								425,000		-
885-11	Purchase of Lifeguard Vehicle	12/14/11	17,000					17,000		17,000				-	
904-12	Acquisition of Fire Equipment	03/14/12	396,000			2,446	351,554		42,000	356,866				39,134	
906-12	Construction of Boardwalk Ramp	03/14/12	695,000			5,000	290,000		400,000	685,092			3,897	6,011	

See Accompanying Auditor's Report

Exhibit C-6

GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011 Funded	Balance Dec. 31, 2011 Unfunded	2012 Authorizations: Capital Improvement Fund	2012 Authorizations: Capital Grant	2012 Authorizations: Capital Fund Balance	2012 Authorizations: Deferred Charge to Future Taxation	Expended	Prior Year Encumbrance Cancelled	Transfer	Canceled	Balance Dec. 31, 2012 Funded	Balance Dec. 31, 2012 Unfunded
917-12	Various Capital Improvements	05/23/12	1,586,150												
	a. Improvements to Rec Bldg/City Hall									453		46,200		45,747	
	b. Improvements to Lifeguard Equip.									257		22,100		21,843	
	c. Restoration of Lifeguard Boats									84		8,400		8,316	
	d. Lifeguard Communication Equipment									177		9,650		9,473	
	e. Purchase of Equip. for Court & Police									120,185		157,500		37,315	
	f. Purchase of Equip. for Fire Dept & Human Resources									5,023		10,500		5,477	
	g. Purchase of Fire Equipment									194		3,150		2,956	
	h. Purchase of Parking Meters									33,051		34,650		1,599	
	i. Purchase of Computers									9,955		17,850		7,895	
	j. Purchase of Recreation Dept Truck									16,014		21,000		4,986	
	k. Restoration of Recreation Fields									9,882		10,500		618	
	l. Replacement of Boardwalk Subdeck									203		20,500		20,297	
	m. Purchase & Install Street Signs									27,280		28,350		1,070	
929-12	Purchase & Installation of Street Signs	07/11/12	1,603,000							9,779		9,779		-	
930-12	Acquisition of Beach Boxes	07/25/12	55,000			5,000			50,000	41,318				13,182	500
				$ 1,166,720	2,284,752	13,446	641,554	17,000	492,000	2,287,935	252,083	-	429,234	1,319,736	830,650

See Accompanying Auditor's Report

Exhibit C-7

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, 2011	Increased	Decreased	Balance Dec. 31, 2012
725-08	Improvements to Poplar Avenue	11/6/2008	10/28/2011	82,000	N/A	$ 18,000		18,000	-
739-08	Various Capital Improvements	11/6/2008	10/28/2011	619,000	N/A	513,000		513,000	-
773-09	Various Capital Improvements	10/30/2009	10/28/2011	440,163	N/A	388,500		388,500	-
805-10	Acquisition of Timekeeping System	10/29/2010	10/28/2011	160,000	N/A	160,000		160,000	-
811-10	Various Capital Improvements	10/29/2010	10/28/2011	250,000	N/A	250,000		250,000	-
823-10	Various Capital Improvements	3/25/2011	3/25/2011	1,333,000	N/A	1,333,000		1,333,000	-
841-11	Back Bay Flood Abatement Program	10/28/2011	10/28/2011	120,000	N/A	120,000		120,000	-
860-11	Prelim. Expenses - Redevelopment of Bayside Area	10/28/2011	10/28/2011	500,000	N/A	500,000		500,000	-
						$ 3,282,500	-	3,282,500	-
						C			C

See Accompanying Auditor's Report

Exhibit C-8

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
General Improvement Bonds of 2003-A	1/1/2003	7,150,000	01/01/13	800,000	3.700%	$ 2,100,000		750,000	1,350,000
			01/01/14	550,000	4.000%				
General Improvement Bonds of 2008	5/1/2008	10,729,000	05/01/13	730,000	4.250%	8,879,000		680,000	8,199,000
			05/01/14	770,000	4.250%				
			05/01/15	810,000	4.250%				
			05/01/16	860,000	4.250%				
			05/01/17	910,000	4.250%				
			05/01/18	960,000	4.250%				
			05/01/19	1,010,000	4.250%				
			05/01/20	1,070,000	4.375%				
			05/01/21	1,079,000	4.375%				
Refunding Bonds of 2011	12/28/2011	7,175,000	11/1/2013	630,000	3.000%	7,175,000		665,000	6,510,000
			11/1/2014	650,000	3.000%				
			11/1/2015	665,000	3.000%				
			11/1/2016	685,000	4.000%				
			11/1/2017	715,000	4.000%				
			11/1/2018	745,000	4.000%				
			11/1/2019	775,000	4.000%				
			11/1/2020	805,000	4.000%				
			11/1/2021	840,000	4.000%				
General Improvement Bonds of 2012	10/26/2012	3,374,000	10/1/2013	194,000	2.000%		3,374,000		3,374,000
			10/1/2014	190,000	2.000%				
			10/1/2015	320,000	2.000%				
			10/1/2016	315,000	2.000%				
			10/1/2017	305,000	2.000%				
			10/1/2018	300,000	2.000%				
			10/1/2019	315,000	2.000%				
			10/1/2020	325,000	2.000%				
			10/1/2021	370,000	2.000%				
			10/1/2022	365,000	2.000%				
			10/1/2023	375,000	2.000%				
						$ 18,154,000	3,374,000	2,095,000	19,433,000
						C		C-4	C

See Accompanying Auditors Report

Exhibit C-9

GENERAL CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
Pacific Ave. Wastewater Ord. 557-02b	1/23/2003	175,000	2013	2,526	4.50%	$ 157,474		2,417	155,057
			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					

See Accompanying Auditors Report

Exhibit C-9

GENERAL CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
Improvement to Rio Grande Ave. Ord. 577-02	8/1/2003	208,000	2013	2,984	4.25%	188,972		2,861	186,111
			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					
						$ 346,446	-	5,278	341,168

See Accompanying Auditors Report

Exhibit C-10

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
Multi Parks Improvements Ord. 470-98	10/7/2002	$ 500,000	5/29/2013	15,696	2.00%	$ 247,682		30,928	216,754
			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	5/25/2013	7,364	2.00%	176,658		14,510	162,148
			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					
			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					

See Accompanying Auditors Report

Exhibit C-10

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
			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					
Maxwell Field Park Project Ord. 557-02a	1/19/2005	$ 164,000	4/24/2013	4,016	2.00%	116,232		7,913	108,319
			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					
			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					

See Accompanying Auditors Report

Exhibit C-10

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
			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					
						$ 540,572	-	53,351	487,221

See Accompanying Auditors Report

Exhibit C-11

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, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
716-07	Tax Appeals Refunding	3/8/2008	$ 1,900,000	10/25/13	383,000	1.250%	$ 778,000		395,000	383,000
							$ 778,000	-	395,000	383,000

See Accompanying Auditors Report

Exhibit C-12

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.			
Balance December 31, 2011	C		$	50,905
Increased by:				
2012 Budget Appropriation	C-3			15,000
				65,905
Decreased by:				
Direct Charge for Prelim Expenses		47,000		
Appropriated to Finance Improvement Authorizations	C-6	13,446		
				60,446
Balance December 31, 2012	C		$	5,459

See Accompanying Auditor's Report

Exhibit C-13

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorization	Bonds Issued	Cancelled	Balance Dec. 31, 2012
823-10	Various Improvements					
	f. Reconst. of Park Blvd.	150				150
841-11	Back Bay Flood Abatement Program	830,000				830,000
880-11	Refunding Costs of ECIA Loan	425,000			425,000	-
904-12	Acquisition of Fire Equipment		42,000	42,000		-
930-12	Acquisition of Beach Boxes		50,000	49,500		500
		$ 1,255,150	92,000	91,500	425,000	830,650
		C				C

See Accompanying Auditor's Report

WATER OPERATING FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2011	D		$ 2,051,053		2,517,140
Increased By:					
Water Rent Collected	D-3: D-7	6,860,020			
Miscellaneous Revenue	D-3	112,411			
Escrow Deposit		6,176			
Overpayments		38,853			
Bond Proceeds				1,010,000	
Premium on Note Sale				42,457	
Budget Appropriations					
Capital Improvement Fund				500,000	
Due to State of New Jersey - NJ Water Tax		11,372			
			7,028,832		1,552,457
			9,079,885		4,069,597
Decreased By:					
Current Appropriations	D-4	6,042,445			
Appropriation Reserves	D-10	375,627			
Escrow Deposits		3,232			
Due to State of New Jersey - NJ Water Tax		12,348			
Improvement Authorization	D-14			1,947,289	
			6,433,652		1,947,289
Balance December 31, 2012			$ 2,646,233		2,122,308

SEE ACCOMPANYING AUDITORS' REPORT

Exhibit D-6

WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

			---------- Receipts ----------		------- Disbursements -------		---- Transfers ----		
		Balance Dec. 31, 2011	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Balance Dec. 31, 2012
Fund Balance		$ 227,763		42,457					270,220
Capital Improvement Fund		90,761	500,000				500,000		90,761
Reserve for Preliminary Expenses		10,000							10,000
Contracts Payable		1,519,769					1,519,769	526,006	526,006
Improvement Authorizations:									
Ordinance Number									
633-05	Water System Improvements				5,273		1,290	6,563	-
645/647-05	Water Main Replacement				38,900		926	39,826	-
667-06	Various Improvements				8,395				(8,395)
688-07	Various Improvements	8,396			50,111				(41,715)
702-07	Various Improvements								
	(a) Water Main Replacement	19,463			11,443		9,396	40,044	38,668
	(b) Replacement Recharge Well	-			569,198			526,617	(42,581)
717-08	Various Improvements & Acquisitions	9,669					1,894	3,668	11,443
763-09	Various Improvements	-			26,445		5,852	48,432	16,135
779-09	Boardwalk Reconstruction	-							-
786-10	Various Improvements	-					5,203	31,668	26,465
830-10	Various Water Improvements								
	(a) Acquisition of West Wildwood water utility	145,368			784			416	145,000
	(b) Replacement of water mains	342,352		1,010,000	228,628		160,860	2,400	965,264
	(c) Replacement of Recharge Well	40,928			543,366		11,234	513,672	-
842-11	Various Improvements & Acquisitions	102,671			392,336		16,798	306,463	-
902-12	Various Improvements				26,374		76,389	500,000	397,237
923-12	Various Improvements				46,036		236,164		(282,200)
		$ 2,517,140	500,000	1,052,457	1,947,289	-	2,545,775	2,545,775	2,122,308
		D	D-4	D-5	D-5 : D-14				D : D-5

See Accompanying Auditor's Report

WATER OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2011	D		$ 250,227
Increased by:			
Utility Rents Levied	Res.	6,885,429	
			6,885,429
			7,135,656
Decreased by:			
Collections	D-5	6,860,020	
Overpayments	D-9	45,625	
Adjustments	Res.	54,137	
			6,959,782
Balance December 31, 2012	D		$ 175,874

WATER OPERATING FUND
SCHEDULE OF WATER UTILITY LIENS

	Ref.	
Balance December 31, 2011	D	$ -
No Activity during 2012		
Balance December 31, 2012	D	$ -

WATER OPERATING FUND
SCHEDULE OF WATER RENT OVERPAYMENTS

	Ref.		
Balance December 31, 2011	D		$ 45,625
Increase by:			
Overpayments created	D-7		38,853
Decreased by:			
Overpayments applied	D-7	45,625	
			45,625
Balance December 31, 2012	D		$ 38,853

WATER OPERATING FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES

	BALANCE Dec. 31, 2011	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER-EXPENDED
Operating:					
Other Expenses	$ 193,728	193,728	64,737	128,991	
Insurance	72,565	72,565	60,243	12,322	
Capital Improvements					
Capital Outlay	288,237	288,237	255,847	32,390	
Other Accounts No Change	2,144	2,144		2,144	
	$ 556,674	556,674	380,827	175,847	-
Ref.	D	D		D-1	D

D	5,200	Accounts Payable
D-5	375,627	Disbursed
	380,827	

SEE ACCOMPANYING AUDITOR'S REPORT

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

	Ref.	
Balance December 31, 2011	D	$ 165,803
Increased by:		
Accrued interest charged to 2012 budget appropriation - Interest on bonds and notes	D-4	547,584
		713,387
Decreased by:		
Disbursements	D-4	594,578
Balance December 31, 2012	D	$ 118,809

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2012

Description	Principal Outstanding Dec. 31, 2012	Interest Rate	From	To	# of Days	Amount
Bonds	195,000	Various	7/1/12	12/31/12	183	$ 3,608
Bonds	1,280,000	Various	9/15/12	12/31/12	107	14,995
Bonds	8,473,000	Various	11/1/12	12/31/12	60	62,485
Bonds	1,220,000	Various	11/1/12	12/31/12	60	4,800
Bonds	3,010,000	Various	10/26/12	12/31/12	66	12,981
NJEIT Bonds	480,000	Various	08/01/12	12/31/12	152	8,859
USDA Loan	773,681	4.125%	8/28/12	12/31/12	125	11,081
						$ 118,809

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

ACCOUNT	BALANCE Dec. 31, 2011	ADDITIONS BY BUDGET CAPITAL OUTLAY	TRANSFERRED FROM UNCOMPLETED	BY ORDINANCE	BALANCE Dec. 31, 2012
Combined Improvements	$ 34,887,025		500,000		35,387,025
	$34,887,025	-	500,000	-	35,387,025
Ref.	D			D-13	D

Exhibit D-13

WATER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011	2012 Authorizations: Deferred Reserve for Amortization	2012 Authorizations: Deferred Charge To Future Revenues	2012 Authorizations: Costs to Fixed Capital	Canceled	Balance Dec. 31, 2012
647-05	Water Main Replacement	07/13/05	1,307,700	$ 1,246,500					1,246,500
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
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
842-11	Various Improvements & Acquisitions	03/09/11	500,000	500,000					500,000
879-11	Refinancing Costs	11/22/11	80,000	50,000				50,000	-
902-12	Various Improvements	03/14/12	500,000	-	500,000				500,000
923-12	Various Improvements	05/09/12	2,602,000	-		2,602,000			2,602,000
				$ 13,796,500	500,000	2,602,000	500,000	50,000	16,348,500
				D	D-19		D-12		D

See Accompanying Auditor's Report

Exhibit D-14

WATER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011 Funded	Balance Dec. 31, 2011 Unfunded	2012 Authorizations: Capital Improvement Fund	2012 Authorizations: Deferred Charge to Future Revenue	Expended	Cancelled Encumbrances	Transfer/ (Cancelled)	Balance Dec. 31, 2012 Funded	Balance Dec. 31, 2012 Unfunded
688-07	Various Improvements	02/14/07	500,000	$ 8,396				8,396			-	
702-07	Various Water Improvements	12/12/07	5,000,000									
	(a) Water Main Replacement			19,463				19,463			-	
717-08	Various Improvements & Acquisitions	02/13/08	500,000	9,669				9,669			-	
786-10	Various Improvements	03/24/10	500,000	-					19		19	
830-10	Various Water Improvements	11/10/10	5,000,000									
	(a) Acquisition of West Wildwood water utility				820,368			368		(820,000)		-
	(b) Replacement of water mains				2,667,352			387,088		820,000	1,110,264	1,990,000
	(c) Replacement of Recharge Well				40,928			40,928				-
842-11	Various Improvements & Acquisitions	03/09/11	500,000	102,671				102,671			-	
879-11	Refinancing Costs	11/22/11	80,000		50,000					(50,000)		-
902-12	Various Improvements	03/14/12	500,000			500,000		102,763			397,237	
923-12	Various Improvements	05/09/12	2,602,000				2,602,000	282,200				2,319,800
				$ 140,199	3,578,648	500,000	2,602,000	953,546	19	(50,000)	1,507,520	4,309,800
				D	D		D-21	D-6		D--21	D	D

See Accompanying Auditor's Report

WATER UTILITY CAPITAL FUND
STATEMENT OF WATER SERIAL BONDS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Water Bonds of 2003	01/01/03	1,770,000	01/01/13	195,000	3.700%	$ 370,000		175,000	195,000
Refunding Bonds 2004-B	01/01/04	3,490,000	09/15/13	315,000	3.500%	1,595,000		315,000	1,280,000
			09/15/14	315,000	4.000%				
			09/15/15	320,000	4.000%				
			09/15/16	330,000	4.250%				
Water Bonds, Series 2008	05/01/08	9,903,000	05/01/13	410,000	4.250%	8,863,000		390,000	8,473,000
			05/01/14	425,000	4.250%				
			05/01/15	440,000	4.250%				
			05/01/16	450,000	4.250%				
			05/01/17	470,000	4.250%				
			05/01/18	485,000	4.250%				
			05/01/19	505,000	4.250%				
			05/01/20	515,000	4.375%				
			05/01/21	535,000	4.375%				
			05/01/22	555,000	4.500%				
			05/01/23	570,000	4.500%				
			05/01/24	585,000	4.500%				
			05/01/25	600,000	4.500%				
			05/01/26	620,000	4.625%				
			05/01/27	650,000	4.625%				
			05/01/28	658,000	4.700%				
Water Bonds, Series 2011B	12/14/11	1,350,000	11/01/13	125,000	2.000%	1,350,000		130,000	1,220,000
			11/01/14	125,000	2.000%				
			11/01/15	130,000	2.000%				
			11/01/16	130,000	2.000%				
			11/01/17	135,000	2.000%				
			11/01/18	135,000	2.000%				
			11/01/19	145,000	3.000%				
			11/01/20	145,000	3.000%				
			11/01/21	150,000	3.000%				

SEE ACCOMPANYING AUDITOR'S REPORT

WATER UTILITY CAPITAL FUND
STATEMENT OF WATER SERIAL BONDS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Water Bonds Series 2012	10/11/12	3,010,000	10/01/13	140,000	2.000%	-	3,010,000		3,010,000
			10/01/14	140,000	2.000%				
			10/01/15	140,000	2.000%				
			10/01/16	140,000	2.000%				
			10/01/17	165,000	2.000%				
			10/01/18	175,000	2.000%				
			10/01/19	180,000	2.000%				
			10/01/20	195,000	2.000%				
			10/01/21	205,000	2.000%				
			10/01/22	230,000	2.000%				
			10/01/23	240,000	2.000%				
			10/01/24	250,000	3.000%				
			10/01/25	260,000	3.000%				
			10/01/26	270,000	3.000%				
			10/01/27	280,000	3.000%				
						$ 12,178,000	3,010,000	1,010,000	14,178,000
					Ref.	D		D-19	D

SEE ACCOMPANYING AUDITOR'S REPORT

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, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
NJEIT 2005A Trust Loan	11/10/05	625,000	08/01/13	30,000	5.000%	$ 505,000		25,000	480,000
			08/01/14	30,000	5.000%				
			08/01/15	30,000	4.000%				
			08/01/16	30,000	4.000%				
			08/01/17	35,000	4.000%				
			08/01/18	35,000	4.250%				
			08/01/19	35,000	4.250%				
			08/01/20	40,000	4.500%				
			08/01/21	40,000	4.375%				
			08/01/22	40,000	4.375%				
			08/01/23	45,000	4.375%				
			08/01/24	45,000	4.375%				
			08/01/25	45,000	4.375%				
NJEIT 2005A Fund Loan	11/10/05	621,500	02/01/13	6,817	0.000%	445,129		30,692	414,437
			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					

SEE ACCOMPANYING AUDITOR'S REPORT

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, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
NJEIT 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					
						$ 950,129	-	55,692	894,437
					Ref.	D		D-18	D

WATER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Rio Grande II	02/28/07	824,726	02/28/13	5,233	4.125%	$ 783,832		10,151	773,681
			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					

WATER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
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 DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Rio Grande II (continued)			02/28/47	$ 12,350					
						$ 783,832	-	10,151	773,681
					Ref.	D		D-18	D

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
Balance December 31, 2011	D		$ 27,221,564
Increased by:			
Transfer from Deferred Reserve for Amortizatior	D-19	500,000	
Serial Bonds Payable	D-15	1,010,000	
NJEIT Trust Bonds Payable	D-16	55,692	
USDA Loan Payable	D-17	10,152	
			1,575,844
Balance December 31, 2012	D		$ 28,797,408

WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2011	Fixed Capital Authorized	To Reserve for Amortization	Canceled	Balance Dec. 31, 2012
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
786-10	Various Improvements	3/24/10	500,000				500,000
842-11	Various Improvements	3/9/11	500,000				500,000
902-12	Various Improvements	3/14/12		500,000			500,000
			$ 2,500,000	500,000	500,000	-	2,500,000
			D	D-14	D-18		D

SEE ACCOMPANYING AUDITOR'S REPORT

WATER UTILITY CAPITAL FUND
SCHEDULE OF UTILITY CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2011	D		$ 90,761
Increase by:			
2012 Budget Appropriation	D-4	500,000	
			500,000
			590,761
Decreased by:			
Appropriated to Finance Improvement Authorizations	D-14	500,000	
			500,000
Balance December 31, 2012	D		$ 90,761

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE Dec. 31, 2011	2012 AUTHORIZATIONS	Bonds Issued	BAN's Issued	Cancelled	BALANCE Dec. 31, 2012
830-10	Various Improvements	$ 3,000,000		$ 1,010,000			1,990,000
879-11	Refinancing Costs	50,000				50,000	-
923-12	Various Improvements		2,602,000				2,602,000
		$ 3,050,000	2,602,000	1,010,000	-	50,000	4,592,000
		D			D-22	D-14	D

SEE ACCOMPANYING AUDITOR'S REPORT

Exhibit D-22

WATER 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, 2011	Increased	Decreased	Balance Dec. 31, 2012
830-10 Various Water Improvements	3/25/2011	3/25/2011	3/23/2012	2,000,000	N/A	$	2,000,000	500,000	2,500,000	-
						$	2,000,000	500,000	2,500,000	-
							D	D-6		D

See Accompanying Auditor's Report

Exhibit E-5

SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2011	E		$ 1,431		274,314
Increased By:					
Sewer Rent Collected	E-3: E-7	4,068,213			
Sewer Additional Rents	E-3	356,291			
Miscellaneous Revenue	E-3	49,506			
Interest on Investments		1,727			
Deficit (General Fund)	E-3	155,774			
Due from the Current Fund		118,732			
Overpayments		60,473			
Grants Receivable				282,290	
Premium on Bond Sale	E-2			15,681	
Bonds				140,000	
			4,810,716		437,971
			4,812,147		712,285
Decreased By:					
Current Appropriations	E-4	4,555,955			
Appropriation Reserves	E-10	38,664			
Due to Current Fund		25,185			
Improvement Authorization	E-14			482,040	
			4,619,804		482,040
Balance December 31, 2012	E		$ 192,343		230,245

SEE ACCOMPANYING AUDITORS' REPORT

Exhibit E-6

SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

			---------- Receipts ----------		------- Disbursements -------		---- Transfers ----		
		Balance Dec. 31, 2011	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Balance Dec. 31, 2012
Fund Balance		$ 62,632		15,681					78,313
Capital Improvement Fund		50,507					7,000		43,507
Contracts Payable		471,942					471,942	267,855	267,855
Grants Receivable		(363,400)		282,290			708,000		(789,110)
Improvement Authorizations:									
Ordinance Number									
623-04	Various Improvements	20							20
633-05	Sewer System Improvements	467							467
704-07	Various Sewer Improvements	29,625			276,100		31,019	319,673	42,179
776-09	Sewer Phase IIIB Project	7,904			6,190		7,912	6,198	-
845-11	Sewer Phase IIIB Project	14,617			55,102		62,478	146,071	43,108
901-12	Miscellaneous Sewer IIIA				65,554		166,446	708,000	476,000
914-12	Sewer Capital Improvements			140,000	79,094			7,000	67,906
		$ 274,314	-	437,971	482,040	-	1,454,797	1,454,797	230,245
		E	A-3	E-5	E-5 : E-14				E : E-6

See Accompanying Auditor's Report

Exhibit E-7

SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2011	E		$ 57,806
Increased by:			
Utility Rents Levied	Res.	4,520,113	
			4,520,113
			4,577,919
Decreased by:			
Collections	E-5	4,424,504	
Overpayments	E-9	32,959	
Adjustments	Res.	42,135	
			4,499,598
Balance December 31, 2012	E		$ 78,321

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Exhibit E-8

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER UTILITY LIENS

	Ref.		
Balance December 31, 2011	E		$ 1,279
Increased by:			
Transferred from Sewer Rents	E-7	-	
Penalties and Costs		-	
			-
			1,279
Decreased by:			
Collections		1,279	
			1,279
Balance December 31, 2012	E		$ -

Exhibit E-9

SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER AND SEWER RENT OVERPAYMENTS

	Ref.		
Balance December 31, 2011	E		$ 32,959
Increase by:			
Overpayments created	E-7		60,473
Decreased by:			
Overpayments applied	E-7	$ 32,959	32,959
Balance December 31, 2012	E		$ 60,473

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Exhibit E-10

SEWER UTILITY OPERATING FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES

	BALANCE Dec. 31, 2011	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER-EXPENDED
Operating:					
Salaries and Wages	$ 404	331		331	
Other Expenses	37,001	37,074	21,872	15,202	
Insurance	26,444	26,444	16,792	9,652	
	$ 63,849	63,849	38,664	25,185	-
Ref.	E	E	E-5	E-1	E

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

	Ref.	
Balance December 31, 2011	E	$ 56,800
Increased by:		
Accrued interest charged to 2012 budget appropriation - Interest on bonds	E-4	263,462
		320,262
Decreased by:		
Disbursements	E-4	264,679
Balance December 31, 2012	E	$ 55,583

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2012

Description	Principal Outstanding Dec. 31, 2012	Interest Rate	From	To	# of Days	Amount
Bonds	914,000	Various	11/1/12	12/31/12	60	$ 6,820
Bonds	1,112,000	Various	10/26/12	12/31/12	66	2,994
USDA Loans	262,223	4.125%	8/28/12	12/31/12	125	3,693
USDA Loans	1,346,176	4.225%	8/28/12	12/31/12	125	18,961
USDA Loans	1,388,295	4.500%	12/5/12	12/31/12	26	4,584
USDA Loans	1,691,609	2.681%	12/3/12	12/31/12	28	5,499
USDA Loans	1,119,275	2.500%	7/15/12	12/31/12	169	13,032
						$ 55,583

Exhibit E-12

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

ACCOUNT	BALANCE Dec. 31, 2011	ADDITIONS BY BUDGET CAPITAL OUTLAY	TRANSFERRED FROM UNCOMPLETED	BALANCE Dec. 31, 2012
Combined Improvements	$ 10,629,197			10,629,197
	$ 10,629,197	-	-	10,629,197
Ref.	E		E-13	E

Exhibit E-13

SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011	2012 Authorizations: Deferred Reserve for Amortization	2012 Authorizations: Deferred Charge to Future Taxation	2012 Authorizations: Costs to Fixed Capital	Canceled	Balance Dec. 31, 2012
704-07	Various Sewer System Imp.	07/11/07	$ 2,342,000	$ 2,342,000					2,342,000
776-09	Sewer Plant IIIB Project	12/22/09	1,908,000	1,908,000					1,908,000
845-11	Sewer Plant IIIB Project	04/13/11	200,000	200,000					200,000
901-12	Miscellaneous Sewer IIIA	03/14/12	1,772,000	-	708,000	1,064,000			1,772,000
914-12	Sewer Capital Improvements	04/18/12	147,000	-	7,000	140,000			147,000
				$ 4,450,000	715,000	1,204,000	-	-	6,369,000
				E	E-19	E-21	E-12		E

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Exhibit E-14

SEWER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011 Funded	Balance Dec. 31, 2011 Unfunded	2012 Authorizations: Capital Improvement Fund / Other	2012 Authorizations: Deferred Charge to Future Revenue	Expended	Encumbrances Canceled	Canceled	Balance Dec. 31, 2012 Funded	Balance Dec. 31, 2012 Unfunded
704-07	Various Sewer System Improvements	07/11/07	2,342,000	$ 29,625					12,554		42,179	
776-09	Sewer Phase IIIB Project	12/22/09	1,908,000		7,904			7,904				-
845-11	Sewer Phase IIIB Project	04/13/11	200,000	14,617				3,571	32,062		43,108	
901-12	Miscellaneous Sewer IIIA	03/14/12	1,772,000			708,000	1,064,000	232,000			476,000	1,064,000
914-12	Sewer Capital Improvements	04/18/12	147,000			7,000	140,000	79,094			67,906	
				$ 44,242	7,904	715,000	1,204,000	322,569	44,616	-	629,193	1,064,000
				E			E-21	E-6			E	E

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Exhibit E-15

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, 2011	Increased	Decreased	Balance Dec. 31, 2012
726-08 Premil Stormwater Assessment	11/6/2008	10/28/2011	10/26/2012	26,500	N/A	$ 24,000		24,000	-
745-08 Sewer System Improvements	11/6/2008	10/28/2011	10/26/2012	238,500	N/A	218,413		218,413	-
738-08 Sewer System Improvements	10/30/2009	10/28/2011	10/26/2012	591,000	N/A	370,300		370,300	-
772-09 Sewer System Improvements	10/30/2009	10/28/2011	10/26/2012	196,000	N/A	169,287		169,287	-
845-11 Sewer Phase III B	10/28/2011	10/28/2011	10/26/2012	190,000	N/A	190,000		190,000	-
						$ 972,000	-	972,000	-
						E	E-21		E

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SEWER UTILITY CAPITAL FUND
STATEMENT OF SEWER SERIAL BONDS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Sewer Bonds, Series 2008	05/01/08	1,079,000	05/01/13	45,000	4.250%	$ 959,000		45,000	914,000
			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%				
Sewer Bonds, Series 2012	10/26/12	1,112,000	10/01/13	67,000	2.000%		1,112,000		1,112,000
			10/01/14	65,000	2.000%				
			10/01/15	65,000	2.000%				
			10/01/16	65,000	2.000%				
			10/01/17	65,000	2.000%				
			10/01/18	70,000	2.000%				
			10/01/19	70,000	2.000%				
			10/01/20	75,000	2.000%				
			10/01/21	75,000	2.000%				
			10/01/22	75,000	2.000%				
			10/01/23	80,000	2.000%				
			10/01/24	85,000	3.000%				
			10/01/25	85,000	3.000%				
			10/01/26	85,000	3.000%				
			10/01/27	85,000	3.000%				
						$ 959,000	1,112,000	45,000	2,026,000
					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	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Rio Grande II	02/28/07	279,524	02/28/13	1,773	4.125%	$ 265,663		3,441	262,222
			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					
			02/28/30	3,544					
			08/28/30	3,617					

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SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Rio Grande II Continued			02/28/31	$ 3,691	4.125%				
			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					

SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Miscellaneous Sewer I	02/28/07	1,435,000	02/28/13	9,105	4.250%	1,363,840		17,663	1,346,177
			08/28/13	9,292					
			02/28/14	9,484					
			08/24/14	9,679					
			02/28/15	9,878					
			08/28/15	10,081					
			02/28/16	10,288					
			08/28/16	10,500					
			02/28/17	10,716					
			08/28/17	10,936					
			02/28/18	11,161					
			08/28/18	11,391					
			02/28/19	11,625					
			08/28/19	11,864					
			02/28/20	12,108					
			08/28/20	12,357					
			02/28/21	12,611					
			08/28/21	12,871					
			02/28/22	13,136					
			08/28/22	13,406					
			02/28/23	13,681					
			08/28/23	13,963					
			02/28/24	14,250					
			08/28/24	14,543					
			02/28/25	14,842					
			08/28/25	15,148					
			02/28/26	15,459					
			08/28/26	15,777					
			02/28/27	16,102					
			08/28/27	16,433					
			02/28/28	16,771					
			08/28/28	17,116					
			02/28/29	17,468					

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SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
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					

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SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Park & Maple Wastewater	12/05/08	1,445,500	06/05/13	7,893	4.500%	1,403,565		15,270	1,388,295
			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					

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SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
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					

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SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Various Sewer Improvements	06/03/10	1,737,000	06/03/13	9,648	4.125%	1,710,324		18,715	1,691,609
			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					

SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Various Sewer Improvements Continued			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 DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Various Sewer Improvements Continued			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					
Phase III Wastewater	7/15/11	1,136,000	01/15/13	8,444	2.500%	1,136,000		16,725	1,119,275
			07/15/13	8,779					
			01/15/14	8,661					
			07/15/14	8,995					
			01/15/15	8,884					
			07/15/15	9,217					
			01/15/16	9,112					
			07/15/16	9,371					
			01/15/17	9,345					
			07/15/17	9,676					
			01/15/18	9,584					
			07/15/18	9,915					
			01/15/19	9,830					
			07/15/19	10,159					
			01/15/20	10,082					
			07/15/20	10,343					
			01/15/21	10,339					
			07/15/21	10,667					
			01/15/22	10,604					
			07/15/22	10,930					
			01/15/23	10,876					
			07/15/23	11,201					
			01/15/24	11,154					
			07/15/24	11,417					
			01/15/25	11,438					
			07/15/25	11,761					
			01/15/26	11,731					
			07/15/26	12,052					
			01/15/27	12,030					
			07/15/27	12,351					
			01/15/28	12,338					

SEE ACCOMPANYING AUDITOR'S REPORT

SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Phase III Wastewater Continued			07/15/28	12,602	2.500%				
			01/15/29	12,652					
			07/15/29	12,970					
			01/15/30	12,975					
			07/15/30	13,292					
			01/15/31	13,306					
			07/15/31	13,622					
			01/15/32	13,645					
			07/15/32	13,912					
			01/15/33	13,993					
			07/15/33	14,306					
			01/15/34	14,349					
			07/15/34	14,661					
			01/15/35	14,715					
			07/15/35	15,025					
			01/15/36	15,090					
			07/15/36	15,359					
			01/15/37	15,473					
			07/15/37	15,781					
			01/15/38	15,867					
			07/15/38	16,173					
			01/15/39	16,271					
			07/15/39	16,575					
			01/15/40	16,685					
			07/15/40	16,957					
			01/15/41	17,109					
			07/15/41	17,410					
			01/15/42	17,544					
			07/15/42	17,843					
			01/15/43	17,990					
			07/15/43	18,287					
			01/15/44	18,447					
			07/15/44	18,722					
			01/15/45	18,916					
			07/15/45	19,209					
			01/15/46	19,396					
			07/15/46	19,688					
			01/15/47	19,889					

SEE ACCOMPANYING AUDITOR'S REPORT

SEWER UTILITY CAPITAL FUND
SCHEDULE OF USRDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 DATE	AMOUNT	INT. RATE	BALANCE DEC. 31, 2011	INCREASED	DECREASED	BALANCE DEC. 31, 2012
Phase III Wastewater Continued			07/15/47	20,179	2.500%				
			01/15/48	20,394					
			07/15/48	20,671					
			01/15/49	20,911					
			07/15/49	21,197					
			01/15/50	21,442					
			07/15/50	21,726					
			01/15/51	21,986					
			07/15/51	22,777					
						$ 5,879,392	-	71,814	5,807,578
					Ref.	E		E-18	E

SEE ACCOMPANYING AUDITOR'S REPORT

Exhibit E-18

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
Balance December 31, 2011	E		$ 5,882,292
Increased by:			
Serial Bonds Payable	E-16	45,000	
USDA Loan Payable	E-17	71,814	
			116,814
Balance December 31, 2012	E		$ 5,999,106

SEE ACCOMPANYING AUDITOR'S REPORT

Exhibit E-19

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2011	Fixed Capital Authorized	To Reserve for Amortization	Canceled	Balance Dec. 31, 2012
704-07	Various Sewer System Improvements	07/11/07	$ 605,000				605,000
776-09	Sewer Phase IIIB Project	12/22/09	772,000				772,000
845-11	Sewer Phase IIIB Project	04/13/11	10,000				10,000
901-12	Miscellaneous Sewer III A	03/14/12		708,000			708,000
914-12	Sewer Capital Improvements	04/18/12		7,000			7,000
			$ 1,387,000	715,000	-	-	2,102,000
			E	E-14	E-18		E

SEE ACCOMPANYING AUDITOR'S REPORT

Exhibit E-20

SEWER UTILITY CAPITAL FUND
SCHEDULE OF UTILITY CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2011	E		$ 50,507
Increase by:			
2012 Budget Appropriation	E-4	-	
			-
			50,507
Decreased by:			
Appropriated to Finance Improvement Authorizations	E-14	7,000	
			7,000
Balance December 31, 2012	E		$ 43,507

SEE ACCOMPANYING AUDITOR'S REPORT

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	BALANCE Dec. 31, 2011	2012 AUTHORIZATIONS	Bonds Issued	Cancelled	BALANCE Dec. 31, 2012
901-12	Miscellaneous Sewer 3 A	$ -	1,064,000			1,064,000
914-12	Sewer Capital Improvements	-	140,000	140,000		-
		$ -	1,204,000	140,000	-	1,064,000
		E	E-14	E-16		E

CITY OF WILDWOOD

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

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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 $36,000 except by contract or agreement."

The governing body of the City has the responsibility of determining whether the expenditures in any category will exceed $36,000 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 $36,000 "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:

Ambulance
Backhoe
Water System Repairs
Parking Meters
Vehicles
Road Construction

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 $5,400 or more."

Our examination of expenditures did not reveal purchases made in excess of $5,400 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 January 11, 2012, adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "NOW, THEREFORE, BE IT RESOLVED, effective January 1, 2012 all taxes and assessments which are delinquent on or subsequent to January 1, 2012 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 11, 2012 and was complete, except for bankruptcies 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:

Year	Number of Liens
2012	8
2011	36
2010	12
2009	14
2008	8

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:

Type:	Number Mailed
Payment of 2013 and 2012 Taxes	10
Payment of 2013 and 2012 Water Utility Bills	10
Payment of 2013 and 2012 Sewer Utility Bills	10
Delinquent Taxes & Utilities	2
Municipal Court	6

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.

	Currently		
Year	Tax Levy	Cash Collections	Percentage of Collections
2012	30,958,552	30,585,657	98.80%
2011	30,238,924	29,951,948	99.05%
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%

Comparative Schedule of Tax Rate Information

	2012	2011	2010	2009	2008
Tax Rate	1.936	1.895	1.834	1.828	1.657
Apportionment of Tax Rate:					
Municipal	1.088	1.088	1.089	1.110	0.928
County	0.237	0.212	0.219	0.208	0.216
School	0.611	0.595	0.526	0.510	0.513
Assessed Valuation	1,571,191,163	1,573,574,454	1,778,832,252	1,838,006,789	1,838,284,332

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.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2012	82,744	5,438	88,182	0.28%
2011	139,495	53,807	193,302	0.64%
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%

Other Financial Statement Findings

Finding 2012-2

The City did not obtain the OPEB actuarial calculation as required by GASB 45.

Recommendation

That the City obtain the necessary actuarial report and include the results in the footnotes to the financial statements.

STATUS OF PRIOR RECOMMENDATIONS

NONE

RECOMMENDATIONS

2012-1: That the City reviews its purchasing procedures and ensure they are in compliance with the Local Public Contracts Law.

2012-2: That the City obtain the necessary actuarial report and include the results in the footnotes to the financial statements.

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

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC
Certified Public Accountants

May 30, 2013