

NEW ISSUE**Book-Entry-Only**

Rating: Moody's "___"
(see "Rating of the Bonds" herein)

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Borough, under existing statutes and court decisions, and assuming compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax that may be imposed on individuals and corporations under the Code and is not included in the adjusted current earnings of corporations for the purpose of calculating the alternative minimum tax. In addition, in the opinion of Bond Counsel to the Borough, under existing statutes, interest on the Bonds is not included in gross income under the New Jersey Gross Income Tax Act. See "Tax Matters" herein for a description of certain other provisions of the Code that may affect the tax treatment of interest on the Bonds for certain bondholders.

**THE BOROUGH OF WILDWOOD CREST,
 IN THE COUNTY OF CAPE MAY, NEW JERSEY**

**\$13,135,000 GENERAL BONDS OF 2009
 (Bank Qualified)**

Dated: Date of Delivery

Due: November 1, as shown below

The \$13,135,000 General Bonds of 2009 (the "Bonds") of the Borough of Wildwood Crest, in the County of Cape May, New Jersey (the "Borough"), will be issued in book-entry-only form with no physical distribution of bond certificates. The Bonds will be issued in registered form and bond certificates for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co.

Interest on the Bonds will be payable semiannually on May 1 and November 1 in each year until maturity or earlier redemption, commencing May 1, 2010. Principal or redemption price, if any, of and interest on the Bonds will be paid to DTC by the Borough. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of April 15 and October 15 next preceding each such interest payment date (the "Record Dates" for the payment of interest on the Bonds).

The Bonds will be subject to redemption prior to their stated maturities as described herein (see "The Bonds - Redemption" herein).

The Bonds are valid and legally binding obligations of the Borough and, unless paid from other sources, are payable from ad valorem taxes levied upon all the taxable real property within the Borough without limitation as to rate or amount.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS OR PRICES

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
2010	\$650,000			2017	\$1,000,000		
2011	700,000			2018	1,000,000		
2012	750,000			2019	1,200,000		
2013	800,000			2020	1,200,000		
2014	900,000			2021	1,200,000		
2015	900,000			2022	1,300,000		
2016	1,000,000			2023	535,000		

The Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Hawkins Delafield & Wood LLP, Newark, New Jersey, and certain other conditions described herein. Delivery of the Bonds is anticipated to take place on or about November 5, 2009.

Dated: October __, 2009

No broker, dealer, salesperson or other person has been authorized by the Borough to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness, and such information is not to be construed as a representation of accuracy or completeness, and such information is not to be construed as a representation of warranty by the Underwriter or, as to information from sources other than itself, by the Borough. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Borough during normal business hours.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Borough or the Underwriter.

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BOROUGH OF WILDWOOD CREST
CAPE MAY COUNTY, NEW JERSEY
BOROUGH OFFICIALS

MAYOR

Carl Groon

COMMISSIONERS

Don Cabrera
Joyce Gould

BOROUGH CLERK

Kevin M. Yecco

CHIEF FINANCIAL OFFICER

Stephen H. Ritchie

SOLICITOR

Doreen Y. Corino, Esq.

BOND COUNSEL

Hawkins Delafield & Wood LLP
Newark, New Jersey

AUDITORS

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
Ocean City, New Jersey

OFFICIAL STATEMENT
OF THE
BOROUGH OF WILDWOOD CREST
COUNTY OF CAPE MAY, NEW JERSEY
RELATING TO THE SALE AND ISSUANCE OF
\$13,135,000 GENERAL BONDS OF 2009

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Borough of Wildwood Crest, in the County of Cape May, New Jersey (the "Borough") and provides certain information relating to the Borough in connection with the sale of \$13,135,000 General Bonds of 2009 (the "Bonds"). The Bonds will be issued under various ordinances of the Borough described herein and a resolution of the Borough adopted October 7, 2009 and entitled "Resolution Providing for the Combination of Certain Issues of Bonds of the Borough of Wildwood Crest, in the County of Cape May, New Jersey into a Single Issue of General Bonds Aggregating \$13,135,000 in Principal Amount." This Official Statement has been executed by and on behalf of the Borough Board of Commissioners by the Borough Clerk and may be distributed in connection with the sale of the Bonds described herein.

DESCRIPTION OF THE BONDS

The Bonds will be general obligations of the Borough for which the full faith and credit of the Borough are irrevocably pledged for the punctual payment of the principal of and the interest on the Bonds. The Borough has the power and is obligated to levy ad valorem taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

The Bonds will be issued in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York, which will act as securities depository (the "Securities Depository"). The certificates will be on deposit with The Depository Trust Company. The Depository Trust Company will be responsible for maintaining a book-entry system for recording the interests of its participants or the transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers and individual purchases may be made in the principal amount of \$5,000 or any \$1,000 increment in excess thereof through book entries made on the books and records of The Depository Trust Company and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial interests in the Bonds, but each Book-Entry Bond owner will receive a credit balance on the books of its nominee, and this credit balance is expected to be confirmed by any initial transaction statement stating the details of the Bonds purchased.

Interest on the Bonds is payable on May 1, 2010, and semiannually thereafter on the first day of May and November in each year until maturity or earlier redemption to the registered owners thereof whose name appears on the registration books of the Borough as of each next preceding April 15 and October 15, each such date being a record date for the payment of interest on the Bonds. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid to the Securities Depository by the Borough.

Interest will be credited to the participants of The Depository Trust Company as listed on the records of The Depository Trust Company.

The Bonds mature on November 1 in each year as set forth below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2010	\$ 650,000	2017	\$ 1,000,000
2011	700,000	2018	1,000,000
2012	750,000	2019	1,200,000
2013	800,000	2020	1,200,000
2014	900,000	2021	1,200,000
2015	900,000	2022	1,300,000
2016	1,000,000	2023	535,000

DTC (DEPOSITORY TRUST COMPANY) INFORMATION

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Bond certificate will be issued for each year of maturity of the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation. Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to

its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption proceeds, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of

DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC not its nominee, the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Borough or its Agent, if any. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but the Borough takes no responsibility for the accuracy thereof.

THE PAYING AGENT WILL NOT HAVE THE RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

If the Borough, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the Borough will attempt to locate another qualified Securities Depository. If the Borough fails to find such Securities Depository, or the Borough determines, in its sole discretion, that it is in the best interest of the Borough or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the Borough undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make such determination) the Borough shall notify DTC of the termination of the book-entry only system.

In the event that the book-entry only system for the Bonds is discontinued, the Borough has, pursuant to the Resolution, provided that upon receipt of the Bond certificates from DTC and the Participant information, the Borough will authenticate (or cause to be authenticated) and deliver definitive Bonds to the holders thereof, and the principal of and interest on the Bonds will

be payable and the Bonds may thereafter be transferred or exchanged in the manner described in the bond certificates so provided.

THE BONDS

Redemption

The Bonds maturing prior to November 1, 2020 are not subject to redemption at the option of the Borough prior to their stated maturities. The Bonds maturing on or after November 1, 2020 are redeemable at the option of the Borough in whole or in part, in any order of maturity and by lot within a single maturity, on any date on or after November 1, 2019, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed, plus in each case accrued interest to the date fixed for redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, to the registered owners of the Bonds or portions thereof to be redeemed, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of any proceedings for the redemption of Bonds. If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the redemption price on the redemption date therein designated and if, on the redemption date, moneys for payment of the redemption price of all the Bonds to be redeemed, together with the interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Bonds shall cease to accrue and become payable. Less than all of a Bond in a denomination in excess of \$5,000 may be so redeemed, and in such case, upon the surrender of such Bond, there shall be issued to the registered owner thereof, without charge therefore, for the unredeemed balance of the principal amount of such Bond, Bonds of like designation, maturity and interest rate in any of the authorized denominations. So long as DTC (or any successor thereto) acts as securities depository for the Bonds, notice of redemption shall be sent to such securities depository and shall not be sent to the beneficial owners of the Bonds. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Borough determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Borough; the Bonds to be redeemed having the same maturity shall be selected by DTC in accordance with its regulations.

Security and Payment of the Bonds

The Bonds will recite that they are issued pursuant to the Local Bond Law of New Jersey, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"). The full faith and credit of the Borough are irrevocably pledged for the punctual payment of the principal of and the interest on the Bonds. The Bonds will be direct and general obligations of the Borough and the Borough will be obligated to levy ad valorem taxes upon all the taxable property within the Borough for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

Authorization

The Bonds have been authorized and are to be issued pursuant to the laws of the State, including the Local Bond Law. The Bonds are authorized by the bond ordinances set forth in the resolution adopted by the Borough Board of Commissioners on October 7, 2009 and entitled

"Resolution Providing for the Combination of Certain Issues of Bonds of the Borough of Wildwood Crest, in the County of Cape May, New Jersey into a Single Issue of General Bonds Aggregating \$13,135,000 in Principal Amount." All of the bond ordinances included in the sale of the Bonds were published in full or in summary form after their adoption along with the statement that the twenty-day period of limitation within which a suit, action, or proceeding questioning the validity of the authorizing bond ordinances can be commenced began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale, execution or delivery of the Bonds by the Borough.

PURPOSES OF ISSUE

The Bonds are authorized to construct or acquire the following improvements, including financing costs:

Improvements to sanitary sewerage system	\$9,776,500
Improvements to recreation facilities	1,971,200
Purchase of Public Works equipment and Public Safety equipment	958,600
Replacement of bulkheads	191,100
Acquisition of real property	190,000
Improvements to public buildings	<u>47,600</u>
	<u><u>\$13,135,000</u></u>

BOROUGH OF WILDWOOD CREST **COUNTY OF CAPE MAY, NEW JERSEY**

GENERAL INFORMATION

The Borough of Wildwood Crest lies along the southern New Jersey coast on land identified as "Five Mile Beach." It shares this "Beach" with the Cities of Wildwood and North Wildwood, the Borough of West Wildwood and a portion of Lower Township. The Borough is located in Cape May County approximately 35 miles south of Atlantic City and five miles north of Cape May City.

Wildwood Crest was incorporated as a Borough in 1910. The Borough is governed by a three member Board of Commissioners elected at-large for four-year terms. The mayor is elected by the commissioners from among their members. Each commissioner is responsible for a certain function of government and serves as a director. The functions are:

Public Affairs and Safety
Public Works, Parks and Property
Financial Administration

The Board of Commissioners exercises the legislative power of the Borough by adopting ordinances and resolutions. In addition, the Board is responsible for the approval of the Borough budget, the establishment of financial controls and setting of all salaries of elective and appointive officers and employees.

The most recent election of the Board of Commissioners was held in May 2009, with the next election scheduled for May 2013.

The location and climate of Wildwood Crest has enabled the Borough to develop as a summer resort with wide, sandy beaches and modern motels. Being situated immediately north of the long Cold Spring Jetties, the Borough's beaches have been enriched and widened by beach sand accretion. As a result of the excellent natural environment, the large, modern motels are well maintained, and many restaurants and other commercial facilities have been built to service the thousands of summer visitors who come from the populous surrounding states of Pennsylvania, New York and Delaware, as well as New England and Canada.

Wildwood Crest's basic residential-type home is a single family structure, with many of these having been altered to provide rooms or apartments for summer rentals.

The Borough is strictly zoned and has a Master Plan and an active Planning Board.

Population

The population growth trend in the Borough of Wildwood Crest for the 1950 to 2007 period is as follows:

<u>Year</u>	<u>Population</u>
1950	1,772
1960	3,011
1970	3,483
1980	4,149
1990	3,631
2000	3,980
2007	4,053

* Source - Federal Census (1950- 2000).
- 2007 American Community Survey

Capital Improvement Program

The three (3) year Capital Improvement Program (2009-2011) focuses primarily on the infrastructure of the Borough. A total of \$3,240,000 is scheduled to be appropriated for the replacement of sanitary sewer mains. This will be funded by \$3,080,000 of Borough debt. The acquisition of Public Safety and Public Works equipment will total \$527,000 with \$438,000 being funded by debt. Other capital projects are the extension of storm sewer outfalls, road reconstruction and improvements to Borough recreation facilities. The total of all projects for the three year program will be \$9,332,000, with \$8,160,500 to be financed by Borough bonds.

Building Permits Issued

The following is a listing of the number of building permits issued in the Borough of Wildwood Crest, which includes new construction and improvements.

<u>Year</u>	<u>Number</u>	<u>Costs of Improvements</u>
2000	399	\$ 7,150,375
2001	349	7,885,259
2002	460	11,759,325
2003	520	38,387,556
2004	624	28,328,566
2005	807	56,555,254
2006	Not Available	Not Available
2007 (1/1 to 8/31)	Not Available	Not Available
2007 (9/1 to 12/31)	175	2,994,440
2008	506	17,022,502
2009 (9/30)	349	2,575,231

Police Department

The Police Department occupies headquarters on the north side of the Borough Hall. On a year-round basis, the department consists of a Chief of Police, a captain, a lieutenant, five sergeants, two detectives, eleven patrol officers, four dispatchers, a confidential assistant, a secretary/dispatcher, one domestic violence advocate and four crossing guards. Eight members of the force are trained as detectives. The police department maintains many on-going programs which include, but are not limited to, D.A.R.E., Adopt-A-Cop, and Town Watch. The department deploys seven marked and four unmarked vehicles.

The Chief of Police is a graduate the FBI National Academy at Quantico, Virginia and the captain is a graduate of the West Point Command and Leadership School.

Fire Protection

The Borough presently employs a part-time Fire Chief who is a graduate of New York University. In addition, there is a total of 35 New Jersey certified volunteer fire fighters serving the Borough.

Operating expenses and purchases of fire fighting equipment are funded cooperatively between the Borough government and Fire Department Number 1. There are presently five pieces of apparatuses housed in the Borough, which includes an 85 foot, 1,500 gallon pumper, an 85 foot snorkel, a 1,500 gallon per minute pumper, a 2,000 gallon per minute pumper and a utility rescue vehicle.

The firehouse is centrally located within the geographical boundaries of the municipality.

Emergency Medical Service and Hospital

The Wildwood Crest Volunteer Ambulance Corps operates from its own facility. The Borough maintains three modern, fully-equipped ambulances and one heavy rescue truck. The Ambulance Corps is staffed by nine paid members and approximately eight volunteers on a round-the-clock basis. All members of the Ambulance Corps have completed certified emergency medical training programs. The Corps building is a limited emergency shelter and is equipped with an independent generating system.

The Cape Regional Medical Center is a modern health care facility located in Middle Township near the Garden State Parkway. It is approximately ten miles from Wildwood Crest.

Recreation

The Borough has an indoor swimming facility and several outdoor recreation and playground areas, all of which are accessible to citizens of all age groups on a year-round basis.

The Borough also maintains a Recreation/Community Center, which is the focal part of many municipally sponsored recreation programs; craft shows, musicals and educational events. This facility is available to the public all year.

The Borough has approximately 2.5 miles of white, sandy beach, which is fully protected during the summer months by a force of 81 lifeguards under the supervision of a captain and five lieutenants. The Five Mile Beach area has ample party fishing boats, pier fishing, and small boat rentals, and is within ten miles of six excellent golf courses.

The Borough has constructed and maintains a bicycle path/pedestrian way, which runs north and south along the beachfront and provides a panoramic view of the Atlantic Ocean.

Utilities

Atlantic City Electric provides electric service and South Jersey Industries provides gas service. The neighboring City of Wildwood provides water to all Wildwood Crest with its municipally operated water utility.

Sewer service is provided by the Borough's collection system with treatment by the Cape May County Municipal Utilities Authority's modern regional sewage treatment facility. Construction was completed and the service began for the municipalities on Five Mile Beach in May of 1988.

Public Works

The Borough employs twenty-nine full time employees who maintain all aspects of the municipality's public works program. During the summer months an additional twenty employees are employed to assist in refuse pick up and maintenance of beaches and municipal parks.

The Borough participates in Cape May County recycling programs. Recyclable materials are picked up weekly. There are two weekly pick-ups in the winter months and three weekly pick-ups during the busier summer season.

One 25-yard truck is kept in the yard solely for Borough and beach needs. The department has five 33-yard trucks, three 31-yard trucks, and one 25-yard truck. As many as six trucks are out each day during the busy summer season when additional seasonal help is employed.

The Borough's own crew cleans the roadways and patches and maintains the Borough streets.

Transportation

Wildwood Crest is accessible by land, sea and air. The Garden State Parkway, a major north-south artery, skirts the Borough and provides access to Philadelphia, New York City and Atlantic City. The Parkway connects with the Cape May-Lewes ferry service, which provides a convenient, modern method of crossing the Delaware Bay.

At the nearby Cape May County Airport, service is provided to the public for private planes.

Education

The Board of Education of the Borough of Wildwood Crest operates independently of the Borough government. It is a Type II School District with its five members being elected by vote of the people for staggered three-year terms.

The Board of Education adopts its own budget. The people vote upon the amount to be raised for taxation for Current Expenses and Capital Outlay. If the vote of the people at the annual election is favorable, these amounts are certified directly to the County Board of Taxation of Cape May County and the tax rate is struck accordingly. If the people do not approve the amounts, the budget goes to the Borough governing body. If it is not acted upon by the Borough governing body within the time specified by law, it then goes to the Commissioner of Education of the State of New Jersey and he, after a hearing, can only approve the total budget, as submitted, or reduce it. In addition, the Board has appeal opportunities to the Commissioner if the Board does not agree with the Borough governing body's actions.

Students in grades K to 8 attend the Wildwood Crest Board of Education's Memorial School, and students in grades 9 through 12 attend the Wildwood High School as tuition students. All of the District's students, regardless of their location, receive a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District's total enrollment (including students in high school, the technical school, etc.) in Fiscal Year 2009 was 313 students. The total enrollment at the Crest Memorial School (grades K-8) was 275.

<u>Fiscal Year</u>	<u>Total Enrollment</u>	<u>Memorial School Enrollment</u>
2008-09	313	275
2007-08	317	263
2006-07	350	265
2005-06	317	273
2004-05	351	320
2003-04	400	323
2002-03	447	346

The Board of Education has no building plans in the foreseeable future that will require long-term financing.

Cape May County offers a vocations school to all students who desire to attend, and the county government pays partial tuition for students who attend out-of-county community colleges. In addition, the county governments of Atlantic and Cape May, with State approval, agreed on the creation of the Atlantic Cape Community College (ACCC), which includes the construction of a permanent branch campus in Cape May County.

Since 1951, all school districts of the State of New Jersey must be audited by a licensed Public School Accountant who is either a Certified Public Accountant or Registered Municipal Accountant of New Jersey, or both. The New Jersey State Board of Certified Public Accountants regulates the Public School Accountant and issues the annual licenses. The annual audit must be filed with the Board of Education and the Commissioner of Education of the State of New Jersey by October 31.

BOROUGH BUDGET AND FISCAL INFORMATION

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division ("Director") prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22).

If in any year a municipality's expenditures exceed its realized revenues for that year, then such deficit must be raised in the succeeding year's budget.

Appropriations and Tax Levy "CAP"

A statute passed in 1976, as amended (*N.J.S.A. 40A:4-45.1 et seq.*), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the "Cap Law". Amendments to the "Cap Law" effective July 7, 2004 lowered the amount by which a municipality may increase its final appropriations. While the revised "Cap Law" is more restrictive on the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap Law provides that a municipality shall limit any increase of its budget to two and one-half percent (2.5%) or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The "Cap Law" does not limit the obligations of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service on the Bonds.

Additionally, new legislation constituting P.L. 2007, c. 62, became effective on April 3, 2007, which, among other things, imposes a four percent (4%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments. Fire districts and solid waste collection districts, which were not previously subject to any expenditure or levy caps, are now subject to the cap.

Exclusions from the four percent (4%) tax levy cap include: (i) increases required to be raised for debt service and certain lease payments to county improvement authorities; (ii) increases to replace certain State aid due to a reduction in State aid from the previous budget year; (iii) increases in certain pension contributions; (iv) for municipalities, any increase, greater than four percent (4%) in the reserve for uncollected taxes is required by law; and (v) certain increases in health care costs in excess of four percent (4%). Municipalities, counties, fire districts and solid waste collection districts may request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the four percent (4%) cap to address certain extraordinary costs identified by *N.J.S.A. 40A:4-45.46*. In addition counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the four percent (4%) tax levy cap. Such approval must be achieved by an affirmative vote of not less than sixty percent (60%) of those voting on such public question.

Neither that tax levy limitation nor the "Cap Law" limits the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service on its bonds or notes.

Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the

expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." Such determination may be made by the governing body and the Chief Financial Officer in any year during which the municipality is subject to local examination.

No budget or amendment shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues.

Real Estate Taxes

The general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 governs anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

N.J.S.A. 40A:4-41 provides with regard to current taxes that "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

Another provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required for all current budget appropriations and school and county taxes of the current fiscal year. The reserve requirement is calculated as follows:

$$\frac{\text{Levy Required to Current Budget,} \\ \text{School and County Taxes}}{\text{Prior Years Percentage of Current} \\ \text{Tax Collections (or Lesser \%)}} = \text{Total Taxes to be Levied}$$

The Wildwood Crest Board of Education and County of Cape May receive 100% of their tax levies which are billed and collected by the Borough.

Deferral of Current Expenses

Supplemental appropriations (those made after the adoption of the budget and designated as "emergencies") may be authorized by the governing body of the Borough. However, with minor exceptions set forth below, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, real estate assessment revaluation, revision of ordinances, and master plan preparations which may be amortized over five years.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two months of the

year and, although sub-accounts (line items) within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Assessment and Collection of Taxes

Property valuations (assessments) are determined on true value as arrived at by cost approach, market data approach, and capitalization of net income where appropriate. New assessments are maintained at that level for uniformity. Consequently, the ratio of assessed value to true value is estimated at 96.94% on an average based on sales data studies for 2008.

A program of property revaluation was conducted prior to 2009, which accounted for increasing the ratio of assessed value to true value from 59.85% in 2008 to 96.94% for 2009.

The Cape May County Board of Taxation establishes the tax rate to reflect the levy necessary for municipal, local school district and county taxes.

Taxes are payable in four installments during each year on February 1, May 1, August 1 and November 1. Tax bills are mailed annually after the tax rate is confirmed by the Cape May County Board of Taxation, reflecting taxes due August 1 and November 1. Preliminary tax bills for the first and second quarters (based upon one-half of the previous tax year's taxes) are due February 1 and May 1 of the ensuing year.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500. These interest penalties are the highest permitted under New Jersey Statutes. Taxes still unpaid on July 1 of the year following levy are subject to being sold at tax sale. The Borough holds an annual all-inclusive tax sale.

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Cape May County Tax Board on or before the 15th of August of the current tax year for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels this petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey. The backlog of State Tax Court cases has been eliminated and cases are currently being adjudicated within one year.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the nonbudgetary financial activities of local governments. The chief financial officer of every local unit must file annually with the Director a verified statement of the financial condition of the local unit and all constituent boards, agencies, or commissions.

An independent examination of the Borough's accounts must be performed annually by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2008 is on file with the Borough Clerk and is available for review during business hours.

Annual Financial Statement

An Annual Financial Statement for the fiscal year must be filed with the Division of Local Government Services, State of New Jersey on or before February 10th of the succeeding year. The Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the municipality. It reflects the results of operations for the year of the Current Fund. If the statement of operations results in a cash deficit, it must be included in full in the succeeding year's budget. While the Annual Financial Statement is not audited, any variation between the Current Fund fund balance as stated in the Annual Financial Statement and the Report of Audit is usually insignificant.

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Legal Framework

The Local Bond Law governs the issuance of bonds and notes by municipalities to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded that bonds be retired in serial installments, and that 5% cash down payment be generally provided. All bonds or notes issued by the Borough are general (full faith and credit) obligations.

Debt Limits

The net authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its equalized valuation basis. The equalized valuation basis of the Borough is set up by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries as annually determined by the State Board of Taxation. The Borough's net debt is currently at 0.95% which is within the debt limitation.

School debt is permitted by statute to be deducted for purposes of computing the statutory debt limit. At this time, however, the Board of Education has no outstanding or authorized debt.

Exceptions to Debt Limits- Extension of Credit

The debt limit of the Borough may be exceeded only with the approval of the Local Finance Board, Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Board"), a state regulatory agency. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough must apply to the Board for an extension of credit. If the Board determines that a proposed debt authorization would not materially impair the ability of the Borough to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted.

Short-Term Financing

The Borough may issue short-term notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance so provides. Any such note is designated a "bond anticipation note." Bond anticipation notes, which are full faith and credit obligations of the issuer, may be issued for a period not exceeding one year and may be

renewed from time to time for a period that does not exceed one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

Tax anticipation notes are limited by statute. They must be paid in full within 120 days after the close of the fiscal year and cannot be refunded. No tax anticipation notes are currently outstanding, nor does the Borough expect to issue any.

School Debt (N.J.S.A. 18A:24-1 et seq.)

New Jersey's school districts operate under the same comprehensive review and regulations as do its municipalities. Certain exceptions and differences are provided, but the state supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the 5% down payment provision generally applied to local government, they are subject to debt limits which vary depending on the grades the school system provides.

The Local Finance Board and the Commissioner of Education must approve any proposed authorization of debt which exceeds the statutory debt limit of a Type II (such as Wildwood Crest) district. All authorizations of debt in a Type II school district require an approving referendum. The referendum proceedings are then subject to review by special bond counsel for compliance with certain requirements. No bonds or notes may be issued until the special bond counsel has reviewed and approved the proceedings. When such obligations are issued, they are issued by and in the name of the school district.

All authorizations of debt must be reported to the Division of Local Government Services by means of a Supplemental Debt Statement prior to final approval to ensure the authorization being within all applicable debt limitations.

On July 16, 1980 the School Bond Reserve Act became Chapter 72 of the Laws of 1980 of the State of New Jersey. The law devotes a portion of the Fund for the Support of Free Public Schools as security payment for school bonds.

Market Protection

The Borough of Wildwood Crest does not propose to issue any additional permanent bonds at least through 2011.

LITIGATION

To the knowledge of the Borough Solicitor, Doreen Y. Corino, Esq., there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any matter questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers. A certificate to such effect will be executed by the Borough Attorney and delivered to the Purchaser of the Bonds at the closing. Moreover, to the knowledge of the Borough Attorney, no litigation is presently pending

or threatened that, in the opinion of the Borough Attorney, would have a material adverse impact on the financial condition of the Borough if adversely decided.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale, and delivery of the Bonds are subject to the approval of Hawkins Delafield & Wood LLP Bond Counsel to the Borough. The approving opinion of Bond Counsel will state to the effect that the Bonds valid and legal binding obligations of the Borough and, unless paid from other sources, will be payable from ad valorem taxes levied upon all real property taxable in the Borough, without limitation as to rate or amount.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Borough, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in the adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Borough in connection with the Bonds, and Bond Counsel has assumed compliance by the Borough with certain provisions and procedures set forth in the Arbitrage and Use of Proceeds Certificate of the Borough to be delivered in connection with the issuance of the Bonds. The provisions of the American Recovery and Reinvestment Act of 2009 relating to the treatment of interest on certain tax-exempt bonds apply to the Bonds.

In addition, in the opinion of Bond Counsel to the Borough, under existing statutes, interest on the Bonds is not included in gross income under the New Jersey Gross Income Tax Act.

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Bonds, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government.

Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. By executing its Arbitrage and Use of Proceeds Certificate, to be delivered concurrently with the delivery of the Bonds, the Borough will certify that to the extent it is empowered and allowed under applicable law, it will comply with certain applicable requirements of the Code to assure the exclusion of interest on Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

The Bonds are not taken into account (subject to certain limitations) in determining the portion of a financial institution's interest expense subject to the pro rata interest disallowance rule of Section 265(b) of the Code for costs of indebtedness incurred or continued to purchase or carry certain tax-exempt obligations. The Bonds, however, are taken into account in the calculation of the amount of a financial institution's preference items under Section 291 of the Code.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations, the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding" which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the

owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

SECONDARY MARKET DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12"), the Borough has undertaken to provide, on or before 240 days after the end of each of its fiscal years while the Bonds are outstanding, for filing with the Municipal Securities Rulemaking Board (the "MSRB") on an annual basis, financial aid, and operating information of the type hereinafter described and included in this Official Statement, which is referred to herein as "Annual Information", together with the annual financial statements of the Borough prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards and mandated state statutory principles as in effect from time to time for municipalities and counties. In addition, the Borough has undertaken, for the benefit of the holders of the Bonds, to provide to the MSRB, in a timely manner, the notices required to be provided by Rule 15c2-12 and described below (the "Notices").

The Annual Information with respect to the Borough means annual information concerning the Borough which consists of financial and operating data of the Borough of the type included in this Official Statement relating to the following: (i) property tax levies and collections; (ii) assessed value of taxable property; (iii) property tax rates; and (iv) outstanding debt.

The Notices include notices of any of the following events with respect to the Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) bond calls (other than mandatory sinking fund redemptions); (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating charges. In addition, the Borough will undertake, for the benefit of the holders of the Bonds, to provide to the MSRB, in a timely manner, notice of any failure by the Borough to provide the Annual Information and annual financial statements by the date required in the undertaking of the Borough described above.

The sole and exclusive remedy for breach or default under the undertaking to provide continuing disclosure described above is an action to compel specific performance of the undertaking of the Borough and no person, including any holder of the Bonds, may recover monetary damages thereunder under any circumstances. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided

under the undertaking, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, shall no longer be required to be provided.

The foregoing undertaking is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The undertaking, however, may be amended or modified without consent of the holders of the Bonds under certain circumstances set forth in the undertaking. Copies of the undertaking when executed by the Borough upon the delivery of the Bonds will be on file at the office of the Borough Clerk.

The Borough has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12.

MUNICIPAL BANKRUPTCY

The undertakings of the Borough should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401 et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, Public Law 100-597, effective November 3, 1988, the Bankruptcy Reform Act of 1994, effective October 22, 1994, and other bankruptcy laws affecting creditors' rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized by applicable State law; direct such a petitioner to file with the court a list of petitioner's creditors; provide that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grant priority to debt owed for services or materials actually provided with three months of the filing of the petition; direct a petitioner to file a plan for the adjustment of its debts; and provide that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy, provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

RATING OF THE BONDS

Moody's Investors Service, Inc. ("Moody's") has assigned its rating of to the Bonds.

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Borough furnished to the Rating Agency certain information and materials concerning the Bonds and the

Borough. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

PREPARATION OF OFFICIAL STATEMENT

The Borough hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects, and it will confirm to the purchasers of the Bonds, by certificates signed by the Chief Financial Officer, that to his knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

Ford, Scott & Associates, L.L.C. assisted in the preparation of information contained in this Official Statement and takes responsibility for the audited financial statements to the extent specified in the independent auditor's report.

All other information has been obtained from sources which Ford, Scott & Associates, L.L.C. considers to be reliable and the firm makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

Hawkins Delafield & Wood LLP has not participated in the preparation of the financial or statistical information contained in this Official Statement, nor has Hawkins Delafield and Wood LLP verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Ford, Scott, & Associates, L.L.C., 1535 Haven Avenue, Ocean City, New Jersey 08226, (609) 399-6333; or Stephen Ritchie, Chief Financial Officer, Municipal Building, 6101 Pacific Avenue, Wildwood Crest, New Jersey, (609) 522-0401.

This Official Statement is not to be construed as a contract or agreement between the Borough and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

THE BOROUGH OF WILDWOOD CREST
IN THE COUNTY OF CAPE MAY, NEW JERSEY

By: /s/
Kevin M. Yecco
Borough Clerk

APPENDIX A
BOROUGH OF WILDWOOD CREST
FINANCIAL INFORMATION

BOROUGH OF WILDWOOD CREST
MUNICIPAL DEBT CONDITION
AS OF OCTOBER 1, 2009

Bonds and Notes Issued:

Bonds:

General	\$7,672,000	
U.S.D.A.	1,455,089	
School	<u> </u>	
		\$9,127,089

Notes:

General (2)	11,085,000	
School	<u>0</u>	
		11,085,000

Bonds and Notes Authorized but Not Issued:

General	2,050,400	
School	<u>0</u>	
		<u>2,050,400</u>

Gross Debt (1)	22,262,489
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Applicable Statutory Deductions from Gross Debt:

School	0	
General	<u>0</u>	
		<u>0</u>

Net Debt	<u><u>\$22,262,489</u></u>
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- (1) Gross Debt does not include overlapping debt.
- (2) Proceeds of the proposed bond issue will be used to retire existing Bond Anticipation Notes.

BOROUGH OF WILDWOOD CREST
DEBT RATIOS AND VALUATIONS

Average of Equalized Valuations of Real Property with Improvements for 2006, 2007 and 2008	\$2,332,466,754
Statutory Net Debt as a Percentage of the Average of Equalized Valuation of Real Property with Improvements for 2006, 2007 and 2008	0.95%
2009 Net Valuation Taxable	2,309,544,327
2009 Total Value of Land and Improvements	2,308,961,300
2009 Equalized Valuation of Real Property with Improvements Plus Assessed Valuation of Second Class Railroad Property Certified by the Cape May County Board of Taxation	2,389,239,756
Gross Debt:	
As a Percentage of 2009 Net Valuation Taxable	0.96%
As a Percentage of 2009 Equalized Valuation	0.93%
Net Debt:	
As a Percentage of 2009 Net Valuation Taxable	0.96%
As a Percentage of 2009 Equalized Valuation	0.93%
Gross Debt per Capita - on 2000 Population	\$5,636
Net Debt per Capita - on 2000 Population	5,636

OVERLAPPING DEBT

County of Cape May, New Jersey at December 31, 2008 Net Debt	\$79,190,520
Amount of Debt Allocated to Borough of Wildwood Crest (1)	3,444,788
Cape May County Municipal Utilities Authority, December 31, 2008 (1)	4,947,340
Cape May County Bridge Commission, October 1, 2009 (Guaranteed by County) (1)	677,730

(1) Such allocation is determined from the Borough's percentage of the total equalized valuations of the County which is 4.35%.

BOROUGH OF WILDWOOD CREST
SUMMARY OF MUNICIPAL DEBT

	<u>Gross Debt</u>	<u>Applicable Deductions</u>	<u>Net Debt</u>
School	\$0	\$0	\$0
General	<u>22,262,489</u>	<u> </u>	<u>22,262,489</u>
	<u><u>\$22,262,489</u></u>	<u><u>\$0</u></u>	<u><u>\$22,262,489</u></u>

BORROWING CAPACITY

Statutory Borrowing Power under Local Bond Law: 3 1/2% of Average (2006-2008) Equalized Valuation of Real Property and Second Class Railroad (\$2,332,466,754)	\$81,636,336
Net Debt	<u>22,262,489</u>
Remaining Borrowing Power Available under N.J.S. 40A:2-6	<u><u>\$59,373,847</u></u>

BOARD OF EDUCATION BORROWING CAPACITY

Statutory Borrowing Power: 3% of Average (2006-2008) Equalized Valuation of Real Property and Second Class Railroad (\$2,332,466,754)	\$69,974,003
Gross Debt	<u>0</u>
Remaining Borrowing Power Available under N.J.S. 18A:24-19 and before using Borough Borrowing Power	<u><u>\$69,974,003</u></u>

BOROUGH OF WILDWOOD CREST
CURRENT TAX COLLECTION EXPERIENCE

Year	Tax Levy (1)	Collection During Year of Levy		Outstanding Dec. 31 Year of Levy	Amount of Collection Next Ensuing Year	Outstanding Dec. 31 2008
		Amount	Percentage			
2003	\$15,168,885	\$14,875,549	98.07%	\$287,003	\$287,611	
2004	15,695,686	15,340,691	97.74%	285,809	285,852	
2005	16,617,321	16,341,498	98.34%	220,426	221,971	
2006	17,697,526	17,311,685	97.82%	377,055	375,009	
2007	19,551,171	19,067,071	97.52%	480,235	45,728	46,581
2008	21,028,173	20,500,752	97.49%	478,863	n/a	478,863

TAX TITLE LIENS

Year	Balance Jan. 1	Added by Sales and Transfers	Collected	Balance Dec. 31
2003	\$0			\$0
2004	0			0
2005	0			0
2006	0			0
2007	0			0
2008	0			0

REAL PROPERTY CLASSIFICATION

Year	Total Assessed Value Land and Improvements	Vacant Land	Residential	Commercial	Apartments
2003	\$1,237,081,000	\$28,824,000	\$920,178,900	\$270,492,500	\$17,585,600
2004	1,258,773,200	29,223,400	949,157,800	266,455,400	13,936,600
2005	1,310,880,800	53,411,500	996,076,500	248,122,200	13,270,600
2006	1,361,674,400	68,760,900	1,069,064,500	211,673,800	12,175,200
2007	1,461,251,000	45,946,400	1,200,459,700	203,371,100	11,473,800
2008	1,524,455,400	31,194,800	1,281,346,200	201,323,900	10,590,500
2009 *	2,309,399,200	62,085,100	1,896,922,100	326,660,600	23,731,400

* Reassessment

BOROUGH OF WILDWOOD CREST
SCHEDULE OF DEBT SERVICE
(INCLUDING PRESENT OFFERING)

Year	<u>Present Outstanding Bonds</u>		<u>Proposed Issue</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>General</u>	<u>Interest</u>	
2009 (10-1)	\$7,967	\$31,566			\$39,533
2010	1,426,638	332,120	650,000	459,725	2,868,483
2011	1,477,374	284,297	700,000	436,975	2,898,646
2012	1,558,143	234,058	750,000	412,475	2,954,676
2013	1,620,945	180,826	800,000	386,225	2,987,996
2014	1,679,783	122,237	900,000	358,225	3,060,245
2015	20,658	59,112	900,000	326,725	1,306,495
2016	21,572	58,198	1,000,000	295,225	1,374,995
2017	22,526	57,244	1,000,000	260,225	1,339,995
2018-2046	1,291,483	979,203	6,435,000	752,850	9,458,536
	<u>\$9,127,089</u>	<u>\$2,338,861</u>	<u>\$13,135,000</u>	<u>\$3,688,650</u>	<u>\$28,289,600</u>

* Assume interest rate is 3.5%.

BOROUGH OF WILDWOOD CREST
ASSESSED AND EQUALIZED VALUATIONS

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Ratio of Assessed to True Value of Real Property</u>	<u>Aggregate True Value of Real Property</u>
2009 *	\$2,308,961,300	96.64%	\$2,389,239,756
2008	1,524,455,400	59.85%	2,547,126,817
2007	1,461,251,000	62.31%	2,345,130,797
2006	1,361,032,500	70.93%	1,918,838,996
2005	1,310,880,800	84.20%	1,556,865,558
2004	1,258,773,200	100.03%	1,258,385,681
2003	1,237,081,000	127.82%	967,830,543

* Reassessment

PERSONALTY PROPERTY

<u>Year</u>	<u>Amount</u>
2009	\$583,027
2008	319,285
2007	310,623
2006	342,851
2005	424,312
2004	613,293
2003	640,798

ASSESSED VALUATIONS AND TAX RATES

<u>Year</u>	<u>Net Taxable Value Real and Personal Property</u>	<u>Tax Rate Per \$100</u>	<u>Municipal</u>	<u>County</u>	<u>Local School</u>
2009 *	\$2,309,544,327	\$0.961	\$0.495	\$0.211	\$0.255
2008	1,524,774,685	1.373	0.680	0.321	0.372
2007	1,461,561,623	1.220	0.632	0.314	0.374
2006	1,361,375,351	1.270	0.600	0.299	0.371
2005	1,311,305,112	1.250	0.581	0.299	0.370
2004	1,259,386,493	1.230	0.585	0.291	0.354
2003	1,237,721,798	1.218	0.593	0.264	0.361

* Reassessment

BOROUGH OF WILDWOOD CREST
TWENTY HIGHEST ASSESSMENTS

Name of Taxpayer	Nature of Business	2009 Assessed Valuation
Beach Waves Properties, Inc.	Motel	\$14,490,000
B.A.F. Corp.	Motel	11,775,000
Port Royal Inc.	Motel	11,295,000 *
Catdaddies LLC	Motel	10,535,000 *
Aqua Beach Resort, LLC	Motel	10,200,000
Pan American Hotel LLC	Motel	9,085,000 *
Reges Corp @ Mollica	Motel	8,405,000
Strydi LLC	Motel	7,325,000
Klayman, Inc.	Motel	7,265,000
Crusader Motel Inc.	Motel	6,770,000
New Ocean Holiday Inc.	Motel	6,460,000
Admiral West Inc.	Motel	5,900,000
Tecco Corp.	Motel	5,890,000
Shalimar Resort LLC	Motel	5,835,000
Jolly Roger Inc.	Motel	5,776,000
Pebble Beach Enterprises, Inc.	Motel	5,490,000
New Compass Motel Inc.	Motel	5,450,000
Regal Plaza Motor Inn, Inc.	Motel	5,305,000
Beau Rivage LLC	Motel	5,115,000
Ranalli Family Partnership	Motel	5,075,000

*State appeal pending.

BOROUGH OF WILDWOOD CREST
2009 CURRENT MUNICIPAL BUDGET

Anticipated Revenues:

Fund Balance	\$1,275,000
Total Miscellaneous Revenues	5,913,864
Receipts from Delinquent Taxes	426,400
Amount to be Raised by Taxation	<u>11,418,729</u>
	<u>\$19,033,993</u>

Appropriations:

Within "Cap":

Operations	\$10,600,425
Social Security, Unemployment and Pension	<u>832,750</u>

Total Appropriation within "Cap" 11,433,175

Excluded from "Cap":

Certain Operations	3,846,125
Capital Improvements	695,250
Municipal Debt Service	2,260,500
Deferred Charges	143,000
Reserve for Uncollected Taxes	<u>655,943</u>

Total Appropriations Excluded from "Cap" 7,600,818

Total Appropriations \$19,033,993

The 2009 Borough of Wildwood Crest Budget was introduced on March 25, 2009 and after public hearing was adopted on May 13, 2009.

APPENDIX B

BOROUGH OF WILDWOOD CREST

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Commissioners
Borough of Wildwood Crest
6101 Pacific Avenue
Wildwood Crest, New Jersey 08260

We have audited the accompanying balance sheets – statutory basis of the various funds and account groups of the Borough of Wildwood Crest, State of New Jersey (the "Borough"), as of December 31, 2008 and 2007 and the related statements of operations and changes in fund balance – statutory basis for the years then ended and the related statement of revenues – statutory basis and statement of expenditures – statutory basis for the year ended December 31, 2008, as listed in the accompanying table of contents. These financial statements – statutory basis are the responsibility of the Borough's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the Borough's policy to prepare its financial statements on the prescribed basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds and account groups of the Borough, as of December 31, 2008 and 2007 and the results of operations and changes in fund balance of such funds for the years then ended, and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2008.

The Borough's financial statements do not disclose the amount of other post-employment benefits liability (OPEB) as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our opinion, disclosure of that information is required to conform with accounting principles and requirements prescribed by the Division; however the Borough believes it is impracticable to develop this information for 2008.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Borough, as of December 31, 2008 and 2007 and the results of operations and changes in fund balances of such funds for the years then ended and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2008 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2009 on our consideration of the Borough's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules as listed in the table of contents have been subjected to the auditing procedures applied to the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

Glen J. Ortman
Certified Public Accountant
Registered Municipal Accountant
No. 427

June 30, 2009

BOROUGH OF WILDWOOD CREST
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
<u>Assets</u>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 5,545,197.77	\$ 5,435,842.52
Change Fund		750.00	750.00
		<u>5,545,947.77</u>	<u>5,436,592.52</u>
Other Receivables:			
Due from State of New Jersey		522.52	55.61
		<u>522.52</u>	<u>55.61</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	525,444.25	493,181.84
Revenue Accounts Receivable	A-9	242,440.26	200,244.45
Interfunds:			
Due from General Capital Fund	C	667.10	2,655.06
Due from Animal Control Fund	B	918.05	159.06
Due from Trust - Other	B	335.54	139.08
		<u>769,805.20</u>	<u>696,379.49</u>
Deferred Charges:			
Special Emergency Authorization		308,000.00	416,000.00
Emergency Authorizations	A-3	55,000.00	132,771.70
		<u>363,000.00</u>	<u>548,771.70</u>
		<u>6,679,275.49</u>	<u>6,681,799.32</u>
Federal and State Grant Fund:			
Cash	A-4	367,477.63	67,065.01
Grants Receivable	A-11	604,670.92	291,099.41
		<u>972,148.55</u>	<u>358,164.42</u>
		<u>\$ 7,651,424.04</u>	<u>\$ 7,039,963.74</u>

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
<u>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 640,802.33	\$ 542,832.92
Reserve for Encumbrances	A-3:A-10	199,727.84	316,496.86
Accounts Payable	A:A-10	5,856.15	10,429.15
Payroll Deductions Payable		7,978.26	7,819.37
Prepaid Taxes		525,861.18	471,946.74
Tax Overpayments		2,453.79	6,618.06
Prepaid Sewer Rents		7,153.11	4,470.72
Due County for Added and Omitted Taxes		21,756.35	66,051.97
School Tax Payable		1,056,121.88	844,645.86
Due to Greater Wildwoods Tourism Improvement and Development Authority		1,400.00	-
Reserve for Master Plan		15,000.00	15,000.00
Reserve for Revaluation		81,960.81	359,979.50
Reserve for Tax Appeals		300,000.00	300,000.00
Reserve for Funded Emergency		355.12	355.12
Reserve for Beach Operation Off-Set		249,807.29	231,181.60
Prepaid Greater Wildwoods Tourism Improvement and Development Authority Fees		940.00	4,555.00
Prepaid Tourism Promotion Fee		700.00	785.00
Tourist Development Commission Fee		537.50	-
Prepaid Pier Concession Rental		95,500.00	-
Prepaid Licenses		2,450.00	1,850.00
		<u>3,216,361.61</u>	<u>3,185,017.87</u>
Reserve for Receivables and Other Assets	A	769,805.20	696,379.49
Fund Balance	A-1	<u>2,693,108.68</u>	<u>2,800,401.96</u>
		<u>6,679,275.49</u>	<u>6,681,799.32</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-12	31,895.33	16,516.09
Appropriated Reserves	A-13	930,866.26	311,985.66
Reserve for Encumbrances		8,736.96	23,065.17
Due General Capital Fund	C	-	5,947.50
Due Trust Other Fund	B	650.00	650.00
		<u>972,148.55</u>	<u>358,164.42</u>
		<u>\$ 7,651,424.04</u>	<u>\$ 7,039,963.74</u>

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
STATUTORY BASIS

	Ref.	Year 2008	Year 2007
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,350,000.00	\$ 1,370,000.00
Miscellaneous Revenue Anticipated	A-2	6,843,148.26	6,814,076.40
Receipts from Delinquent Taxes	A-2	464,750.31	375,607.86
Receipts from Current Taxes	A-2	20,500,751.79	19,067,070.58
Non-Budget Revenue	A-2	222,323.76	150,576.34
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	460,247.02	324,825.31
Prior Year Voided Checks		-	28,433.44
Interfunds Returned:			
Animal Control Fund	A	158.21	631.83
Trust - Other	A	3.54	12,337.01
General Capital	A	2,655.06	12,501.20
Total Income		<u>29,844,037.95</u>	<u>28,156,059.97</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages	A-3	5,401,810.96	5,179,170.19
Other Expenses	A-3	4,694,315.00	4,555,425.00
Deferred Charges & Statutory Expenditures	A-3	446,847.60	446,590.46
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	58,200.00	38,000.00
Other Expenses	A-3	4,497,259.19	3,643,729.68
Capital Improvements	A-3	744,619.00	1,232,405.20
Municipal Debt Service	A-3	1,904,324.27	1,782,816.50
Deferred Charges	A-3	246,128.96	123,000.00
County Taxes	A-7	4,877,893.27	4,492,521.86
County Added and Omitted Taxes	A-7	21,756.35	66,051.97
Local District School Tax	A-7	5,761,552.00	5,543,800.00
Interfunds Created:			
Trust Fund - Other		200.00	139.08
General Capital Fund		667.10	2,655.06
Animal Control Trust Fund		-	159.06
Prior Year Senior Citizens Deductions		757.53	352.05
Total Expenditures		<u>28,656,331.23</u>	<u>27,106,816.11</u>

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
STATUTORY BASIS

	<u>Ref.</u>	<u>Year 2008</u>	<u>Year 2007</u>
Excess In Revenue		\$ <u>1,187,706.72</u>	\$ <u>1,049,243.86</u>
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year		<u>55,000.00</u>	<u>252,771.70</u>
		<u>55,000.00</u>	<u>252,771.70</u>
Statutory Excess to Fund Balance		1,242,706.72	1,302,015.56
Fund Balance January 1	A	<u>2,800,401.96</u>	<u>2,868,386.40</u>
		4,043,108.68	4,170,401.96
Decreased by:			
Utilization as Anticipated Revenue		<u>1,350,000.00</u>	<u>1,370,000.00</u>
Fund Balance December 31	A	\$ <u><u>2,693,108.68</u></u>	\$ <u><u>2,800,401.96</u></u>

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS

	Ref. A-1	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
	\$	\$	\$	\$	
Fund Balance Anticipated		1,350,000.00		1,350,000.00	
		1,350,000.00		1,350,000.00	
Miscellaneous Revenues:					
Licenses:					
Other		105,000.00		251,818.00	146,818.00
Fees and Permits		80,000.00		99,499.25	19,499.25
Fines and Costs:					
Municipal Court		178,000.00		202,317.01	24,317.01
Interest and Costs on Taxes		62,700.00		85,967.90	23,267.90
Parking Meters		192,000.00		201,412.14	9,412.14
Interest on Investments and Deposits		290,000.00		231,203.02	(58,796.98)
Recreation Income - Pool		70,000.00		75,459.00	5,459.00
TV Cable Franchise Fee		36,000.00		39,042.33	3,042.33
Municipal Pier and Concession Income		170,000.00		170,451.00	451.00
Interest and Costs on Delinquent Sewer Rents		20,000.00		21,903.68	1,903.68
Fees and Permits - Craft Shows		25,000.00		27,675.00	2,675.00
Sewer Rents		3,400,000.00		3,541,533.91	141,533.91
Ambulance Fees		105,000.00		104,335.24	(664.76)
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		442,442.00		504,606.00	62,164.00
Special Items:					
Municipal Service Agreements Offset with Appropriations					
Interlocal Agreement - Police Dispatch Services,					
Borough of West Wildwood		33,000.00		33,000.00	-
Public and Private Programs Off-Set by Revenues:					
N.J. Transportation Trust Fund Authority Act		140,000.00		140,000.00	-
Recycling Tonnage Grant		3,039.83		3,039.83	-

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	N.J.S. 40A:4-87		
Special Items: (Continued)					
Public and Private Programs Off-Set by Revenues:(Continued)					
Clean Communities Program		\$ 1,242.91	\$	1,242.91	\$ -
State Aid Housing		12,000.00		12,000.00	-
Police Body Armor Grant		2,240.91		2,240.91	-
Small Cities Development Block Grant			308,825.00	308,825.00	-
Domestic Violence Task Force		254,475.00		254,475.00	-
UEZ-Administrative Budget		12,932.00		12,932.00	-
Aggressive Driving Enforcement Grant		13,200.00		13,200.00	-
Drunk Driving Enforcement Fund		6,011.54		6,011.54	-
NJDEP Recreational Trails Program			10,500.00	10,500.00	-
2008 Municipal Public Improvement Program		59,119.00		59,119.00	-
GWTIDA Summer Events Program		31,000.00		31,000.00	-
Other Special Items:					
Uniform Fire Safety Act		152,000.00		162,395.09	10,395.09
Anticipated General Capital Fund Balance		4,761.90		4,761.90	-
Beach Operation Offset - Reserved		231,181.60		231,181.60	-
Total Miscellaneous Revenues	A-1	6,132,346.69	319,325.00	6,843,148.26	391,476.57
Receipts from Delinquent Taxes	A-1:A-2	450,000.00		464,750.31	14,750.31
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	10,364,096.67		10,526,544.88	162,448.21
Total Amount to be Raised by Taxes for Support of Municipal Budget		10,364,096.67		10,526,544.88	162,448.21
Budget Totals		18,296,443.36	319,325.00	19,184,443.45	568,675.09
Non-Budget Revenues	A-1:A-2			222,323.76	222,323.76
		\$ 18,296,443.36	\$ 319,325.00	\$ 19,406,767.21	\$ 790,998.85

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
<u>Allocation of Current Tax Collections:</u>		
Revenues from Collections	A-7	\$ 20,500,751.79
Net Revenue from Collections	A-1	<u>20,500,751.79</u>
Allocated to:		
School, County and Other Taxes	A-1:A-7	<u>10,561,201.62</u>
Balance for Support of Municipal Budget Appropriations		9,939,550.17
Add: Appropriation		
"Reserve for Uncollected Taxes"	A-3	<u>586,994.71</u>
Amount for Support of Municipal		
Budget Appropriations	A-2	<u>\$ 10,526,544.88</u>
<u>Receipts from Delinquent Taxes:</u>		
Delinquent Tax Collections	A-7	\$ 464,750.31
		<u>\$ 464,750.31</u>
<u>Analysis of Non-Budget Revenues:</u>		
Miscellaneous Revenue Not Anticipated:		
MUA Rebate	\$	33,879.73
JIF Refund		4,600.00
GWTIDA Administrative Fee - TDC		40,000.00
Pension Refunds		160.87
Insurance Refunds		1,970.49
Auction Proceeds		39,931.00
Miscellaneous Refunds		3,740.00
2% Admin Fee - Veteran and Senior Citizens		1,725.71
Restitution		2,026.03
Volunteer Health Insurance Premiums		68,541.12
Code Violations		1,645.00
Event Security		2,800.00
Photocopies		1,099.30
Stormwater Grant		1,705.00
Police Department Miscellaneous		1,574.45
Bad Check Fee		240.00
Notary Fees		262.00
Cost of Tax Sale		1,441.59
Miscellaneous		<u>14,981.47</u>
		<u>\$ 222,323.76</u>

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
DEPARTMENT OF PUBLIC AFFAIRS AND PUBLIC SAFETY:						
Directors Office						
Salaries and Wages	\$ 15,000.00	\$ 17,000.00	\$ 17,000.00	\$ -	\$ -	
Other Expenses	1,000.00	1,000.00	745.00		255.00	
Local Code Enforcement						
Salaries and Wages	26,500.00	26,500.00	21,582.50		-	4,917.50
Other Expenses	8,350.00	8,350.00	5,288.72	50.00	3,011.28	
Fire						
Salaries and Wages	2,000.00	2,000.00	2,000.00		-	
Other Expenses	51,350.00	51,350.00	28,394.54	19,011.68	3,943.78	
Police						
Salaries and Wages	1,882,311.00	1,870,311.00	1,838,741.93		21,200.00	10,369.07
Other Expenses	155,430.00	155,430.00	111,399.93	42,903.62	1,126.45	
Municipal Prosecutor						
Salaries and Wages	12,000.00	12,100.00	11,000.02		1,000.00	99.98
Legal						
Salaries and Wages	80,848.00	67,848.00	64,367.27		-	3,480.73
Other Expenses	35,300.00	48,300.00	30,576.37	2,681.04	15,042.59	
Emergency Management Services						
Salaries and Wages	3,000.00	3,000.00	3,000.00		-	
Other Expenses	500.00	500.00			500.00	
Services of Ambulance						
Salaries and Wages	380,000.00	378,000.00	370,657.40		-	7,342.60
Other Expenses	46,000.00	46,000.00	35,306.07	9,542.50	551.43	
Environmental Commission (N.J.S. 40:56A-1)						
Salaries and Wages	2,000.00	2,000.00	2,000.00		-	
Other Expenses	2,000.00	2,000.00	270.00		1,730.00	
Lifeguards						
Salaries and Wages	415,000.00	415,000.00	414,285.00		-	715.00
Other Expenses	37,530.00	38,530.00	37,581.92	683.00	265.08	
Land Use Administration						
Salaries and Wages	87,262.00	87,262.00	83,138.51		-	4,123.49
Other Expenses	54,000.00	44,000.00	15,324.60	15,760.89	12,914.51	
Traffic Maintenance						
Salaries and Wages	69,862.00	64,862.00	56,065.29		-	8,796.71
Other Expenses	38,650.00	38,650.00	25,244.65	8,273.91	5,131.44	

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
DEPARTMENT OF PUBLIC AFFAIRS AND PUBLIC SAFETY: (CONTINUED)						
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Fire Official	\$	\$	\$	\$	\$	\$
Salaries and Wages	82,000.00	82,000.00	78,786.35	-	-	3,213.65
Other Expenses	29,000.00	29,000.00	17,391.79	1,294.21	10,314.00	
Animal Control						
Other Expenses	24,000.00	24,000.00	20,618.54		3,381.46	
Police Dispatch						
Salaries and Wages	95,000.00	95,000.00	95,000.00		-	
Municipal Court						
Salaries and Wages	153,666.00	153,666.00	151,814.73		2,000.00	151.27
Other Expenses	16,950.00	16,950.00	13,103.05	397.07	3,449.88	
Public Defender (P.L. 1997, C.256)						
Salaries and Wages	10,000.00	10,000.00	10,000.00		250.00	
Other Expenses	250.00	250.00				
New Jersey Public Employees OSHA Mandated Costs						
Health						
Other Expenses	2,500.00	2,500.00			2,500.00	
DEPARTMENT OF REVENUE AND FINANCE:						
Director's Office						
Salaries and Wages	16,000.00	18,000.00	17,700.00		-	300.00
Other Expenses	750.00	750.00	619.85	87.80	42.35	
Borough Administration						
Salaries and Wages	186,010.00	186,010.00	185,824.43		-	185.57
Other Expenses	41,750.00	41,750.00	37,071.01	43.70	4,635.29	
Election Expense	3,600.00	3,600.00	1,092.10		2,507.90	
Financial Administration						
Salaries and Wages	150,350.00	150,350.00	149,771.58		-	578.42
Other Expenses	33,350.00	33,350.00	28,467.12	1,059.56	3,823.32	
Assessment of Taxes						
Salaries and Wages	100,000.00	100,000.00	99,647.79		-	352.21
Other Expenses	6,140.00	6,140.00	6,065.59		74.41	
Collection of Taxes						
Salaries and Wages	124,705.00	126,705.00	126,610.80		-	94.20
Other Expenses	16,100.00	16,100.00	12,838.93	248.02	3,013.05	
Municipal Audit						
Other Expenses	31,800.00	31,800.00	31,800.00		-	

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
DEPARTMENT OF REVENUE AND FINANCE:(CONTINUED)						
Community and Economic Development Services	\$	\$	11,194.55	\$	\$	
Other Expenses	30,000.00	30,000.00			18,805.45	
Utility Billing Expenses						
Other Expenses	10,700.00	10,700.00	8,678.39	85.28	1,936.33	
Insurance						
General Liability	106,700.00	106,700.00	106,700.00		-	
Workers Compensation	300,300.00	300,300.00	291,031.33		9,268.67	
Employee Group Health	1,920,360.00	1,920,360.00	1,809,221.34		111,138.66	
DEPARTMENT OF PUBLIC WORKS						
PARKS AND PUBLIC PROPERTY:						
Director's Office						
Salaries and Wages	14,500.00	14,500.00	14,500.00		-	
Other Expenses	750.00	750.00		174.90	575.10	
Engineer						
Other Expenses	38,000.00	43,000.00	39,362.50		3,637.50	
Landfill						
Other Expenses	345,000.00	328,000.00	250,885.09		77,114.91	
Public Works						
Salaries and Wages	334,337.00	330,337.00	325,647.56		-	4,689.44
Other Expenses	45,250.00	45,250.00	33,675.00	9,001.19	2,573.81	
Recreation Buildings						
Other Expenses	90,450.00	79,850.00	53,081.73	20,885.30	5,882.97	
Beach Cleaning						
Salaries and Wages	94,492.00	94,492.00	89,345.53		-	5,146.47
Other Expenses	28,400.00	28,400.00	21,193.57	4,000.00	3,206.43	
Sanitation						
Salaries and Wages	422,256.00	389,456.00	369,867.87		-	19,588.13
Other Expenses	68,000.00	68,000.00	45,587.10	4,430.72	17,982.18	
Parks and Buildings						
Salaries and Wages	194,503.00	197,503.00	196,232.61		-	1,270.39
Other Expenses	106,250.00	99,250.00	83,568.25	11,163.15	4,518.60	
Sewerage						
Salaries and Wages	93,000.00	87,000.00	85,511.20		-	1,488.80
Other Expenses	74,200.00	78,700.00	74,161.34	3,731.21	807.45	
Fleet Maintenance						
Salaries and Wages	167,800.00	167,800.00	167,027.14		-	772.86
Other Expenses	67,800.00	67,800.00	55,325.92	5,952.01	6,522.07	
Tourism						
Salaries and Wages	12,000.00	12,000.00	11,530.00		-	470.00
Other Expenses	36,690.00	36,690.00	31,526.85	5,162.00	1.15	

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Paid or		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Charged		Encumbered	Reserved	
DEPARTMENT OF PUBLIC WORKS							
PARKS AND PUBLIC PROPERTY:(CONTINUED)							
Recreation Commission (N.J.S. 40:61-17)	\$ 282,855.00	\$ 287,355.00	\$ 285,954.45	\$			\$ 1,400.55
Salaries and Wages	32,765.00	29,765.00	18,603.03		1,772.64	9,389.33	
Other Expenses							
UTILITY EXPENSES AND BULK PURCHASES:							
Water	44,000.00	44,000.00	23,592.98			20,407.02	
Street Lighting	128,000.00	128,000.00	115,679.89			12,320.11	
Communications	80,000.00	91,000.00	80,271.96		1,597.44	9,130.60	
Fire Hydrants	32,000.00	32,000.00	32,000.00				
Natural Gas	77,000.00	75,000.00	51,790.18			23,209.82	
Electric	175,000.00	218,000.00	204,846.26			13,153.74	
Fuel	134,000.00	189,000.00	176,889.29			12,110.71	
Accumulated Absence Liability	1.00	33,001.00	33,001.00				
TOTAL OPERATIONS WITHIN "CAPS"	10,117,173.00	10,172,173.00	9,456,277.29		169,992.84	466,355.83	79,547.04
Contingent	3,500.00	3,500.00	240.00		500.00	2,760.00	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	10,120,673.00	10,175,673.00	9,456,517.29		170,492.84	469,115.83	79,547.04
Detail:							
Salaries and Wages	5,509,258.00	5,481,358.00	5,377,610.96			24,200.00	79,547.04
Other Expenses	4,611,415.00	4,694,315.00	4,078,906.33		170,492.84	444,915.83	-
DEFERRED CHARGES:							
Unpaid Prior Year Bills:							
Lawyers Diary & Manual: 2006	241.50	241.50	241.50				453.90
Earth Tech Contracting: 2006	2,560.00	2,560.00	2,106.10				
STATUTORY EXPENDITURES:							
Contributions to:							
Social Security System (O.A.S.I.)	429,000.00	429,000.00	423,155.78			5,844.22	
Unemployment Compensation Insurance	15,500.00	15,500.00	15,500.00				
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"	447,301.50	447,301.50	441,003.38		-	5,844.22	453.90
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	10,567,974.50	10,622,974.50	9,897,520.67		170,492.84	474,960.05	80,000.94

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS EXCLUDED FROM "CAPS"						
Cape May County MUA - Charges	\$	3,325,000.00	\$	3,313,108.52	\$	11,891.48
Contribution						
Police and Firemen's Retirement System	335,482.00	335,482.00	335,482.00	-	-	-
Public Employees' Retirement System	147,500.00	147,500.00	146,463.20		1,036.80	
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	3,807,982.00	3,807,982.00	3,795,053.72	-	12,928.28	0.00
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Interlocal Agreement - Borough of West Wildwood						
Police Dispatch Services	33,000.00	33,000.00	33,000.00		-	
Salaries & Wages						
Interlocal Agreement - Joint Construction Office of the Wildwoods	57,300.00	57,300.00	57,300.00		-	
Other Expenses						
TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS	90,300.00	90,300.00	90,300.00	-	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
State Aid-Housing Inspections	12,000.00	12,000.00	12,000.00		-	
Salaries and Wages	3,039.83	3,039.83	3,039.83		-	
Recycling Tonnage Grant	1,242.91	1,242.91	1,242.91		-	
Clean Communities Grant	6,000.00	6,000.00			-	6,000.00
Matching Funds For Grants	6,011.54	6,011.54	6,011.54		-	
Drunk Driving Police Grant	13,200.00	13,200.00	13,200.00		-	
Aggressive Driving Enforcement Grant	2,240.91	2,240.91	2,240.91		-	
Body Armor Grant	1,710.00	1,710.00	1,710.00		-	
Municipal Alliance Consortium - Local Share		10,500.00	10,500.00		-	
NJDEP Recreation Trails Program (40A:4-87, \$10,500+)		308,825.00	308,825.00		-	
Small Cities Block Grant (40A:4-87, \$308,825+)	31,000.00	31,000.00	31,000.00		-	
GWTIDA Summer Events Program	12,932.00	12,932.00	12,932.00		-	
UEZ - Administrative Budget	254,475.00	254,475.00	254,475.00		-	
Domestic Violence Taskforce Grant						
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	343,852.19	663,177.19	657,177.19	-	12,928.28	6,000.00
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	4,242,134.19	4,561,459.19	4,542,530.91	-	12,928.28	6,000.00
Detail:						
Salaries and Wages	58,200.00	58,200.00	58,200.00	-	-	-
Other Expenses	4,183,934.19	4,503,259.19	4,484,330.91	-	12,928.28	6,000.00

BOROUGH OF WILDWOOD CREST
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	\$ 210,000.00	\$ 210,000.00	\$ 210,000.00	\$ -	\$ -
Emergency Sewer Repairs	75,000.00	75,000.00	75,000.00	-	-
Purchase Four Wheel Drive Vehicle	30,000.00	30,000.00	29,962.35		37.65
Purchase Parking Meters	10,000.00	10,000.00	3,033.01		6,966.99
Emergency Generator: EMS Building	40,000.00	40,000.00		24,440.00	15,560.00
Acquire Teleconferencing Equipment- Municipal Court	5,500.00	5,500.00		4,795.00	705.00
New Decking, Bathrooms & Filtration System at Von Savage Pool	50,000.00	50,000.00			50,000.00
Phase 1: Curbs & Gutter Replacement	75,000.00	75,000.00	45,355.64		29,644.36
Installation of Street End Ballards	25,000.00	25,000.00			25,000.00
Replace Roof at Crest Pier	25,000.00	25,000.00			25,000.00
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
New Jersey Transportation Trust Fund Authority Act	140,000.00	140,000.00	140,000.00		-
2007 Municipal Public Improvement Joint Venture - County of Cape May	59,119.00	59,119.00	59,119.00		-
TOTAL CAPITAL IMPROVEMENTS	744,619.00	744,619.00	562,470.00	29,235.00	152,914.00
DEBT SERVICE					
Payment of Bond Principal	1,360,000.00	1,360,000.00	1,360,000.00		-
Interest on Bonds	372,622.00	372,622.00	368,621.50		4,000.50
Interest on Notes	96,200.00	96,200.00	95,932.77		267.23
USDA-Loans					
Principal	15,258.81	15,258.81	15,258.81		-
Interest	64,511.19	64,511.19	64,511.19		-
TOTAL DEBT SERVICE	1,908,592.00	1,908,592.00	1,904,324.27	-	4,267.73
DEFERRED CHARGES EXCLUDED FROM "CAPS"					
Emergency Authorizations	132,771.70	132,771.70	132,771.70		-
Special Emergency - 5 Years (NJSA 40A:4-53)	108,000.00	108,000.00	108,000.00		-
Deferred Charges to Future Taxation - Unfunded					
Ordinance No. 815	4,214.52	4,214.52	4,214.52		-
Ordinance No. 823	19.74	19.74	19.74		-
Ordinance No. 917	1,123.00	1,123.00	1,123.00		-
TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"	246,128.96	246,128.96	246,128.96	-	-

BOROUGH OF WILDWOOD CREST
TRUST FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
<u>Assets</u>			
<u>Animal Control Fund</u>			
Cash and Investments	B-1	\$ 1,998.25	\$ 1,274.06
		<u>1,998.25</u>	<u>1,274.06</u>
<u>Other Funds</u>			
Cash - Treasurer	B-2	649,210.05	546,649.90
Due from Grant Fund	A	650.00	650.00
		<u>649,860.05</u>	<u>547,299.90</u>
		<u>\$ 651,858.30</u>	<u>\$ 548,573.96</u>

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
TRUST FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Animal Control Fund</u>			
Reserve for Animal Control Expenditures	B-3	\$ 1,077.80	\$ 1,115.00
Due to State of New Jersey	B-5	2.40	-
Due to Current Fund	A:B-4	918.05	159.06
		<u>1,998.25</u>	<u>1,274.06</u>
<u>Other Funds</u>			
Due to State of New Jersey:			
Marriage License Fees		25.00	125.00
Due to Current Fund	A	335.54	139.08
Reserve for Accumulated Absences		121,034.01	113,189.44
Reserve for Borough Beautification		7,778.00	6,713.00
Reserve for D.A.R.E. Expenditures		292.56	292.56
Reserve for Fire Penalties - Non-Dedicated		37,668.08	25,380.58
Reserve for Fire Prevention		19,354.72	14,744.72
Reserve for Forfeited Funds		12,267.73	11,929.55
Reserve for Insurance Claims		8,024.94	8,024.94
Reserve for Parking Offense			
Adjudication Act		12,409.67	13,856.36
Reserve for Planning and Zoning Escrow		89,764.05	86,044.10
Reserve for Pool Expenditures		2,050.00	2,050.00
Reserve for Recreation		109,312.93	92,568.92
Reserve for Scoop Taylor Park		190.00	190.00
Reserve for Snow Removal		10,395.04	8,395.04
Reserve for Street Openings - Performance Surety		40,900.00	45,400.00
Reserve for Street Openings - Maintenance Surety		14,520.00	15,195.00
Reserve for Street Paving		40,870.18	39,425.99
Reserve for Tax Sale Premiums		-	100.00
Reserve for Third Party Lien Redemptions		7,357.22	2,672.29
Reserve for Tourist Development			
Commission		94,437.60	36,951.47
Reserve for Tree Planting		574.44	574.44
Reserve for Unemployment			
Compensation Insurance		20,298.34	23,337.42
		<u>649,860.05</u>	<u>547,299.90</u>
		\$ <u>651,858.30</u>	\$ <u>548,573.96</u>

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
<u>Assets</u>			
Cash and Investments	C-2,C-3	\$ 4,258,006.95	\$ 528,688.77
Deferred Charges to Future Taxation:			
Funded	C-5	10,588,056.17	11,963,314.98
Unfunded	C-6	11,845,400.00	7,660,357.26
Due from Grant Fund	A	-	5,947.50
		<u>\$ 26,691,463.12</u>	<u>\$ 20,158,308.51</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Due to Current Fund	A	\$ 667.10	\$ 2,655.06
Serial Bonds Payable	C-8	9,125,000.00	10,485,000.00
U.S.D.A. Bonds Payable	C-8A	1,463,056.17	1,478,314.98
Bond Anticipation Notes Payable	C-9	11,085,000.00	2,405,000.00
Improvement Authorizations:			
Funded	C-7	362,171.54	605,177.16
Unfunded	C-7	4,295,004.25	5,050,061.20
Reserve for Encumbrances	C-7	11,915.00	42,679.40
Capital Improvement Fund	C-4	400.00	-
Fund Balance	C-1	348,249.06	89,420.71
		<u>\$ 26,691,463.12</u>	<u>\$ 20,158,308.51</u>

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - STATUTORY BASIS

Balance December 31, 2007	<u>Ref.</u> C		\$	89,420.71
Increased By:				
Funded Improvement Authorizations Canceled	C-7	\$	261,404.06	
Premium on Sale of Bond Anticipation Notes	C-2		32,186.19	
				<u>293,590.25</u>
				383,010.96
Decreased By:				
Payment to Current Fund as Anticipated Revenue	A-2:C-2		4,761.90	
Appropriated to Finance Improvement Authorizations	C-7		30,000.00	
				<u>34,761.90</u>
Balance December 31, 2008	C		\$	<u><u>348,249.06</u></u>

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WILDWOOD CREST
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2008</u>	<u>Balance Dec. 31, 2007</u>
<u>General Fixed Assets</u>			
Land		\$ 22,449,893.51	\$ 22,728,140.00
Buildings		6,418,982.00	6,418,982.00
Machinery and Equipment		6,285,097.00	5,979,357.00
		<u>\$ 35,153,972.51</u>	<u>\$ 35,126,479.00</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Investment in General Fixed Assets		\$ 35,153,972.51	\$ 35,126,479.00
		<u>\$ 35,153,972.51</u>	<u>\$ 35,126,479.00</u>

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements – statutory basis of the Borough of Wildwood Crest have been prepared in conformity with an “Other Comprehensive Basis of Accounting” (OCBOA), as established by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting differs from Accounting Principles Generally Accepted in the United States of America (GAAP). The more significant of the Borough’s accounting policies are described below.

Description of Financial Reporting Entity

The Borough of Wildwood Crest is a shore community located at the southern tip of the State of New Jersey in the County of Cape May. The population according to the 2000 census is 3,980.

The Borough of Wildwood Crest is incorporated and operates under the Borough Commission form of government. The mayor is elected by the commissioners.

Component Units

The financial statements of the component units of the Borough of Wildwood Crest are not presented in accordance with Governmental Accounting Standards Board Statement (GASB) No. 14. If the provisions of GASB 14 had been complied with, the other entity’s financial statements would have to be either blended or discretely presented with the financial statements – statutory basis of the Borough of Wildwood Crest, the primary government.

Basis of Presentation, Fund Accounting

The financial statements – statutory basis of the Borough of Wildwood Crest contain all funds and account groups in accordance with the “Requirements of Audit” as promulgated 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 respect to public funds. Under this method of accounting, the Borough of Wildwood Crest accounts for its financial transactions through the following separate funds, which differ from the funds required by GAAP.

Current Fund

The Current Fund is used to account for resources and expenditures for governmental operations of a general nature, including Federal and State Grant Funds.

Trust Funds

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

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Capital Funds

The General Capital Fund is used to account for the receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

Budgets and Budgetary Accounting

The Borough of Wildwood Crest must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. State statutes require the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date of introduction. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

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

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

Cash and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank approved by the State Department of Banking and Insurance, and organized under laws of the United States or the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the Borough of Wildwood Crest requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any governmental unit. Public depositories include banks (both state and federal), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

Generally, the Borough considers all investments that mature in one year or less to be cash equivalents.

All certificates of deposit are recorded as cash regardless of date of maturity.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to Fund Balance. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

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

General Fixed Assets

Property and Equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from GAAP. The following is a brief description of the provisions of the Directive. Fixed Assets used in governmental operations ("general fixed assets") are accounted for in the General Fixed Assets Account Group. Public Domain ("Infrastructure") 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.

Depreciation on general fixed assets is not recorded in the financial statements.

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

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

Utility Fixed Assets

Property and equipment purchased by a utility fund are recorded in the utility capital fund at cost and are adjusted for disposition or 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. GAAP does not require the establishment of a Reserve for Amortization of Fixed Capital, but GAAP does require the recognition of depreciation of property by the utility fund. The Borough does not operate a separate utility.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreclosed Property

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

Deferred Charges

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

Appropriation Reserves

Appropriation Reserves covering unexpended appropriation balance are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation Reserves are available, until lapsed at the close of the succeeding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

Liens Sold for Other Governmental Units

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

Fund Balance

Fund Balances included in the Current Fund and Utility Operating Funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues

Revenues are recorded as received in cash except for certain amounts that are due from other governmental units. Revenue from federal and state grants is realized as revenue when anticipated as such in the Borough's budget. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenue be recognized when actual expenditures financed by the grant are made.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1st, May 1st, August 1st, and November 1st. Property taxes unpaid on April 1, of the year following their final due date are subject to tax sale in accordance with statutes. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenues to be recognized when they are available and measurable reduced by an allowance for doubtful accounts.

School Taxes

The Borough is responsible for levying, collecting and remitting school taxes for the Borough of Wildwood Crest School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2007, and decreased by the amount deferred at December 31, 2008. GAAP would require the recording of deferred revenue. Following is a breakdown as of December 31 for the last two years:

	<u>Dec. 31, 2008</u>	<u>Dec. 31, 2007</u>
School Tax Payable	\$ 1,056,121.88	\$ 844,645.86
School Tax Deferred	1,750,000.00	1,850,000.00
	<u>\$ 2,806,121.88</u>	<u>\$ 2,694,645.86</u>

County Taxes

The Borough is responsible for levying, collecting and remitting county taxes for the County of Cape May. Fund balance is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, fund balance is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The minimum amount of the reserve, determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A reserve for uncollected taxes is not established under GAAP.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures

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 system. Outstanding encumbrances at December 31st are recorded as a cash liability. Appropriations for principal payments on outstanding General Capital, and Utility Capital Fund bonds and notes are provided on the cash basis; interest on General Capital Fund indebtedness is on the cash basis, whereas interest on Utility Fund indebtedness is on the accrual basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Compensated Absences and Post – Employment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a “pay as you go” basis. Starting in 2003, the Borough has reserved, by charges to operations, a portion of the monetary value of unused sick leave and vacation. No accrual is made for post employment benefits, if any, which are also funded on a “pay as you go” basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as expenditures in the operating fund, and the remaining obligations be recorded as long – term obligations.

NOTE 2: LONG-TERM DEBT

Summary of Municipal Debt

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$ 21,673,056.17	\$ 14,368,314.98	\$ 13,257,927.50
Total Issued	<u>21,673,056.17</u>	<u>14,368,314.98</u>	<u>13,257,927.50</u>
<u>Authorized But Not Issued:</u>			
General:			
Bonds and Notes	760,400.00	5,255,357.26	2,728,817.26
Total Authorized But Not Issued	<u>760,400.00</u>	<u>5,255,357.26</u>	<u>2,728,817.26</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 22,433,456.17</u>	<u>\$ 19,623,672.24</u>	<u>\$ 15,986,744.76</u>

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

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 .96%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 22,433,456.17	\$ -	\$ 22,433,456.17
	<u>\$ 22,433,456.17</u>	<u>\$ -</u>	<u>\$ 22,433,456.17</u>

Net debt \$22,433,456.17 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,332,466,754.00 = .96%.

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

3-1/2% of Equalized Valuation Basis	\$ 81,636,336.39
Net Debt	<u>22,328,236.64</u>
Remaining Borrowing Power	<u>\$ 59,308,099.75</u>

Short-Term Debt

Short-term debt provides for financing of capital projects. On February 28, 2008, the Borough issued \$2,405,000.00 of notes to finance various capital improvements at an interest rate of 2.500%. These notes matured January 16, 2009 and were reissued with a maturity date of January 16, 2010. On January 16, 2008 notes were issued in the amount of \$5,250,000.00 at an interest rate of 3.1250% maturing on January 16, 2009 and were reissued with a maturity date of January 16, 2010. On November 6, 2008, notes were issued in the amount of \$3,430,000.00 with an interest rate of 3.250% maturing on November 6, 2009.

The following is a summary of changes in short-term debt for the year ended December 31, 2008.

	<u>Balance</u> <u>12/31/2007</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>12/31/2008</u>
Bond Anticipation Notes	\$ 2,405,000.00	\$ 11,085,000.00	\$ 2,405,000.00	\$ 11,085,000.00
Balance December 31, 2007	<u>\$ 2,405,000.00</u>	<u>\$ 11,085,000.00</u>	<u>\$ 2,405,000.00</u>	<u>\$ 11,085,000.00</u>

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

Description of Bonds Payable

At December 31, 2008, bonds payable in the General Capital Fund consisted of the following individual issues:

\$6,833,000 General Improvement Bonds dated May 1, 1997, due in annual installments through May 1, 2009, bearing interest at a rate of 5.10% per annum. The balance remaining as of December 31, 2008 is \$683,000.00.

\$5,082,000 General Improvement Bonds dated October 1, 2002, due in annual installments through October 1, 2013, bearing interest at 3.05% per annum. The balance remaining as of December 31, 2008 is \$2,882,000.00.

\$6,000,000 General Improvement Bonds dated September 1, 2006, due in annual installments through September 1, 2014, bearing interest at rates varying from 3.625% to 3.750% per annum. The balance remaining as of December 31, 2008 is \$5,560,000.00.

Debt Service for U.S.D.A. Loans Payable

On June 23, 2006, the Borough issued General Improvement Bonds payable to the United States Department of Agriculture. The total amount of the issue was \$1,500,000 with an interest rate of 4.375% per annum. After the first principal payment of \$7,027.50 on December 23, 2006, principal and interest on this series are to be paid semiannually on June 23 and December 23 in the amount of \$39,885 for seventy-eight (78) equal payments; the final payment of \$37,426 becoming due on December 23, 2046. The balance remaining at December 31, 2008 is \$1,463,056.17.

Changes in Long-Term Debt

The following schedule represents the changes in the long-term debt in the General Capital Fund:

	Outstanding 12/31/07	Issues or Additions	Payments or Expenditures	Outstanding 12/31/08
Bonds Payable	\$ 10,485,000.00	\$	\$ 1,360,000.00	\$ 9,125,000.00
	<u>10,485,000.00</u>	<u>-</u>	<u>1,360,000.00</u>	<u>9,125,000.00</u>
U.S.D.A. Bonds Payable	<u>1,478,314.98</u>		<u>15,258.81</u>	<u>1,463,056.17</u>
Total Long-term Debt	<u>\$ 11,963,314.98</u>	<u>\$ -</u>	<u>\$ 1,375,258.81</u>	<u>\$ 10,588,056.17</u>

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

Schedule of Annual Debt Service for Principal and Interest for Serial Bonds Issued and Outstanding

Year Ending December 31	General Capital Fund	
	Principal	Interest
2009	\$ 1,468,933.69	\$ 375,566.31
2010	1,426,638.41	332,120.09
2011	1,477,374.30	284,296.70
2012	1,558,142.73	234,058.27
2013	1,620,945.17	180,825.83
2014-2018	1,768,060.77	353,039.23
2019-2023	134,167.02	264,682.98
2024-2028	166,580.27	232,269.73
2029-2033	206,824.19	192,025.81
2034-2038	256,790.57	142,059.43
2039-2043	318,828.25	80,021.75
2044-2046	184,770.80	12,195.22
	<u>\$ 10,588,056.17</u>	<u>\$ 2,683,161.35</u>

NOTE 3: COMPENSATED ABSENCES

The Borough permits eligible employees to accrue unused vacation and personal time for up to one year after the time has been earned. Unused accrued vacation and personal time expires at the end of the two-year period.

The Borough also permits employees to accrue earned and unused sick time, which may be taken as time off or paid at the rate of pay applicable at time of termination. A portion of the monetary value of unused sick leave and vacation has been reserved on the balance sheet by charges to operations. This liability may be affected by conditions, which could preclude an employee from receiving full payment of the accrual. The reserve for accumulated absences in the Trust Fund at December 31, 2008 is \$121,034.01. The total liability of accrued sick leave and vacation for all eligible employees at December 31, 2008 is \$489,946.37.

NOTE 4: DEFERRED COMPENSATION ACCOUNT

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. In 1998, the Borough of Wildwood Crest amended the plan by resolution to comply with a private letter ruling of the Internal Revenue Service that requires assets of deferred compensation plans be held in trust under the beneficial ownership of the Trustee, (Borough of Wildwood Crest) serving as Trustee, for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The plan administrator is as follows:

Nationwide Retirement Solutions

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 5: TAXES COLLECTED IN ADVANCE

Taxes collected in advance include amounts set forth as cash liabilities in the financial statements as follows:

	Balance December 31, 2008	Balance December 31, 2007
Prepaid Taxes - Cash Liability	\$ 525,861.18	\$ 471,946.74

NOTE 6: PENSION PLANS

Plan Descriptions

All eligible employees participate in the Public Employees' Retirement System (PERS), or the Police and Firemen's Retirement System (PFRS), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems 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 the Police and Fireman's Retirement System. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) The Defined Contribution Retirement Program was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage. Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 6: PENSION PLANS (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service. Retirement benefits for age and service are available at age 60 and, under recently enacted legislation are generally determined to be 1/55 of final average salary for each year of service credit. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:3B. The System provides retirement as well as death and disability benefits. All benefits vest after ten years of service except disability benefits which vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service. The annual benefit under special retirement is 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70 percent of final compensation.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members contribute at a uniform rate. In accordance with Chapter 415, P.L. 1999, the member rate was set at 5.5% of base salary effective July 1, 2008. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits.

The contribution policy for PFRS is set by N.J.S.A. 43:16A, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. Members contribute at a uniform rate of 8.5% of base salary.

For the Public Employees' Retirement System, the Borough's contribution was \$146,463.20 for 2008 and \$81,189.49 for 2007.

Three-Year Trend Information for PERS				
Funding Year Ended		Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$	183,079.00	80%	\$ 146,463.20
12/31/07		135,315.82	60%	81,189.49
12/31/06		105,378.00	40%	42,151.20

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 6: PENSION PLANS (Continued)

Funding Policy (Continued)

For the Police and Firemen's Retirement System, the Borough's contribution was \$335,482.00 for 2008 and \$216,754.40 for 2007.

Three-Year Trend Information for PFRS				
Funding Year Ended		Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$	335,482.00	100%	\$ 335,482.00
12/31/07		270,943.00	80%	216,754.40
12/31/06		227,487.00	60%	136,492.20

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were no employees enrolled in the DCRP for the year ended December 31, 2008.

NOTE 7: POST RETIREMENT BENEFITS

Plan Description

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2001 the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number 646-01.

All Borough retirees with at least 25 years of service or who retire upon or after the age of 62 with 15 or more years of service as regular full-time employees shall receive 100% of the cost of health insurance premiums until death. For eligible Police Department employees, upon death of the employee, the post-retirement benefit is provided to the surviving spouse until death.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 7: POST RETIREMENT BENEFITS (Continued)

Plan Description (Continued)

In accordance with GASB 45 and the State of New Jersey, the Borough was required to obtain an actuarial valuation of the liability for providing these benefits. The Borough utilizes the New Jersey State Health Benefits Plan for Health Insurance, however, they also provide post-retirement benefits for vision, dental, and life insurance that are not included as a part of the State Health Benefits Plan. The Borough did not obtain the required actuarial valuation as of December 31, 2008 for those additional benefits.

Funding Policy

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis.

The Borough contributions to SHBP for the years ended December 31, 2008, 2007, 2006, were \$401,910.91, \$412,095.77, \$406,683.32, respectively, which equaled the required contributions for each year. There were 30, 31, and 31 retired participants eligible at December 31, 2008, 2007, and 2006, respectively.

NOTE 8: DEPOSITS AND INVESTMENTS

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC) or New Jersey's Governmental Unity Deposit Protection Act (GUDPA). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. Operating cash, in the form various checking, savings and certificates of deposit, are held in the Borough's name by a commercial banking institution and thrift savings institutions. At December 31, 2008, the carrying amount of the Borough's deposits was \$10,045,204.69 and the bank balance was \$10,176,868.54. Of the bank balance, \$507,663.72 was insured with Federal Deposit Insurance and \$9,684,532.26 was covered by GUDPA.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the Borough's bank accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Borough would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The Borough does not have a policy for custodial credit risk.

Investments

N.J.S.A. 40A:5-15.1 provides specific guidance for the allowable investment of public funds. In order to maximize liquidity, while complying with statutory requirements, the Borough utilizes the New Jersey Cash Management Fund ("NJCMF") and MBIA's Cooperative Liquid Assets Securities System ("CLASS") for investing purposes.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 8: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The NJCMF is administered by New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term commercial paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. At December 31, 2008, the Borough's balance was \$7,015.26.

The CLASS is a local government investment pool managed by MBIA Municipal Investors Service Corporation which invests only in: (a) high grade short-term federal securities and variable rate obligations backed by federal agencies having monthly or quarterly assets based on indices like the prime rate, LIBOR, or a combination of the two; and (b) very short-term, usually overnight, repurchase agreements secured by high quality collateral which is valued daily and fully delivered to the program's custodial bank to be held for the benefit of the pool's participants. At December 31, 2008, the Borough's balance was \$769,670.70.

Credit Risk: The CLASS is rated "AAA" by Fitch. The NJCMF is not rated. The Borough does not have an investment policy regarding the management of credit risk.

Interest Rate Risk: The Borough does not have a policy to limit interest rate risk. As noted below, the investment in the MBIA Class has a weighted average maturity of 41 days at December 31, 2008. Weighted average maturity was not available for the New Jersey Cash Management Fund.

<u>Investment</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
New Jersey Cash Management Fund	\$ 7,015.26	Not Available
MBIA Class	<u>769,670.70</u>	41
	<u><u>\$ 776,685.96</u></u>	

NOTE 9: PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 9: PROPERTY TAXES (Continued)

Upon the filing of certified adopted budgets by the municipality, the local and regional school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof is set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due February 1 and May 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes, due August 1 and November 1 of the succeeding fiscal year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500. Pursuant to P.L. 1991, c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency. The interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in the tax sale in accordance with New Jersey Statutes.

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 of each year, the municipality must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board, on or before April 1, for review. Due to errors or delinquencies in notices sent to property owners, the April 1 deadline to file an appeal petition may be extended. The County Board of Taxation has the authority, after a hearing, to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year, and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels the County Board of Taxation unsatisfactorily reviewed the petition, appeal may be made to the Tax Court of New Jersey for further hearing. Some Tax Court appeals may take several years prior to settlement, and any losses in tax collection from prior years are charged to a reserve set aside for this purpose or directly charged to Fund Balance.

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

Comparative Schedule of Tax Rates			
	2008	2007	2006
Tax Rate	\$ 1.373	\$ 1.320	\$ 1.270
Apportionment of Tax Rate:			
Municipal	0.680	0.632	0.600
County	0.321	0.314	0.299
Local School	0.372	0.374	0.371

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 9: PROPERTY TAXES (Continued)

<u>Assessed Valuation</u>		
2008	\$	1,524,774,685
2007		1,461,561,623
2006		1,361,375,351

<u>Comparison of Tax Levies and Collections</u>				
<u>Year</u>	<u>Tax Levy</u>		<u>Collections</u>	<u>Percentage of Collections</u>
2008	\$	21,028,172.66	\$ 20,500,751.79	97.49%
2007		19,551,170.69	19,067,070.58	97.52%
2006		17,697,526.24	17,311,685.31	97.82%

<u>Delinquent Taxes and Tax Title Liens</u>					
<u>Year</u>	<u>Tax Title Liens</u>		<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2008	\$	-	\$ 525,444.25	\$ 525,444.25	2.50%
2007		-	493,181.84	493,181.84	2.79%
2006		-	384,604.97	384,604.97	2.31%

Property Acquired by Tax Title Lien Liquidation

There are no properties acquired by liquidation of tax title liens on December 31.

NOTE 10: ECONOMIC DEPENDENCY

The Borough of Wildwood Crest is not economically dependent on any one funding agency within the Borough or the State of New Jersey.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 11: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budgets in the Current Fund.

<u>Year</u>	<u>Balance December 31st</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percent Utilized</u>
2008	\$ 2,693,108.68	\$ 1,275,000.00	47.34%
2007	2,800,401.96	1,350,000.00	48.21%
2006	2,868,386.40	1,370,000.00	47.76%
2005	2,799,072.84	1,400,000.00	50.02%
2004	2,487,916.92	1,115,000.00	44.82%

NOTE 12: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Receivables and payables at December 31, 2008 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 1,920.69	\$
Federal and State Grant		650.00
Animal Control Trust Fund		918.05
Trust Fund - Other	650.00	335.54
General Capital Fund		667.10
Total	\$ <u>2,570.69</u>	\$ <u>2,570.69</u>

NOTE 13: BUDGETARY DATA

Annually, the Borough Commission adopts the annual appropriation budgets for the Current Fund and the Capital Improvement Plan. Once approved, the Borough Commission may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Supplemental appropriations per N.J.S.A. 40A:4-46 and 54, Emergencies and Special Emergencies, become charges against the budget of the following year per N.J.S.A. 40A:4-47 except when financing is provided for by bonding ordinances.

Budget transfers between appropriation accounts are prohibited until the last two months of the year. The Borough Commission approves the transfers by resolution. Budgetary transfers during the year were not significant.

BOROUGH OF WILDWOOD CREST
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

NOTE 14: FEDERAL AND STATE GRANTS

In the normal course of operations, the Borough participates in a number of federal and state grant programs. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the granting of funds. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor. As of December 31, 2008, significant amounts of grant expenditures had not been audited by the various grantor agencies, nor is there is any known liability for reimbursement as a result of any such audit.

NOTE 15: GENERAL FIXED ASSETS

The following schedule is a summarization of the changes in General Fixed Assets for the year ended December 31, 2008:

	Balance as of December 31, 2007		Increases		Decreases		Balance as of December 31, 2008
Land Improvements	\$ 22,728,140.00	\$	729,853.51	\$	1,008,100.00	\$	22,449,893.51
Building Improvements	6,418,982.00						6,418,982.00
Machinery & Equipment	5,979,357.00		328,148.00		22,408.00		6,285,097.00
Total	\$ <u>35,126,479.00</u>	\$	<u>1,058,001.51</u>	\$	<u>1,030,508.00</u>	\$	<u>35,153,972.51</u>

NOTE 16: JOINT INSURANCE POOL

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

- Workers' Compensation
- General Liability, Law Enforcement Liability
- Employee Benefits Liability
- Public Official Liability
- Property, Real and Personal
- Automobile Liability
- Boiler and Machinery
- Crime, Fidelity

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.

NOTE 17: LITIGATION

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

APPENDIX C

LEGAL OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP

A NEW YORK LIMITED LIABILITY PARTNERSHIP

ONE GATEWAY CENTER
24TH FLOOR
NEWARK, NJ 07102
WWW.HAWKINS.COM

NEWARK
NEW YORK
WASHINGTON
HARTFORD
LOS ANGELES
SACRAMENTO
SAN FRANCISCO

C. STEVEN DONOVAN
ROBERT H. BEINFELD
KRISTINE L. PERLA
ERIC J. SAPIR
CHARLES G. TOTO
PATRICIA A. GOINS
CHRISTOPHER M. WATERMAN

November 5, 2009

Board of Commissioners of the
Borough of Wildwood Crest, in the
County of Cape May, New Jersey

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$13,135,000 General Bonds of 2009 (the "Bonds") of the Borough of Wildwood Crest, a municipal corporation of the State of New Jersey, situate in the County of Cape May (the "Borough"). The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey, and as provided by resolution of the Board of Commissioners of the Borough, entitled: "Resolution providing for the combination of certain issues of bonds of the Borough of Wildwood Crest, in the County of Cape May, New Jersey, into a single issue of General Bonds aggregating \$13,135,000 in principal amount", adopted October 7, 2009 and the bond ordinances referred to therein.

The Bonds are dated November 5, 2009, and bear interest from their dated date at the rates per annum (payable semi-annually on each May 1 and November 1 until maturity or earlier redemption, commencing May 1, 2010) and mature on November 1 in the years and in the respective principal amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2010	\$650,000		2017	\$1,000,000	
2011	700,000		2018	1,000,000	
2012	750,000		2019	1,200,000	
2013	800,000		2020	1,200,000	
2014	900,000		2021	1,200,000	
2015	900,000		2022	1,300,000	
2016	1,000,000		2023	535,000	

The Bonds maturing prior to November 1, 2020 are not subject to redemption prior to maturity at the option of the Borough. The Bonds maturing on and after November 1, 2020 are subject to redemption prior to maturity at the option of the Borough in whole or in part, in any order of maturity and by lot within a maturity if less than all the Bonds of such maturity are to be redeemed, on any date on or after November 1, 2019, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued, if any, to the date fixed for redemption.

Board of Commissioners of the
Borough of Wildwood Crest, in the
County of Cape May, New Jersey

2.

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements to be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the Borough delivered in connection with the issuance of the Bonds which contains provisions and procedures regarding compliance with the requirements of the Code. By said Arbitrage and Use of Proceeds Certificate, the Borough has certified that, to the extent it is empowered and allowed under applicable law, it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Bonds is excludable from gross income under Section 103 of the Code. In rendering this opinion we have assumed that the Borough will comply with the provisions and procedures set forth in its Arbitrage and Use of Proceeds Certificate.

In our opinion, the Bonds are valid and legally binding obligations of the Borough and, unless paid from other sources, are payable from ad valorem taxes levied upon all the taxable property within the Borough without limitation as to rate or amount. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in the adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. In addition, in our opinion, under existing statutes, interest on the Bonds is not included in gross income under the New Jersey Gross Income Tax Act.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Borough other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to the purchaser of the Bonds.

We express no opinion regarding any other federal or state consequences with respect to the Bonds. We render our opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update this opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Bonds, or under state and local tax law.

We have examined an executed bond of said issue, and, in our opinion, the form of said bond and its execution are regular and proper.

Very truly yours,