

GREATER WILDWOODS TOURISM IMPROVEMENT
AND DEVELOPMENT AUTHORITY

REPORT ON AUDIT OF
BASIC FINANCIAL STATEMENTS

AND SUPPLEMENTAL INFORMATION

YEARS ENDED DECEMBER 31, 2011 AND 2010

**GREATER WILDWOODS TOURISM IMPROVEMENT
AND DEVELOPMENT AUTHORITY
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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FINANCIAL SECTION

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Members of the Board of Directors
The Greater Wildwoods Tourism Improvement
And Development Authority
Wildwood, New Jersey

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the business-type activities of the Greater Wildwoods Tourism Improvement and Development Authority, a component unit of the City's of Wildwood and North Wildwood and the Borough of Wildwood Crest, State of New Jersey as of and for the years ended December 31, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Greater Wildwoods Tourism Improvement and Development Authority, State of New Jersey's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Greater Wildwoods Tourism Improvement and Development Authority, State of New Jersey, as of December 31, 2011 and 2010, and changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2012 on our consideration of the Greater Wildwoods Tourism Improvement and Development Authority, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, identified in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as Other Supplementary Information, as listed in the table of contents, is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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

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

May 10, 2012

REQUIRED SUPPLEMENTARY INFORMATION

GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (“MD&A”) of the GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY (“Authority”) provides an introduction to the major activities affecting the operations of the Authority. The MD&A also provides an introduction and overview to the financial performance and statements of the Authority for the fiscal years ended December 31, 2011 and 2010. The information contained in the MD&A should be considered in conjunction with the Authority’s basic financial statements beginning on page 15.

The Authority’s basic financial statements comprise two components: 1) proprietary fund basic financial statements, and 2) notes to those basic financial statements which are essential to a full understanding of the data contained in the basic financial statements. The supplementary information following the basic financial statements and notes thereto contains detailed and separate information pertaining to the Authority’s operations.

Regarding supplementary information, of particular note the Authority reports a *Schedule of Operating Revenues and Costs Funded by Operating Revenues Compared to Budget* (Schedule 1). That schedule compares the “actual” revenue and expenses to “budget” revenue and expenses, including operating revenues and expenses, and non-operating revenues and expenses where applicable.

The “Budget versus Actual” statement for the Authority’s program is a very important tool for staff, as it measures the Authority’s financial and operational performance, particularly as it compares to the Annual Budget as adopted by the Authority’s Board and approved by the state of New Jersey, Department of Community Affairs.

For the purpose of the Management Discussion and Analysis, the ensuing discussion will review the official statements of the Greater Wildwoods Tourism Improvement and Development Authority, those prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) applicable to enterprise or proprietary funds of state and local governments. These are the Authority’s basic financial statements discussed above.

Pronouncement

The Governmental Accounting Standards Board (“GASB”) issued Governmental Accounting Standards Board Statement (“GASBS”) No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and the Authority adopted GASBS No. 34 effective January 1, 2004, consistent with the adoption timetable established by GASB. This Statement establishes new financial reporting requirements for state and local governments throughout the United States and, when implemented, they create new information and restructure much of the information that governments have presented in the past. In accordance with GASB No. 34, all of the Authority’s financial statements are prepared in accordance with generally accepted accounting principles.

This is the eighth year of GASB No. 34’s implementation; comparative data relating to prior year’s information is presented and discussion throughout the MD&A will provide comparative analyses of key elements of the individual funds. A comparative analysis of Authority-wide data is presented.

Program

The Authority and tourism district was created by the three local municipalities of the Wildwoods, North Wildwood, Wildwood, and Wildwood Crest on July 1, 1993 pursuant to N.J.S.A. 40:54D 1-44. The act allowed the district to impose a 2% tourism tax on the rental of hotel/motel rooms, prepared food and beverage and certain admissions over \$75. The tax is collected by the State of New Jersey and remitted to the Authority in the form of a check. Those businesses that did not fall under the 2% Tourism Tax were responsible for the payment of a Tourism Development Fee (TDF) as their contribution to the Authority's funding. The TDF was billed to each business along with the mercantile license bill sent out by each municipality.

The Authority's first meeting was held in July of 1994 with the purpose of "providing appropriate public facilities, fixtures and improvements necessary to promote, sustain and expand tourism, to finance the acquisition and/or construction, operation maintenance and support of a convention center facility and to promote, sponsor events and advertise the Greater Wildwoods as a tourist destination and to express opinions and recommendations, when appropriate, to enhance the local tourism climate."

In 1998, Governor Christine Todd Whitman, through state legislation, mandated the New Jersey Sports and Exposition Authority (NJSEA) to oversee the construction of a new convention center in Wildwood, NJ. This \$70 M project was funded by the State of New Jersey. However, the operations, maintenance, sales and marketing efforts of the facility were the responsibility of the NJSEA and their local agent, the Authority. Because of this requirement, 90% of the 2% tourism tax was redirected, by state legislation, to the NJSEA to help offset the costs of operating the new facility.

In May of 2002 acting as the agent for the NJSEA, the Authority opened the new \$70million convention center in the Wildwoods. The Authority continues to act as the agent for the NJSEA in operating the Wildwoods convention center and oversees all day to day operations of the facility.

The Authority following the completion of an asset assumption agreement with the NJSEA in 1998 that left it with no funds realized that its funding for advertising and promotions for the Wildwoods as a vacation destination, as well as its funding for events and event support had been critically impacted by the legislation mandated by Governor Whitman. The Authority then began work with the business organizations in the Wildwoods on a solution that was to become known as Phase II funding.

A funding strategy was developed and endorsed which would do the following:

1. Implement a new 1.85% tourism assessment on the rental of hotel/motel rooms;
2. Remove the existing cap on tourism development fees.
3. Allow for the food and beverage industry to pay a TDF along with all of the other businesses in the three communities.

The objective of this plan was to ensure that all businesses and rental properties that benefit from increased tourism and events contribute equitably to the Phase II funding initiative.

Phase II tourism funding was approved by the New Jersey Legislature on August 14, 2002 and subsequently by the three municipalities of the Wildwoods. In April 2003 the first part of the phase two funding began with the addition of a 1.85% tourism assessment on hotel/Motel room rentals. Following up on this in 2004 the Authority took over the collection of tourism development fees (TDF's) from the cities of Wildwood and North Wildwood, Wildwood Crest chose to continue collecting the TDF's itself. During 2004 and 2005 the Authority collected roughly 60% of the amounts billed out to Wildwood and North Wildwood. The low collection rate resulted from the Authority's lack of ability to legally enforce collections of the TDF's. As a result the Authority and the three municipalities in early 2006 agreed that the municipalities would take back the responsibility for the collections.

As part of the agreement to help offset the administrative costs to the municipalities the Authority agreed to a structure under which each municipality would receive collection fees based on the gross amount of TDF's collected by all three municipalities.

The legislation provided that one half of the 1.85% tourism assessment collected in 2003 be returned equally to the three municipalities to offset beach maintenance appropriations. However, in 2004, in order for the three municipalities to continue to receive 50% of the tourism assessment collected, the municipalities needed to address their local tourism development fee structure and raise fees to equal the amount they collected in 2003 from the 1.85% tourism assessment. Going forward the municipalities can receive a maximum of one half of the 1.85% tourism assessment collections provided the gross amount collected from TDF's exceeds half of that number after the fulfillment of the Authorities obligation under the Omnibus agreement to the City of Wildwood.

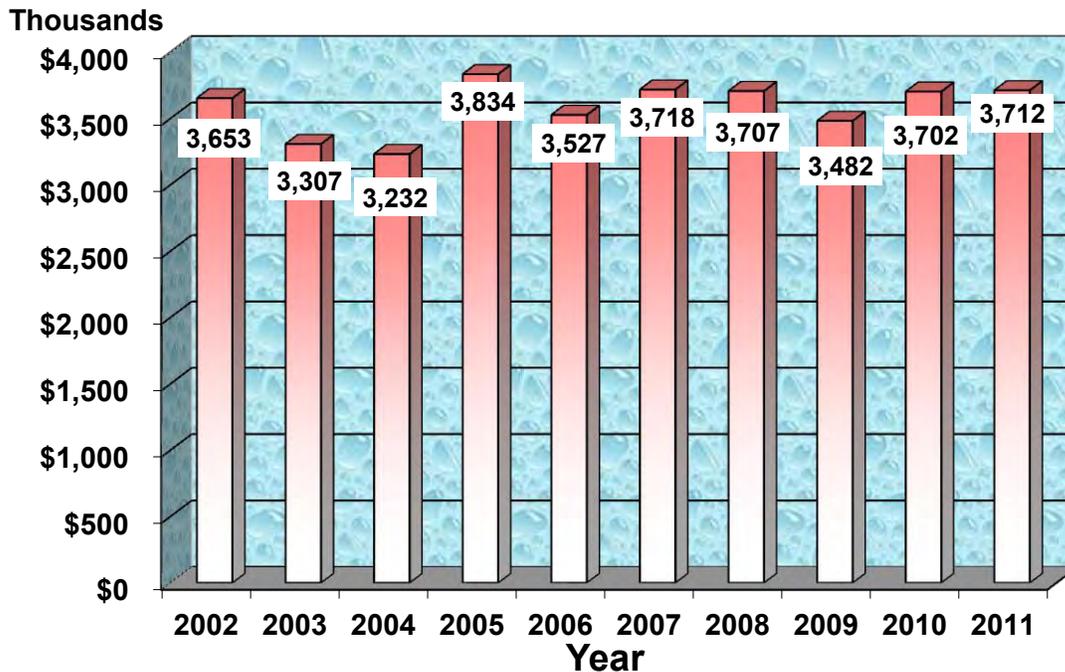
With the implementation of the new 1.85% tourism assessment, it was agreed that the hotel/motel industry could not, and should not bear the burden of this new funding alone. Therefore, it was necessary to equitably distribute the responsibility of this new funding throughout the entire business community.

In 2007 The Authority undertook a capital project to enhance the entranceway to the Wildwoods. The project cost totaled \$1,050,000 and was approved by the Local Finance Board in 2005. It was submitted and approved as part of the Authority's budget in 2007. The project was funded by a \$600,000 bond drawn on Crest Savings Bank, a grant totaling \$291,750 from the Casino Reinvestment Development Authority and \$158,250 from the Authority's operating cash reserves. The project consists of an entranceway, turnaround, ramp and Wildwoods sign located between Ocean Avenue and the Boardwalk at Rio Grande Avenue. The Authority decided against bidding advertising rights on the sign in 2008 as they did not want any commercial involvement in the entranceway. Also in 2008 additional capital investment totaling \$21,730 was made. \$16,480 of that money was for placement of two street lights that were needed as a matter of safety.

Tourism Revenue/Structure

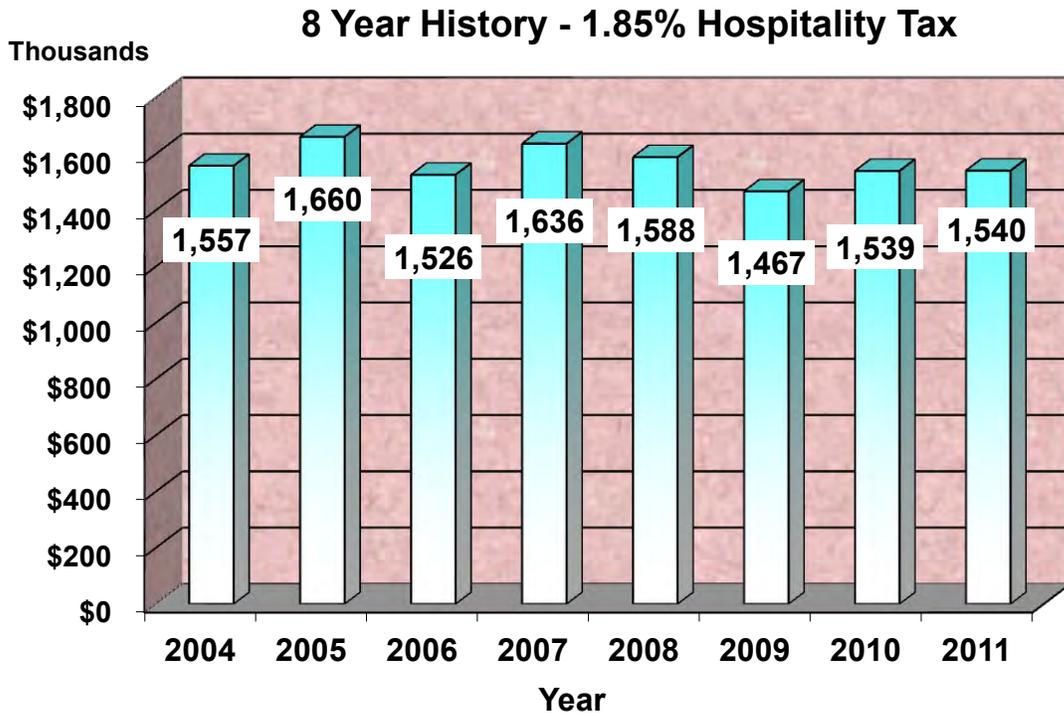
The 2% tourism, tax is remitted by entities subject to the tax as outlined above along with their regular monthly sales tax to the State of New Jersey. The tax is due to the State by the 20th, of the month following the month for which the tax collection is for. The 2% portion of the tax is then split 90 -10 in accordance with the legislation passed and an omnibus agreement in place between the Authority, the NJSEA, and the three municipalities of the Wildwoods. 90% goes to the NJSEA to offset operating costs associated with the Wildwoods Convention Center. The remaining 10% is given to the Authority for the promotion of the tourism district. The 10% is received in the form of a check from the State with roughly a two month lag. The chart below shows a 10 year history of revenues generated from the tourism tax in its entirety.

10 Year History - 2% Tourism Tax



Tourism Assessment Revenue/Structure

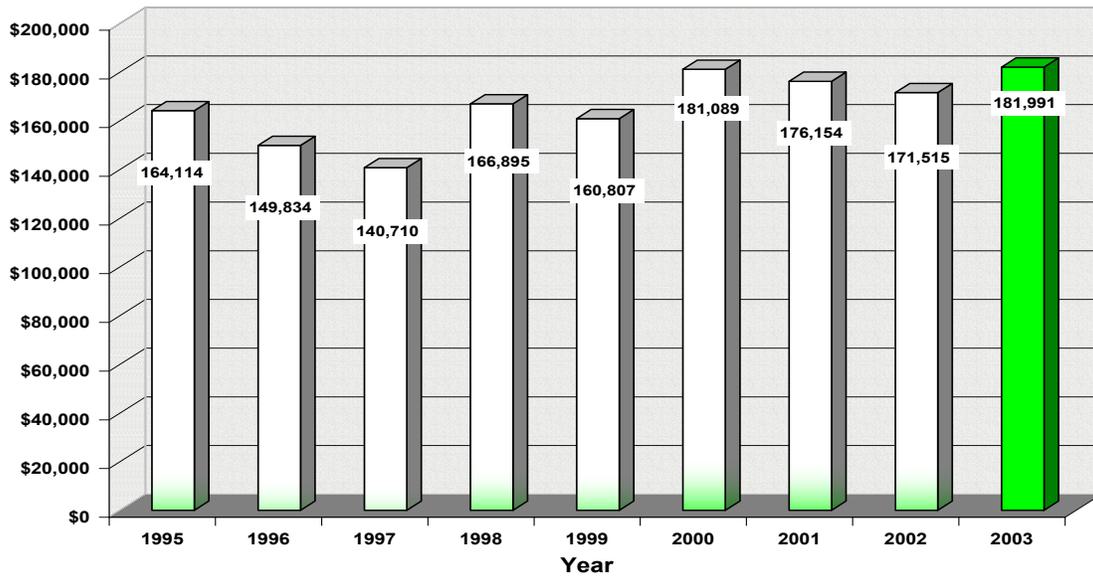
Tourism assessment means an assessment on the rent for every occupancy of a room or rooms in a hotel subject to taxation pursuant to subsection (d) of section 3 of the "Sales and Use Tax Act" P.L. 1966. Collection of the 1.85% tax began in April 2003, the collection process is the same as that of the tourism tax, however all the revenues generated by the 1.85% tax go to the Authority for the promotion of the district as a tourist destination. The Authority at year end then disperses by check the portion of the 1.85% assessment that the municipalities are entitled to in accordance with the terms of the phase II funding legislation. Using 2004 as a base year the TDF collections amounted to 78% of the 1.85% tax. For the years 2005 through 2008 the municipalities would have been entitled to receive 78% of the available funds for disbursement. With the changes in 2006 to the collection of TDF's the municipalities are again entitled to a maximum of 50% of the 1.85% collections after payment of the Authority's obligation to the City of Wildwood as outlined in the omnibus agreement signed by GWTIDA, NJSEA and the three municipalities of the Wildwoods in 1998. They are not restricted by the base year calculation that was used in 2004 and 2005. The chart below shows a history of the 1.85% tax.



Tourism Development Fee Revenue/Structure

Tourism Development Fees have been in place since the District was formed in 1993, however with the approval of phase II funding in 2002 changes took place aimed at making the assessments more fair and equitable. Up until 2003 these fees were collected by the Municipalities and given to the Authority in November of the year they were collected. A history of the collection of these fees through 2003 is shown below.

9 Year History - Tourism Development Fees



With the changes that took place and the significance of the impact of these changes on the Authority, the Authority hired a Tourism Development Fee Administrator in early 2004. The TDF Administrator was responsible for all billing and collection of TDF fees in Wildwood and North Wildwood. With the changes in 2006 the administrator's role also changed the administrator works closely with the municipalities in helping them update their TDF databases and ensuring that those entities subject to the assessments are reporting their business activities accurately to the Municipalities when they obtain their mercantile licenses. Because monies generated from the collection of these fees is dedicated to be used solely for the funding of local events and event support the monies are kept in a separate fund and beginning in 2004 our financial statements reflected both a general fund and a TDF fund. Tables showing the amounts collected from TDF's in 2009, 2010 and 2011 are outlined below. The shared revenues represent the portion of the 1.85% assessment returned to the municipalities. Since 2006, because of the change in the collection methods and the fact that the gross TDF collections have exceeded the portion of the 1.85% tax collections available for distribution, the municipalities were entitled to 100% of their share. Below are tables outlining the revenues collected from tourism development fees and the revenues shared from the 1.85% tax over the last three years starting with 2011.

2011:

Municipality	Revenues Collected	Shared Revenues
Wildwood	\$291,829.00	\$226,190.00
North Wildwood	\$347,265.00	\$226,190.00
Wildwood Crest	\$184,919.00	\$226,190.00
Total Collections:	\$824,013.00	\$678,569.00

2010:

Municipality	Revenues Collected	Shared Revenues
Wildwood	\$269,261.00	\$226,010.00
North Wildwood	\$365,241.00	\$226,010.00
Wildwood Crest	\$179,588.00	\$226,010.00
Total Collections:	\$814,090.00	\$678,030.00

2009:

Municipality	Revenues Collected	Shared Revenues
Wildwood	\$281,442.00	\$213,936.00
North Wildwood	\$373,913.00	\$213,936.00
Wildwood Crest	\$210,498.50	\$213,936.00
Total Collections:	\$865,853.50	\$641,808.00

Required Financial Statements

The Basic Financial Statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies, consistent with New Jersey statutes. Specifically, the financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles promulgated by GASB. Accordingly, the Authority recognizes revenues when earned, not received. Expenses are recognized when incurred, not when they are paid.

The *Statement of Net Assets*, the first required statement, and the *Statement of Revenues, Expenses and Changes in Net Assets*, the second required statement, report information about the Authority's financial condition. The Authority's net assets, i.e., the difference between assets and liabilities, are a measure of financial health or financial position. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. Net assets increase both when revenues exceed expenses and when the Authority's assets increase without a corresponding increase to the Authority's liabilities. Beginning with 2008 The Authority has an asset subject to depreciation that would under normal circumstances have a negative impact on net assets. Depreciation decreases the Authority's net assets even though it is a non-cash expense.

The third and final required financial statement, the *Statement of Cash Flows*, provides information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and non-capital financing activities. It also provides information regarding sources of cash, uses of cash, and the changes in the cash balance during the reporting period.

Financial Analysis

Table 1
Condensed Statement of Net Assets
December 31 2011 and 2010

	2011 <u>General</u> <u>Fund</u>	2011 <u>TDF Fund</u>	2011 <u>Total</u>	2010 <u>Total</u>
ASSETS				
Current Assets:				
Cash and Equivalents	1,232,822	629,390	1,862,212	2,489,101
State of New Jersey Receivable	109,392	-	109,392	98,098
Municipal Flat Tax Receivable	-	532,184	531,184	3,485
Prepaid Assets	7,500	-	7,500	15,000
Capital Assets	863,202	-	863,202	917,152
Total Assets	<u>2,212,917</u>	<u>1,161,574</u>	<u>3,374,490</u>	<u>3,522,836</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,832	47,177	50,009	40,219
Contractual Obligations Payable	39,637	-	39,637	37,022
Restricted Liabilities	25,338	-	25,338	24,482
Long Term Debt Outstanding	480,146	-	480,146	503,620
Total Liabilities	<u>547,953</u>	<u>47,177</u>	<u>595,130</u>	<u>605,343</u>
NET ASSETS:				
Investment In Capital Assets				
Net of Debt	359,583		359,583	390,995
Restricted		1,114,396	1,114,396	1,105,537
Unrestricted	1,305,381		1,305,381	1,420,961
Total Net Assets	<u>1,664,964</u>	<u>1,114,396</u>	<u>2,779,360</u>	<u>2,917,493</u>
Total Liabilities & Net Assets	<u>2,212,917</u>	<u>1,161,574</u>	<u>3,374,490</u>	<u>3,522,836</u>

Analysis of Net Assets

The Authority's assets exceeded its liabilities at the end of December 31, 2011, by approximately \$2,779,360 compared to \$2,917,493 in 2010. Of this amount, approximately \$1,305,381 was unrestricted and available to be used to meet the Authority's ongoing obligations to its customers and creditors. The remaining \$1,114,396 was restricted for the funding of local events and event support.

Table 2
Condensed Statement of Revenues, Expenses, and Changes in Net Assets
December 31, 2011 and 2010

	<u>2011</u> <u>General</u> <u>Fund</u>	<u>2011</u> <u>TDF Fund</u>	<u>2011</u> <u>Total</u>	<u>2010</u> <u>Total</u>
Operating Revenues:				
2% Tourism Tax	371,208	-	371,208	375,625
1.85% Room Tax	1,540,137	-	1,540,137	1,539,060
Tourism Development Fees	-	824,013	824,013	814,090
Other Revenues	4,436	-	4,436	19,532
Total Operating Revenues	<u>1,915,781</u>	<u>824,013</u>	<u>2,739,794</u>	<u>2,748,307</u>
Operating Expenses:				
Personnel	-	111,225	111,225	108,827
Administrative	26,611	215	26,826	22,507
Advertising & Promotions	1,090,805	-	1,090,805	1,084,591
Event Support	-	617,182	617,182	634,429
Professional Fees	18,422	90,000	108,422	103,550
City of Wildwood	183,000	-	183,000	183,000
1.85% Tax Distribution	678,569	-	678,569	678,030
Depreciation Expense	53,950	-	53,950	53,950
Total Operating Expenses	<u>2,051,357</u>	<u>818,622</u>	<u>2,869,979</u>	<u>2,868,884</u>
Operating Income/(Loss)	<u>(135,576)</u>	<u>5,391</u>	<u>(130,185)</u>	<u>(120,577)</u>
Non Operating Revenue				
Interest Income	10,943	3,468	14,411	25,288
Interest Expense	(22,359)	-	(22,359)	(23,320)
Total Non Operating Revenue/(Expenses)	<u>(11,416)</u>	<u>3,468</u>	<u>(7,948)</u>	<u>1,968</u>
Change In Net Assets	(146,992)	8,859	(138,133)	(118,609)
Total Net Assets, Beginning	1,811,956	1,105,537	2,917,493	3,036,102
Total Net Assets, End	<u>1,664,964</u>	<u>1,114,396</u>	<u>2,779,360</u>	<u>2,917,493</u>

Analysis of Changes in Net Assets

The Authority's financial position declined 5% as compared to 2010 overall total net assets. Our investment interest continued on a downward trend due to the poor financial climate and as a result we saw negative income from non operating revenues in 2011. In 2011 operating income was again negative and totaled 8% more than in 2010 however we believe that in order to maintain one of the Authority's main objectives which is growing the number of visitors to the Wildwoods that these variances despite being negative were justified.

Operating and Non Operating Revenues

General Fund

The Authority's revenue streams remained stable in 2011. The 2% tax was down 1% compared to 2010 or \$4,417. The 1.85% tax was up \$1,076 over our 2010 totals. Interest income was down 43% on account of the tight financial markets where interest rates on deposits are negligible. The Authority continued its cash management policy of investing surplus cash in CD's but again the rates were significantly lower than rates obtained during 2010. It should be noted that the 43% decrease in 2011 is the same as the percentage decrease reflected in 2010. In 2 years interest income has dropped 86%. Other revenues were also down from \$19,532 in 2010 to \$4,436 in 2011. These revenues are primarily made up from the sale of our mailing lists to local hotels. Fewer hotels took advantage of the lists in 2011.

TDF Fund

The Authority's revenue streams from the TDF increased by 1% or \$9,923. Revenues from Wildwood were up \$22,568 or 8%, Wildwood Crest saw an increase of \$5,331 or 3% while in North Wildwood revenues dropped \$17,976 or 5% as compared to 2010.

Authority-Wide Expenses

Operating expenses remained stable in 2011 at \$2,869,976 compared to \$2,868,884 in 2010 a difference of \$1,092. A detailed analysis of operating expenses follows:

- Personnel expenses saw an increase of 2%; this is attributable to higher costs for medical insurance premiums and a rise in our pension liability. There were no cost of living increases in 2011.
- Administrative expenses were \$26,826 in 2011, a net increase of \$4,319 or a 19% over 2010. Insurance costs remained relatively stable in 2011 however costs related to maintenance at the Rio Grande Avenue sign increased by over \$4,000 from 2010.
- Advertising and promotions expenses were \$1,090,805 in 2011 as compared to \$1,084,591 in 2010 up \$6,214 or 1% more than FY 2010. Our advertising plan followed up on our 2010 campaign where we used the same theme and did not deviate from our advertising mix.
- Event Support spending decreased from \$634,429 in 2010 to \$617,181 in 2011, a decrease of \$17,248 or 3%. In all we funded 46 events in 2011 as compared to 50 events in 2010.
- Professional Fees amounted to \$108,422 in 2011 as compared to \$103,550 in 2010 an increase of \$2,100 or 5%. \$90,000 of this amount is for collection fees paid to the municipalities that remained the same as in 2010. There were some additional professional fees in 2011 to our patent attorneys for the renewal of two of our Trademarks.
- There was no increase in the amount of \$183,000 paid to the City of Wildwood as required by the Omnibus agreement between the NJSEA the municipalities and the Authority,

- In 2011 the 1.85% tax distribution amounts to \$678,569. This amount is \$539 more than in 2010. In 2011 the distribution is only limited by the permitted percentage of the 1.85% tax. Since the tourism development fee collections exceeded the allowable amount permitted for disbursement to the municipalities there is no limitation imposed.

Table 3
Condensed Statement of Cash Flows
December 31, 2011 and 2010

	<u>2011</u> <u>General</u> <u>Fund</u>	<u>2011</u> <u>TDF</u> <u>Fund</u>	<u>2011</u> <u>Total</u>	<u>2010</u> <u>Total</u>
Cash Flows from Operating Activities				
2% Tourism tax	365,145	-	365,145	378,909
1.85% Room Tax	1,534,905	-	1,534,905	1,569,596
Tourism Development Fees	-	295,314	295,314	1,465,960
Other Receipts	4,436	-	4,436	20,057
Payments to Vendors	(1,128,484)	(718,686)	(1,847,170)	(1,839,368)
Payments to Municipalities	(858,953)	(90,000)	(948,953)	(926,298)
Net Cash provided by Operating Activities	<u>(82,951)</u>	<u>(513,372)</u>	<u>(596,323)</u>	<u>628,856</u>
Cash Flows from (to) Capital Financing Activities				
Principal Paid On Capital Debt	(22,534)		(22,534)	(21,577)
Interest Paid on Capital Debt	(22,443)		(22,443)	(23,399)
Net Cash used by Capital Financing Activities	<u>(44,977)</u>	<u>-</u>	<u>(44,977)</u>	<u>(44,977)</u>
Cash Flows from Investing Activities				
Interest Income	10,943	3,468	14,411	25,288
Net Increase in Cash and Cash Equivalents	(116,985)	(509,904)	(626,889)	609,167
Cash & Cash Equivalents at 1/1/11	1,349,807	1,139,294	2,489,101	1,879,933
Cash & Cash Equivalents at 12/31/11	<u>1,232,822</u>	<u>629,390</u>	<u>1,862,212</u>	<u>2,489,101</u>

Analysis of Cash Flows

The Authority made all of its contractual payments on time and in the required amounts.

Of the \$1.86 million in cash and cash equivalents at December 31, 2011, \$1.23 million is available for operations and current obligations. The remaining \$629,390 has been reserved or restricted for the funding of local events and event support.

Contacting the Authority's Financial Management

This financial report is designed to provide the Greater Wildwoods Tourism Improvement and Development Authority board members, customers, investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact either the Authority's Executive Director or Finance Manager at the Greater Wildwoods Tourism Improvement and Development Authority 4501 Boardwalk, Wildwood NJ 08260, telephone 609-729-9000.

BASIC FINANCIAL STATEMENTS

**GREATER WILDWOODS TOURISM IMPROVEMENT
AND DEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010**

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 1,862,212	\$ 2,489,101
Accounts Receivable:		
State of New Jersey Tourism Tax	30,118	24,055
State of New Jersey Room Tax	79,274	74,043
Flat Tax Assessments	532,184	3,485
Prepaid Expenses	7,500	15,000
	<u>2,511,288</u>	<u>2,605,684</u>
TOTAL CURRENT ASSETS		
CAPITAL ASSETS:		
Property, Plant and Equipment (Note 5)	<u>863,202</u>	<u>917,152</u>
	<u>863,202</u>	<u>917,152</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT		
	<u>863,202</u>	<u>917,152</u>
TOTAL ASSETS	<u>\$ 3,374,490</u>	<u>\$ 3,522,836</u>

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

**GREATER WILDWOODS TOURISM IMPROVEMENT
AND DEVELOPMENT AUTHORITY**
STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010
(CONTINUED)

	December 31, 2011	December 31, 2010
	<u> </u>	<u> </u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES PAYABLE FROM UNRESTRICTED ASSETS:		
Accounts Payable - Operations	\$ 50,009	\$ 40,219
Contractual Obligations Payable	39,637	37,022
	<u> </u>	<u> </u>
TOTAL CURRENT LIABILITIES PAYABLE FROM UNRESTRICTED ASSETS	<u>89,646</u>	<u>77,241</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:		
Accrued Interest Payable	1,861	1,944
Current Maturities of Long-term Debt (Note 3)	23,477	22,538
	<u> </u>	<u> </u>
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>25,338</u>	<u>24,482</u>
LONG TERM OBLIGATIONS:		
Long Term Portion of Loan Payable (Note 3)	480,146	503,620
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>595,130</u>	<u>605,343</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	359,583	390,995
Restricted for:		
Tourism Development	1,114,396	1,105,537
Unrestricted	1,305,381	1,420,961
	<u> </u>	<u> </u>
TOTAL NET ASSETS	<u>2,779,360</u>	<u>2,917,493</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,374,490</u>	<u>\$ 3,522,836</u>

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

**GREATER WILDWOODS TOURISM IMPROVEMENT
AND DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
DECEMBER 31, 2011 AND 2010**

	Dec. 31, 2011	Dec. 31, 2010
	<u> </u>	<u> </u>
OPERATING REVENUES:		
2% Room Tax from State of New Jersey	\$ 371,208	\$ 375,625
1.85% Tourism Tax from State of New Jersey	1,540,137	1,539,060
Tourism Development Fees	824,013	814,090
Other Income	4,436	19,532
	<u> </u>	<u> </u>
TOTAL OPERATING REVENUES	2,739,794	2,748,307
	<u> </u>	<u> </u>
OPERATING EXPENSES:		
Personnel	111,225	108,827
Administrative	26,826	22,507
Advertising and Promotions	1,090,805	1,084,591
Event Support	617,182	634,429
Professional Fees	18,422	13,550
TDF Collection Fees	90,000	90,000
City of Wildwood - Parking Lot Lease	183,000	183,000
1.85% Tax Distribution	678,569	678,030
Depreciation	53,950	53,950
	<u> </u>	<u> </u>
TOTAL OPERATING EXPENSES	2,869,979	2,868,884
	<u> </u>	<u> </u>
INCOME/(LOSS) FROM OPERATIONS	(130,185)	(120,577)
	<u> </u>	<u> </u>
NONOPERATING REVENUES (EXPENSES):		
Interest Income	14,411	25,288
Interest Expense	(22,359)	(23,320)
	<u> </u>	<u> </u>
TOTAL NONOPERATING REVENUES (EXPENSES)	(7,948)	1,968
	<u> </u>	<u> </u>
Change in Net Assets	(138,133)	(118,609)
NET ASSETS - BEGINNING	2,917,493	3,036,102
	<u> </u>	<u> </u>
NET ASSETS - ENDING	\$ 2,779,360	\$ 2,917,493
	<u> </u>	<u> </u>

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

**GREATER EGG HARBOR TOURISM IMPROVEMENT
AND DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
2% Tourism Tax	\$ 365,145	\$ 378,909
1.85% Room tax	1,534,905	1,569,596
Tourism Development Fees	295,314	1,465,960
Other Receipts	4,436	20,057
Payments to Suppliers and Vendors	(1,847,170)	(1,839,368)
Payments to Municipalities	<u>(948,953)</u>	<u>(966,297)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(596,323)</u>	<u>628,857</u>
CASH ACTIVITIES FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal Paid on Capital Debt	(22,534)	(21,577)
Interest Paid on Capital Debt	<u>(22,443)</u>	<u>(23,400)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(44,977)</u>	<u>(44,977)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Income	<u>14,411</u>	<u>25,288</u>
Net Cash Provided by Investing Activities	<u>14,411</u>	<u>25,288</u>
Net increase/(decreases) in cash and cash equivalents	(626,889)	609,168
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,489,101</u>	<u>1,879,933</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,862,212</u>	<u>\$ 2,489,101</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating (Loss)	\$ (130,185)	\$ (120,577)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	<u>53,950</u>	<u>53,950</u>
	(76,235)	(66,627)
Changes in assets and liabilities:		
Receivables, net	(532,493)	693,716
Accounts and other payables	<u>12,405</u>	<u>1,768</u>
	<u>\$ (596,323)</u>	<u>\$ 628,857</u>

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

NOTES TO FINANCIAL STATEMENTS

**THE GREATER WILDWOODS TOURISM IMPROVEMENT AND
DEVELOPMENT AUTHORITY**
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

1. GENERAL

The Greater Wildwoods Tourism Improvement and Development Authority, hereinafter called the "Authority," was created by ordinances adopted by the City of Wildwood, the City of North Wildwood, and the Borough of Wildwood Crest. The Authority was established July 1, 1993.

The objectives and purposes of the Authority shall be "to provide appropriate public facilities and improvements necessary to promote and sustain tourism, to finance the acquisition, maintenance, operation and support of convention center facilities and to promote and advertise the Greater Wildwoods as a tourist destination in order to enhance the local tourism climate."

Funds are provided through a 2% tourism tax and a 1.85% room tax collected by the State of New Jersey. An annual Tourism Development Fee is also collected. The annual Tourism Development Fee is collected by the three municipalities from local businesses not subject to the sales and tourism tax and paid over to the Authority. Fifty percent (50%) of the 1.85% room tax received by the Authority is payable to the three municipalities referred to above in the first paragraph.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies:

A. Basis of Financial Statements Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governments. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As permitted by accounting principles generally accepted in the United States of America, the Authority has elected to apply only Financial Accounting Standards Board ("FASB") Statements and interpretations issued on or before November 30, 1989.

B. Reporting Entity

The Authority's financial statements include the accounts of all Authority operations. The Authority, as a component unit of the municipalities in the Wildwoods, is financially accountable to these municipalities. As set forth in Government Accounting Standards Board (GASB) 14, financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The Authority, as a component unit, issues separate financial statements from the municipalities of the Wildwoods.

C. Budget/Budgetary Control

An annual budget is prepared each year for the operations of the Greater Wildwoods Tourism Improvement and Development Authority. The budget is prepared using the accrual basis of accounting. Unexpended appropriations for annually budgeted funds lapse at year-end.

**THE GREATER WILDWOODS TOURISM IMPROVEMENT AND
DEVELOPMENT AUTHORITY**
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Revenues

Revenues are recognized in the accounting period in which they are earned and become measurable.

E. Expenses

Expenses are recognized on the accrual basis and are recognized in the period incurred, if measurable. The encumbrance method of accounting is not acceptable for financial reporting under GAAP and is not used.

F. Capital Assets

Property, plant and equipment are stated at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation will be determined on a straight-line basis for all plant and equipment. Depreciation will be provided over the following estimated useful lives of the assets

The cost and accumulated depreciation of all property, plant and equipment retired or otherwise disposed of are removed from the accounts and any resulting gain or loss is included in income.

G. Cash, Cash Equivalents and Investments

The Authority's investments practices are governed by New Jersey State Statute 40A:5-15. Statutes authorize the Authority to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds and a maturity date not greater than 12 months from the date of purchase. In addition, the Authority can invest in direct debt securities of the United States or obligations guaranteed by the United States, bonds and other obligations of the local municipality or bonds or obligations of school districts of which the Authority is a part or within which the Authority is located unless such investments are expressly prohibited by law.

3. LONG-TERM DEBT

Rio Grande Project Resolution

The Greater Wildwoods Tourism, Improvement and Development Authority adopted a resolution on June 16, 2005, authorizing the funding in the amount of \$600,000 for the development of an entryway at Rio Grande Avenue. The funding for this project was approved by the Local Finance Board of the State of New Jersey on October 12, 2005.

Loan dated March 21, 2007

\$600,000 Bank Loan, dated March 21, 2007, due in 240 monthly payments through April 1, 2027 bearing interest at 4.290%, payable on the first day of the month commencing on May 1, 2007. As security for the loan, in the event of a default, the Authority has pledged to the Bank, all rights, title and interest in and to cash generated by the Authority's 1.85% tourism tax on all goods and services sold in the City of Wildwood. The balance remaining as of December 31, 2011 is \$503,623. The loan is with Crest Savings Bank.

**THE GREATER WILDWOODS TOURISM IMPROVEMENT AND
DEVELOPMENT AUTHORITY**
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(CONTINUED)

3. LONG-TERM DEBT (CONTINUED)

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR LOANS
ISSUED AND OUTSTANDING**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 23,477	\$ 21,500	\$ 44,977
2013	24,580	20,396	44,976
2014	25,671	19,306	44,977
2015	26,810	18,167	44,977
2016	27,951	17,026	44,977
2017-2021	159,727	65,156	224,883
2022-2026	198,472	26,412	224,884
2027	16,935	155	17,090
Total	\$ <u>503,623</u>	\$ <u>188,118</u>	\$ <u>691,741</u>

The following schedule represents the changes in the Long-term Debt:

	<u>Outstanding 12/31/2010</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/2011</u>	<u>Amounts Due Within One Year</u>
Loans Payable	\$ 526,158	\$ -	\$ 22,535	\$ 503,623	\$ 23,477
	<u>\$ 526,158</u>	<u>\$ -</u>	<u>\$ 22,535</u>	<u>\$ 503,623</u>	<u>\$ 23,477</u>

4. NEW JERSEY SPORTS AND EXPOSITION AUTHORITY

On December 23, 1997, Governor Whitman signed legislation that named the New Jersey Sports and Exposition Authority (NJSEA) as the Authority to construct the new convention center facility in the Wildwoods.

This legislation became effective on February 23, 1998. As of this effective date, The Greater Wildwoods Tourism Improvement and Development Authority was to turn over all of its assets to the Sports Authority. The Sports Authority would also assume all of GWTIDA's liabilities.

GWTIDA's staff personnel are employed by the New Jersey Sports and Exposition Authority and are paid by the New Jersey Sports and Exposition Authority. GWTIDA reimburses the NJSEA for three employees who work on GWTIDA activities. GWTIDA's mission is to advertise, promote and enhance tourism in the Wildwoods. NJSEA's mission is to own, operate, construct and maintain the new convention facility.

**THE GREATER WILDWOODS TOURISM IMPROVEMENT AND
DEVELOPMENT AUTHORITY**
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(CONTINUED)

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in Progress	\$	\$	\$	\$ -
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets Being Depreciated:				
Improvements	\$ 1,077,859	\$	\$	\$ 1,077,859
Total capital assets being depreciated	<u>1,077,859</u>	<u>-</u>	<u>-</u>	<u>1,077,859</u>
Less:				
Accumulated Depreciation	<u>160,707</u>	<u>53,950</u>	<u>-</u>	<u>214,657</u>
Total Capital Assets being Depreciated Net of Accumulated Depreciation	<u>917,152</u>	<u>(53,950)</u>	<u>-</u>	<u>863,202</u>
Capital Assets - Net	<u>\$ 917,152</u>	<u>\$ (53,950)</u>	<u>\$ -</u>	<u>\$ 863,202</u>

6. CASH, CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. Although the Authority does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the Authority's bank balance of \$1,873,058 as of December 31, 2011, \$0 was uninsured and uncollateralized.

Investments

For the year ended December 31, 2011, the Authority had no investments:

7. NET ASSETS

Of the \$2,779,360 Net Assets at December 31, 2011, \$359,583 represents Investments in Capital Assets Net of Related Debt, \$1,114,396 is Restricted for Tourism Development and \$1,305,381 is Unrestricted.

8. LITIGATION

According to the Authority's Solicitor, there are no claims in existence against the Authority that would materially effect the Authority's financial position.

**THE GREATER WILDWOODS TOURISM IMPROVEMENT AND
DEVELOPMENT AUTHORITY**
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(CONTINUED)

9. SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2011 through May 10, 2012, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Borough that would require disclosure.

OTHER SUPPLEMENTARY INFORMATION

**GREATER WILDWOODS TOURISM IMPROVEMENT
AND DEVELOPMENT AUTHORITY**
SCHEDULE OF OPERATING REVENUES AND COSTS FUNDED BY
OPERATING REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010

	Years Ended		
	December 31, 2011		December 31, 2010
	Revised Budget	Actual	Actual
REVENUES:			
2% Tourism Tax	\$ 340,000	\$ 371,208	\$ 375,625
1.85% Room Tax	1,600,000	1,540,137	1,539,060
Tourism Flat Tax	850,000	824,013	814,090
Interest on Investments	15,000	14,411	25,288
Miscellaneous	18,000	4,436	19,532
	<u>\$ 2,823,000</u>	<u>\$ 2,754,205</u>	<u>\$ 2,773,595</u>
EXPENSES:			
Salaries and Fringe	\$ 112,015	\$ 111,225	\$ 108,827
Operating Costs	1,842,100	1,824,811	1,831,527
Professional Fees	25,000	18,421	13,550
Contractual Obligations	891,500	861,569	861,030
	<u>2,870,615</u>	<u>2,816,026</u>	<u>2,814,934</u>
Total costs funded by operating revenues			
Interest Expense	<u>22,440</u>	<u>22,359</u>	<u>23,320</u>
Other Costs Funded By Operating Revenues:			
Principal Maturity	22,540	22,534	21,577
	<u>22,540</u>	<u>22,534</u>	<u>21,577</u>
Total costs funded by operating revenues	2,915,595	2,860,919	2,859,831
Add: Excess	<u>(92,595)</u>	<u>(106,714)</u>	<u>(86,236)</u>
	<u>\$ 2,823,000</u>	<u>\$ 2,754,205</u>	<u>\$ 2,773,595</u>

THE GREATER WILDWOODS
TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY
ROSTER OF OFFICIALS
DECEMBER 31, 2011

Arleen Franco	Wildwood Crest	Board Chairperson
Christine Ostrander	State Appointee	Board Member
Paul Reidenbach	Wildwood	Board Member
Tom Byrne	Wildwood	Board Member
Joseph D. Montello	Wildwood	Board Member
Jim Barnabei	North Wildwood	Board Member
Betty Crossen	North Wildwood	Board Member
Robert Del Monte	North Wildwood	Board Member
Jack Morey	Wildwood Crest	Board Member
Robert Patterson	Wildwood Crest	Board Member
John Siciliano		Executive Director, Chief Financial Officer
Jeffrey April		Solicitor

All employees are covered by an "Employee Dishonesty Bond" to the limits of \$300,000 for the policy period. This policy is with Zurich American insurance Company. There is also a Directors and Officers Liability policy with Great American Insurance Company with a limit of \$2,000,000.

GENERAL COMMENTS AND RECOMMENDATIONS

1535 HAVEN AVENUE • PO BOX 538
OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710



1409 CANTILLON BLVD. • PO BOX 548
MAYS LANDING, NJ 08330
PHONE 609.625.0999 • FAX 609.625.2421

Members of the Board of Directors
The Greater Wildwoods Tourism Improvement
And Development Authority
Wildwood, New Jersey

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

We have audited the financial statements of The Greater Wildwoods Tourism Improvement and Development Authority as of and for the year ended December 31, 2011, and have issued our report thereon dated May 10, 2012. We conducted our audit 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 in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of The Greater Wildwoods Tourism Improvement and Development Authority, State of New Jersey's governing body and management and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as well as other federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Glen J. Ortman

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

May 10, 2012

**THE GREATER WILDWOODS TOURISM IMPROVEMENT AND
DEVELOPMENT AUTHORITY**
GENERAL COMMENTS AND RECOMMENDATIONS

Findings and Recommendations

None

Status of Prior Year's Audit Recommendations

There were no prior year recommendations.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on 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

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

May 10, 2012

**GREATER WILDWOODS TOURISM IMPROVEMENT
AND DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2011**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unqualified Opinion issued on the Basic Financial Statements, presented in accordance with "auditing standards generally accepted in the United States of America" dated May 10, 2012.**

Internal control over financial reporting:

- | | |
|---|-----------|
| 1) Material Weakness identified? | NO |
| 2) Significant Deficiencies identified? | NO |

Non-Compliance material to Financial Statements noted? **NO**

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

MANAGEMENT RESPONSES

Management is required to respond to findings and recommendations in the audit report. A corrective action plan is required to be filed with the Division of Local Government Services, Department of Community Affairs, State of New Jersey within 45 days of the filing of this report, if any findings and recommendations are noted in the audit report.

**GREATER WILDWOODS TOURISM IMPROVEMENT
AND DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2011
(CONTINUED)**

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.