

FORD-SCOTT

& ASSOCIATES, L.L.C.

GREATER WILDWOODS
TOURISM IMPROVEMENT
AND DEVELOPMENT AUTHORITY

REPORT ON AUDIT OF
BASIC FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2025 AND 2024

GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY
YEARS ENDED DECEMBER 31, 2025 AND 2024

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Greater Wildwoods Tourism Improvement and Development Authority, State of New Jersey, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Greater Wildwoods Tourism Improvement and Development Authority, State of New Jersey, as of December 31, 2025 and 2024, and the respective changes in financial position and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* identified in the 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greater Wildwoods Tourism Improvement and Development Authority's basic financial statements. The Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated August 28, 2026 on our consideration of the Greater Wildwoods Tourism Improvement and Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing* Standards in considering the Authority's internal control over financial reporting and compliance.

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

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

August 28, 2026

FINANCIAL SECTION

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, 2025, 2024 and 2023. The information contained in the MD&A should be considered in conjunction with the Authority's basic financial statements beginning on page 16.

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 Authority has adopted all applicable GASB Statements and related interpretations issued through December 31, 2025.

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 related to amusements and entertainment. 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 $70 million 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 it's 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.

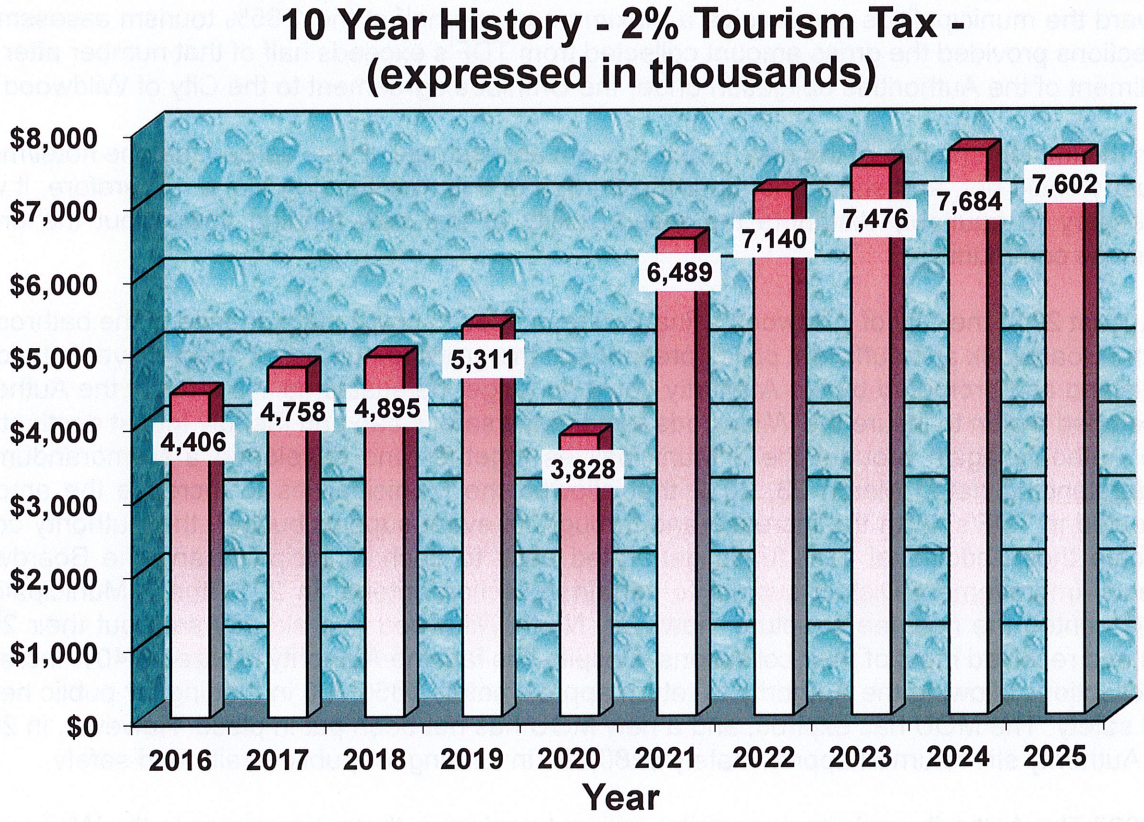
In August 2011 the City of Wildwood's financial resources to cover maintenance of the bathrooms on the Boardwalk and sufficient police presence at the growing number of special events held on the island and promoted by the Authority could no longer be sustained. As a result the Authority developed a plan to insure the Wildwoods remained a safe, clean and friendly tourist destination. The Authority again brought the 3 Municipalities together and developed a Memorandum of Understanding dated March 23, 2012 that allowed the Municipalities to increase the amount collected in TDF's. With the increase and through its event support budget, the Authority could allocate those additional TDF funds generated back to each Municipality and the Boardwalk Special Improvement District subject to certain collection criteria. In 2012 the 3 Municipalities implemented the new fee structure; however, North Wildwood had already sent out their 2012 bills and received most of their collections. Despite this fact the Authority realized a 40% increase in collections allowing the Authority to return approximately $350,000 in funding for public health and safety. The MOU has expired, and a new MOU has not been put in place. However, in 2023 the Authority still returned approximately $280,000 in funding for public health and safety.

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.

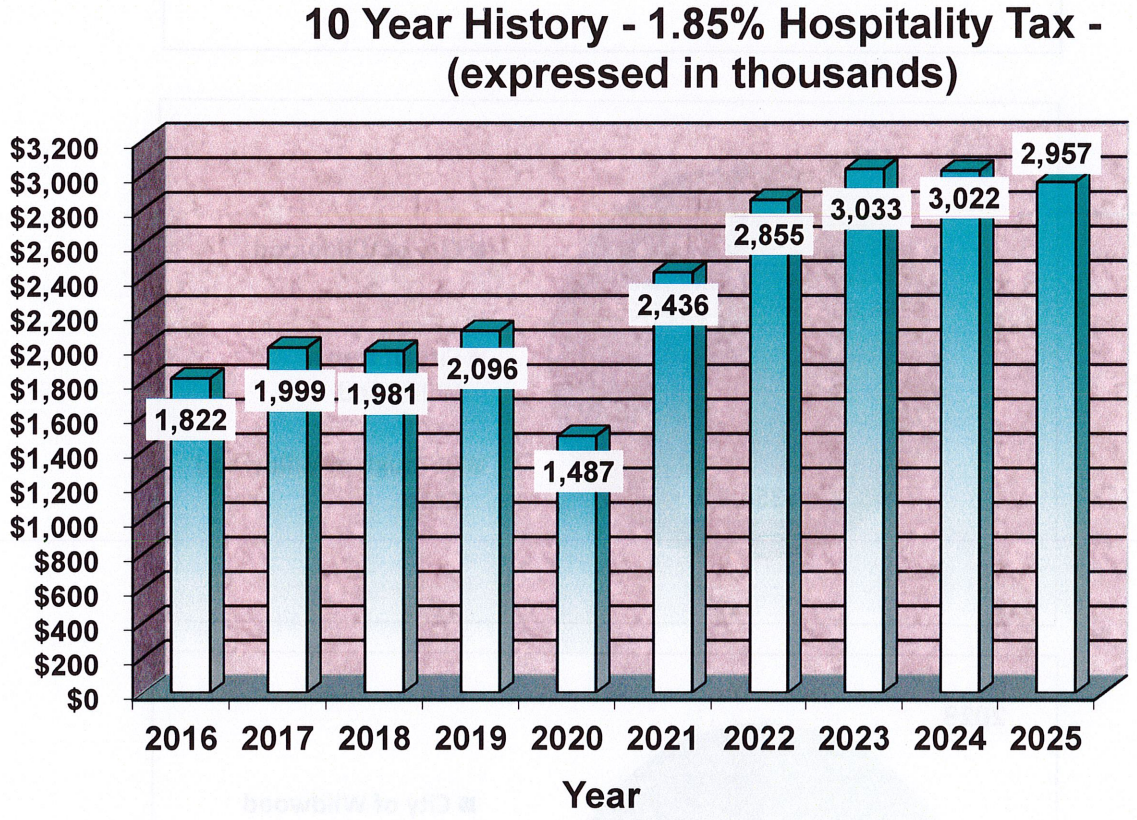
Tourism Revenue/Structure

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 day 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.

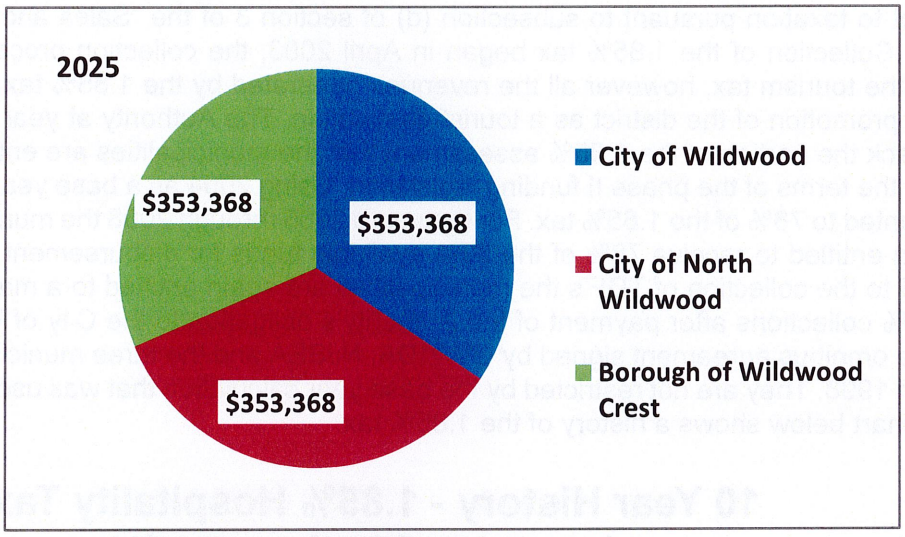
Tourism Assessment Revenue/Structure

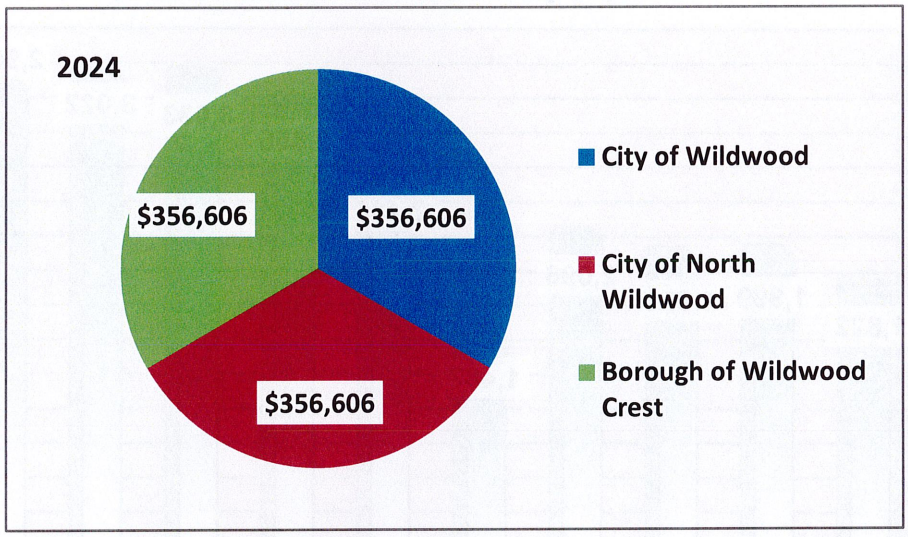


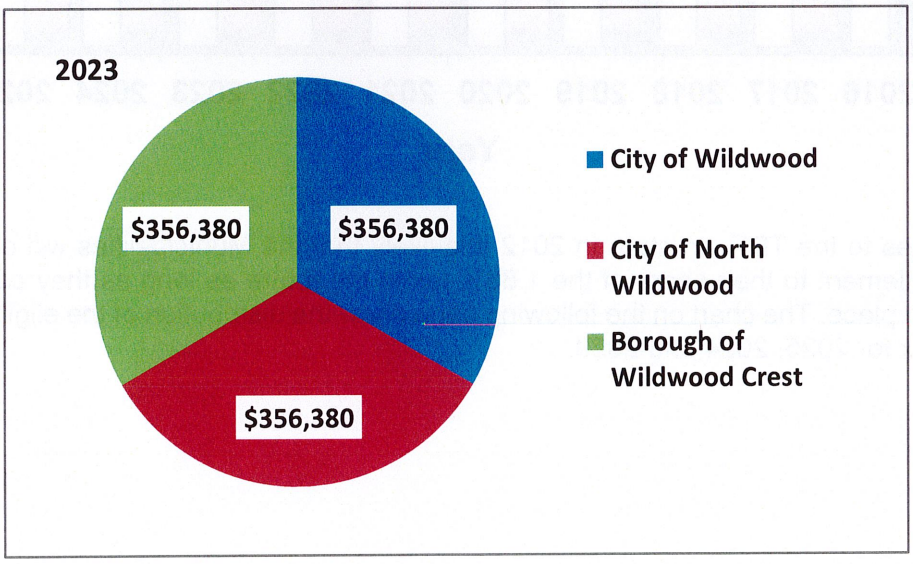
Tourism assessment means an assessment on the rent for every occupancy of a room or rooms in a hotel subject to taxation pursuant to subsection (d) of section 3 of the "Sales and Use Tax Act" P.L. 1966. Collection of the 1.85% tax began in April 2003, the collection process is the same as that of the 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 50% 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.



With the changes to the TDF structure in 2012 it is likely that the Municipalities will continue to receive full entitlement to their share of the 1.85% tax in the future as long as they comply with the legislation in place. The chart on the following page show the distribution of the eligible portion of the 1.85% tax for 2025, 2024 and 2023.


2025
$353,368
$353,368
$353,368
City of Wildwood
City of North Wildwood
Borough of Wildwood Crest


2024
$356,606
$356,606
$356,606
City of Wildwood
City of North Wildwood
Borough of Wildwood Crest


2023
$356,380
$356,380
$356,380
City of Wildwood
City of North Wildwood
Borough of Wildwood Crest

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.

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. In 2006 the Municipalities again took over the billing and collection process. Our 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.

In 2012 with the introduction of the Memorandum of Understanding between the Authority and the Municipalities that resulted in increased fees we saw collections rise to $1.18 million. The table below shows the amount collected from TDF's in 2025, 2024 and 2023 along with the amount returned to each Municipality in event support outlined below. The Memorandum of Understanding has expired, and a new Memorandum of Understanding has not been put in place. The Authority is still committed to funding for public health and safety as the MOU required along with an additional split for event support. The Authority does not fund the additional split for event support, however the Authority is still committed to providing funding to the Municipalities for public health and safety.

2025:

Municipality	Revenues Collected	Shared Revenues
Wildwood	$589,349	$283,200**
North Wildwood	$335,636	$50,000
Wildwood Crest	$277,675	$34,000
Total Collections:	**$1,202,660**	**$367,200**

2024:

Municipality	Revenues Collected	Shared Revenues
Wildwood	$589,326	$260,000**
North Wildwood	$337,658	$50,000
Wildwood Crest	$281,135	$30,000
Total Collections:	**$1,208,119**	**$340,000**

2023:

Municipality	Revenues Collected	Shared Revenues
Wildwood	$580,615	$260,000**
North Wildwood	$349,581	$50,000
Wildwood Crest	$276,945	$30,000
Total Collections:	**$1,207,441**	**$340,000**

**Includes amounts paid to the Boardwalk Special Improvement District (BSID)

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 Position*, the first required statement, and the *Statement of Revenues, Expenses and Changes in Net Position*, the second required statement, report information about the Authority's financial condition. The Authority's net position, 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 position 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 position. Depreciation decreases the Authority's net position 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 Position

ASSETS	2025 General Fund	2025 TDF Fund	2025 Total	2024 Total	2023 Total
Current Assets:					
Cash and Equivalents	$ 7,310,593	$ 2,675,658	$ 9,986,251	$ 10,218,404	$ 7,298,714
State of New Jersey Receivable	185,880	-	185,880	175,814	492,424
Municipal Flat Tax Receivable	-	7,235	7,235	1,000	2,611
Other Accounts Receivable	-	-	-	-	58,333
Prepaid Assets	-	-	-	-	-
Deferred Outflows	16,575	-	16,575	25,479	20,074
Capital Assets	372,203	-	372,203	450,909	524,859
Total Assets	7,885,251	2,682,893	10,568,144	10,871,606	8,397,015
LIABILITIES					
Current Liabilities:					
Accounts Payable	33,396	116,353	149,749	1,259,066	308,204
Restricted Liabilities	68,199		68,199	62,844	62,850
Net Pension Liability	136,649		136,649	175,941	174,576
Deferred Inflows	34,020		34,020	10,638	12,064
Long Term Debt Outstanding	269,491		269,491	345,163	408,003
Total Liabilities	541,755	116,353	658,108	1,853,652	965,697
NET POSITION:					
Investment In Capital Assets Net of Debt	34,513		34,513	42,900	54,006
Restricted		2,476,540	2,476,540	2,039,126	1,809,125
Unrestricted	7,398,983		7,398,983	6,935,927	5,568,185
Total Net Position	7,433,496	2,476,540	9,910,036	9,017,954	7,431,318
Total Liabilities & Net Position	**7,975,251**	**2,592,893**	**10,568,144**	**10,871,606**	**8,397,015**

Analysis of Net Position

The Authority's assets exceeded its liabilities at the end of December 31, 2025, by approximately $9,910,036 compared to $9,017,954 in 2024. Of this amount, approximately $7,398,983 was unrestricted and available to be used to meet the Authority's ongoing obligations to its customers and creditors. The remaining $2,476,540 was restricted for the funding of local events and event support.

Analysis of Changes in Net Assets

Table 2
Condensed Statement of Revenues, Expenses, and
Changes In Net Position
For The Period Ended December 31, 2025, 2024 and 2023

	2025 General Fund	2025 TDF Fund	2025 Total	% Inc/(Dec)	2024 Total	2023 Total
Operating Revenues:						
2% Tourism Tax	760,245	-	760,245	-1%	768,387	747,564
1.85% Room Tax	2,956,802	-	2,956,802	-2%	3,021,885	2,994,806
Tourism Development Fees	-	1,202,660	1,202,660	0%	1,208,119	1,207,441
Other Revenues	179,003	111,060	290,063	397%	58,333	116,666
Total Operating Revenues	3,896,050	1,313,720	5,209,769	3%	5,056,724	5,066,477
Operating Expenses:						
Personnel		63,368	63,368	-28%	88,084	81,650
Administrative	35,107		35,107	33%	26,403	30,901
Advertising & Promotions	1,585,634	73,914	1,659,548	33%	1,249,941	1,397,389
Event Support		1,199,919	1,199,919	50%	800,926	853,110
Professional Fees	30,528	90,000	120,528	467%	21,263	149,300
City of Wildwood	286,824	-	286,824	-8%	310,471	275,000
1.85% Tax Distribution	1,060,104	-	1,060,104	-1%	1,069,818	1,045,465
Depreciation Expense	73,950	-	73,950	0%	73,950	73,950
Total Operating Expenses	3,072,147	1,427,201	4,499,348	24%	3,640,856	3,906,765
Operating Income	823,903	(113,482)	710,421	50%	1,415,868	1,159,712
Non Operating Revenue						
Interest Income	137,604	50,894	188,498	4%	181,863	108,509
Interest Expense	(13,917)	-	(13,917)	16%	(16,560)	(19,005)
Total Non Operating Revenue	123,687	50,894	174,581	-6%	165,303	89,504
Change In Net Position	947,590	(62,588)	885,002	-44%	1,581,171	1,249,216
Change in Pension Liability	7,006	-	7,006	28%	5,466	14,676
Transfer between Funds	(500,000)	500,000	-			
Fixed Asset Adjustment	74	-	74	100%		
Net Position - Beginning of Year	6,978,827	2,039,128	9,017,954	21%	7,431,317	6,167,425
Net Position - End of Year	7,433,496	2,476,540	9,910,036	10%	9,017,954	7,431,317

The Authority's 2025 total net position improved 10% as compared to 2024. The General Fund had net income of $454,669 while the TDF fund had a net income of $437,412. The main reason for being able to achieve these numbers in our General Fund is because over the 5 years our tax collections have increased significantly while our operating expenses and our budgets have remained stable. If a similar tax trend continues in 2026 we believe that in order to stay competitive in the marketplace and maintain one of the Authority's main objectives' which is growing the number of visitors to the Wildwoods we will need to consider increasing and expanding our destination advertising campaigns. On the TDF side the Authority will continue to look at events that can help promote the image of the Wildwoods while attracting visitors and appealing to different demographics.

Operating and Non Operating Revenues

General Fund

The Authority's total revenue increased slightly compared to 2024 overall due to grant revenue. The 2% tax decreased 1% compared to 2024. The 1.85% tax decreased by 2% in comparison to our 2024 totals. It should be noted that our 2% tax collections in 2024 were the best on record. Other Revenues were up compared to 2024 with a total of $179,003 being collected in 2025 versus $58,333 in 2024. These revenues are primarily made up from grant revenue.

TDF Fund

The Authority's revenue stream from the TDF's were down slightly in 2025 in comparison to 2024 with a total decrease of $5,459. On a town by town basis the Borough of Wildwood Crest's collections decreased 1.2% as compared to 2024 while the collections from the City of Wildwood remained flat and the City of North Wildwood decreased 1/2%. The TDF Fund did realize an overall increase of revenue due to the collection of advertising sponsorships in the amount of $111,060.

Authority-wide Expenses-

Operating expenses increased by 24% during the year compared to 2024, primarily due to increased support for advertising, promotions and event support. In total, operating expenses amounted to $4,499,348 as compared to $3,640,856 in 2024. A detailed analysis of operating expenses follows:

- Personnel expenses and Administrative saw a increase of 5% in 2025.
- Advertising and promotions expenses were $1,659,548 in 2025 as compared to $1,249,941 in 2024.
- Event Support spending increased by 50% in 2025 compared to 2024.
- Professional Fees amounted to $120,528 in 2025 as compared to $21,263 in 2024. $90,000 of this amount is for collection fees paid to the municipalities that remained the same as in 2024. In 2025, the authority had little movement in the process for the development of a host hotel. In 2024 the authority also closed out an open payable that was being held for hotel consultant fees in the amount of $77,025.
- As part of the Omnibus agreement to build the Convention Center, the Authority agreed to fund the annual lease payment of the parking lots to the City of Wildwood. The payment in 2025 was $286,284.
- In 2025 the 1.85% tax distribution amounts to $1,060,104. This amount is $9,714 less than in 2024. In 2025 the distribution is not the full entitlement of the 1.85% since the TDF collections did not equal the municipal allowance of 1 half of the 1.85% tax collections

Analysis of Cash Flows

Table 3

Condensed Statement of Cash Flows
December 31, 2025, 2024 and 2023

	2025 General Fund	2025 TDF Fund	2025 Total	2024 Total	2023 Total
Cash Flows from Operating Activities					
2% Tourism tax	771,086	-	771,086	830,620	672,740
1.85% Room Tax	2,935,895	-	2,935,895	3,276,262	2,734,804
Tourism Development Fees		1,196,426	1,196,426	1,209,730	1,209,309
Other Receipts	179,002	111,060	290,062	116,666	116,666
Payments to Vendors	(1,733,683)	(1,284,424)	(3,018,107)	(2,305,576)	(2,346,746)
Payments to Municipalities	(2,426,607)	(90,000)	(2,516,607)	(310,470)	(1,410,466)
Net Cash provided by Operating Activities	(274,307)	(66,938)	(341,245)	2,817,232	976,307
Cash Flows from (to) Capital Financing Activities					
Transfer Between Funds	(500,000)	500,000	-		
Principal Paid On Capital Debt	(65,489)		(65,489)	(62,845)	(60,400)
Interest Paid on Capital Debt	(13,917)		(13,917)	(16,560)	(19,005)
Net Cash used by Capital Financing Activities	(579,406)	500,000	(79,406)	(79,405)	(79,405)
Cash Flows from Investing Activities					
Interest Income	137,603	50,895	188,498	181,863	108,509
Net Increase in Cash and Cash Equivalents	(716,110)	483,957	(232,153)	2,919,690	1,005,411
Cash & Cash Equivalents at January 1	8,026,703	2,191,701	10,218,404	7,298,714	6,293,303
Cash & Cash Equivalents at December 31	7,310,593	2,675,658	9,986,251	10,218,404	7,298,714

The Authority made all of its contractual payments on time and in the required amounts. Of the $9.9 million in cash and cash equivalents at December 31, 2025, $7.3 million is available for operations and current obligations. The remaining $2.6 million 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

EXHIBIT A

GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 9,986,251	$ 10,218,404
Accounts Receivable:		
State of New Jersey Tourism Tax	43,913	54,754
State of New Jersey Room Tax	141,967	121,060
Flat Tax Assessments	7,235	1,000
TOTAL CURRENT ASSETS	10,179,366	10,395,218
CAPITAL ASSETS:		
Property, Plant and Equipment	372,203	450,909
TOTAL PROPERTY, PLANT AND EQUIPMENT	372,203	450,909
TOTAL ASSETS	$ 10,551,569	$ 10,846,127
DEFERRED OUTFLOW OF RESOURCES:		
Deferred Outflows - Expected vs Actual Experience	3,896	3,524
Deferred Outflows - Assumption Change	21	219
Deferred Outflows - Proportion Change	12,658	21,736
TOTAL DEFERRED OUTFLOW OF RESOURCES	16,575	25,479
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	10,568,144	10,871,606

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

EXHIBIT A

GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31

	2025	2024
LIABILITIES		
CURRENT LIABILITIES PAYABLE FROM UNRESTRICTED ASSETS:		
Accounts Payable - Operations	$ 149,749	$ 1,259,064
TOTAL CURRENT LIABILITIES PAYABLE FROM UNRESTRICTED ASSETS	149,749	1,259,064
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:		
Current Maturities of Long-term Debt	68,199	62,844
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	68,199	62,844
LONG TERM OBLIGATIONS:		
Long Term Portion of Loan Payable	269,491	345,165
Net Pension Liability	136,649	175,941
TOTAL LIABILITIES	624,088	1,843,014
DEFERRED INFLOW OF RESOURCES:		
Deferred Inflows - Expected vs Actual Experience	146	468
Deferred Inflows - Assumption Change	1,574	2,002
Deferred Inflows - Expected vs Actual Earnings	11,395	8,158
Deferred Inflows of Resources - Change in Proportion	20,905	10
TOTAL DEFERRED INFLOW OF RESOURCES	34,020	10,638
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	658,108	1,853,652
NET POSITION		
Net Invested in Capital Assets	34,513	42,900
Restricted for:		
Tourism Development	2,476,540	2,039,126
Unrestricted	7,398,983	6,935,928
TOTAL NET POSITION	9,910,036	9,017,954
TOTAL LIABILITIES AND NET POSITION	$ 10,568,144	$ 10,871,606

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

EXHIBIT B

GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DECEMBER 31

	2025	2024
OPERATING REVENUES:		
2% Room Tax from State of New Jersey	$ 760,245	$ 768,387
1.85% Tourism Tax from State of New Jersey	2,956,802	3,021,885
Tourism Development Fees	1,202,660	1,208,119
Advertising Sponsorships	111,060	-
Marketing Grant	178,335	58,333
TOTAL OPERATING REVENUES	5,209,769	5,056,724
OPERATING EXPENSES:		
Personnel	63,368	88,084
Administrative	35,107	26,403
Advertising and Promotions	1,659,548	1,249,941
Event Support	1,199,919	800,926
Professional Fees	120,528	21,263
City of Wildwood - Parking Lot Lease	286,824	310,471
1.85% Tax Distribution	1,060,104	1,069,818
Depreciation	73,950	73,950
TOTAL OPERATING EXPENSES	4,499,348	3,640,856
GAIN FROM OPERATIONS	710,421	1,415,868
NONOPERATING REVENUES (EXPENSES):		
Interest Income	188,498	181,863
Interest Expense	(13,917)	(16,560)
TOTAL NONOPERTATING REVENUES (EXPENSES)	174,581	165,303
Change in Net Position	885,002	1,581,171
Fixed Asset Adjustment	74	-
Change in Net Pension Liability	7,006	5,466
NET POSITION - BEGINNING	9,017,954	7,431,317
NET POSITION - ENDING	$ 9,910,036	$ 9,017,954

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT C

GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
DECEMBER 31

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
2% Tourism Tax	$ 771,086	$ 830,620
1.85% Room tax	2,935,895	3,276,262
Tourism Development Fees	1,196,426	1,209,730
Advertising Sponsorships	111,060	-
Marketing Grant	178,335	116,666
Payments to Suppliers and Vendors	(3,117,968)	(2,305,576)
Payments to Municipalities	(2,416,746)	(310,470)
Net Cash Provided by (Used in) Operating Activities	(341,245)	2,817,232
CASH ACTIVITIES FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal Paid on Capital Debt	(65,489)	(62,844)
Interest Paid on Capital Debt	(13,917)	(16,560)
Net Cash Used by Capital and Related Financing Activities	(79,406)	(79,404)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Income	188,498	181,863
Net Cash Provided by Investing Activities	188,498	181,863
Net increase/(decreases) in cash and cash equivalents	(232,153)	2,919,691
CASH AND CASH EQUIVALENTS, JANUARY 1	10,218,404	7,298,713
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 9,986,251	$ 10,218,404
Reconciliation of operating income to net cash provided by operating activities:		
Operating (Loss)	$ 710,421	$ 1,415,868
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	73,950	73,950
	784,371	1,489,818
Changes in assets and liabilities:		
Receivables, net	(16,300)	376,554
Accounts and other payables	(1,109,316)	950,860
	$ (341,245)	$ 2,817,232

The Accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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

The financial statements of the Authority have been prepared on a full accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to enterprise funds of state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The Authority's financial statements include the accounts of all operations of the Authority. As set forth in Government Accounting Standards Board (GASB) 14, as amended by GASB 61, 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 issues separate financial statements from the municipalities of the Wildwoods and is not a component unit of any other entity.

The Authority has adopted all applicable GASB Statements related interpretations issued and effective through December 31, 2025. GASB statement 34 and subsequent Statements and Interpretations require certain terminology, format and content, as well as inclusion of management's discussion and analysis supplementary information.

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.

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 Authority or bonds or obligations of school Authorities of which the Authority is a part or within which the Authority is located unless such investments are expressly prohibited by law.

H. Recent Accounting Pronouncements Not Yet Effective

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements". This statement, which is effective for periods beginning after June 15, 2025, and all reporting periods thereafter, will affect the Authority's financial reporting in the Management's Discussion and Analysis.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, "Disclosure of Certain Capital Assets". This statement, which is effective for periods beginning after June 15, 2025, and all reporting periods thereafter, will not have any effect on the Authority's financial reporting.

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, 2025 is $60,137. The loan is with Crest Savings Bank.

Loan Dated May 28, 2020

$400,000 Bank Loan, dated May 28, 2020, due in 180 monthly payments through June 1, 2035 bearing interest at 3.500%, payable on the first day of the month commencing on July 1, 2020. 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, 2025 is $277,554. The loan is with Crest Savings Bank.

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

Year	Principal	Interest	Total
2026	$ 68,200	$ 11,205	$ 79,405
2027	42,805	8,708	51,513
2028	26,796	7,632	34,428
2029	27,784	6,644	34,428
2030	28,787	5,642	34,428
2031-2035	143,320	11,996	155,316
Total	$ 337,691	$ 51,827	$ 389,518

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

	Outstanding 12/31/2024	Issues or Additions	Payments or Expenditures	Outstanding 12/31/2025	Amounts Due Within One Year
Loans Payable	$ 408,009	$ -	$ 70,318	$ 337,691	$ 68,200
	$ 408,009	$ -	$ 70,318	$ 337,691	$ 68,200

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 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 one employee who works 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 convention facility.

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Being Depreciated:				
Improvements	$ 1,452,162	$ 25,697	$	$ 1,477,859
Total capital assets being depreciated	1,452,162	25,697	-	1,477,859
Less:				
Accumulated Depreciation	1,001,253	73,950	(30,453)	1,105,656
Total Capital Assets being Depreciated Net of Accumulated Depreciation	450,909	(48,253)	30,453	372,203
Capital Assets - Net	$ 450,909	$ (48,253)	$ 30,453	$ 372,203

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 $10,001,931.04 as of December 31, 2025, $0 was uninsured and uncollateralized.

Investments

For the year ended December 31, 2025, the Authority had no investments.

7. PENSION AND RETIREMENT PLANS

Substantially all of the Authority's employees participate in the Public Employees' Retirement System, which is administered by the New Jersey Division of Pensions and Benefits. The plan has a Board of Trustees that is primarily responsible for its administration. According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at:

http://www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007, plan members enrolled in the PERS are required to contribute 7.50% through June 30, 2020, and 7.50% thereafter, of employees' annual compensation as defined. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to normal rate when such surplus assets not longer exist.

8. PENSION LIABILITIES - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Public Employees' Retirement System

In 2012, the Governmental Accounting Standards Board issued GASB Statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the Authority's pension liabilities. However, due to the fact that the authority reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the Authority's pension liabilities as of June 30, 2025:

The Authority has a liability of $136,649 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024 that was rolled forward to June 30, 2025. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the Authority's proportion is 0.00111109214%, which is a decrease of 14.19% from its proportion measured as of June 30, 2024.

NOTE 8: PENSION LIABILITIES - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) CONTINUED

For the year ended December 31, 2024, the Authority recognized negative pension expense of $8,178. At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	$ 3,896	$ (146)
Changes of assumptions	21	(1,574)
Net difference between projected and actual earnings on pension plan investments		(11,395)
Changes in proportion and differences between District contributions and proportionate share of contributions	12,658	(20,905)
Total	$ 16,575	$ (34,020)

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2026	$ 20,680
2027	(16,567)
2028	(14,106)
2029	(7,960)
2030	508
Total	$ (17,445)

Actuarial Assumptions

The total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	3.25% – 7.75% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis using MP-2021. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality

NOTE 8: PENSION LIABILITIES - CONTINUED

table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis using MP-2021. Disability retirement rates used to value disable retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on generational basis based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.55%
Non-U.S. Developed Markets Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Markets Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 8: PENSION LIABILITIES - CONTINUED

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Commission's proportionate share of the net pension liability	$ 168,122	136,649	109,847

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

9. NET POSITION

Of the $9,910,036 Net Position at December 31, 2025, $34,513 represents Investments in Capital Assets, $2,476,540 is for Tourism Development and $7,398,983 is Unrestricted.

10. LITIGATION

From time to time, the Authority is a defendant in various lawsuits arising out of normal operations of the Authority. It is the opinion of management that there is no outstanding litigation that is expected to have a material adverse effect on the Authority's assets, liabilities or results of operations.

11. RISK MANAGEMENT

The Authority is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

From time to time, the Authority may be a defendant in legal proceedings relating to its operations as an authority.

12. SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2025 through August 28, 2026, 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 Authority that would require disclosure.

GENERAL COMMENTS AND RECOMMENDATIONS

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INDEPENDENT AUDITOR'S 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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of The Greater Wildwoods Tourism Improvement and Development Authority, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 28, 2026.

Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.

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

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

August 28, 2026

GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2025

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	**Unmodified Opinion**
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.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

OTHER SUPPLEMENTARY INFORMATION

Schedule 1

GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY
SCHEDULE OF OPERATING REVENUES AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2025

	Years Ended		
	December 31 2025		December 31, 2024
	Revised Budget	Actual	Actual
REVENUES:			
2% Tourism Tax	$ 674,485	$ 760,245	$ 768,387
1.85% Room Tax	2,677,929	2,956,802	3,021,885
Tourism Flat Tax	1,165,700	1,202,660	1,208,119
Advertising Sponsorships		111,060	-
Marketing Grant		178,335	58,333
Interest on Investments	30,000	188,498	181,863
Miscellaneous	2,000	667	
	$ 4,550,114	$ 5,398,267	$ 5,238,587
EXPENSES:			
Salaries and Fringe	$ 88,000	$ 63,367	$ 88,084
Administrative	60,200	35,107	26,403
Advertising and Promotions	1,710,000	1,659,548	1,249,941
Event Support	910,000	1,199,919	800,926
Professional Fees	76,500	120,528	21,263
City of Wildwood - Parking Lot Lease	275,000	286,824	310,471
1.85% Tax Distribution	1,300,000	1,060,104	1,069,818
Total costs funded by operating revenues	4,419,700	4,425,397	3,566,906
Interest Expense	13,907	13,917	16,560
Other Costs Funded By Operating Revenues:			
Principal Maturity	65,502	65,489	62,844
	65,502	65,489	62,844
Total costs funded by operating revenues	4,499,109	4,504,803	3,646,310
Add: Operating Reserve	51,005	893,464	1,592,277
	$ 4,550,114	$ 5,398,267	$ 5,238,587

GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY
ROSTER OF OFFICIALS
DECEMBER 31, 2025

George Greenland	North Wildwood	Board Chairperson
Joe Murray, Jr.	Wildwood	Board Vice-Chairperson
Bruce Hamlin	Wildwood Crest	Board Member
Jim Barnabei	North Wildwood	Board Member
Frank Clunn	Wildwood	Board Member
Zack Morey	Wildwood Crest	Board Member
Joseph Montello	Wildwood	Board Member
Melissa Long	Wildwood Crest	Board Member
Sean McMullan	North Wildwood	Board Member
Louis Belasco		Executive Director
John Amenhauser		Solicitor

All employees are covered by an "Employee Dishonesty Bond" to the limits of $400,000 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.