

BOROUGH OF WOODBINE

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2008

BOROUGH OF WOODBINE
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BOROUGH OF WOODBINE

PART I

REPORT ON AUDIT OF

FINANCIAL STATEMENTS - STATUTORY BASIS

DECEMBER 31, 2008

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Borough Committee
Borough of Woodbine
501 Washington Avenue
Woodbine, New Jersey 08270

We have audited the accompanying balance sheet – statutory basis of the various funds and account groups of the Borough of Woodbine, State of New Jersey (the “Borough”), as of December 31, 2008 and the related statement of operations and changes in fund balance – statutory basis for the year then ended and the related statement of revenues – statutory basis and statement of expenditures – statutory basis for the year ended December 31, 2008, as listed in the accompanying table of contents. These financial statements – statutory basis are the responsibility of the Borough’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Borough as of and for the year ended December 31, 2007, were audited by other auditors whose report dated April 25, 2008, expressed an unqualified opinion on those statements in conformity with an “Other Comprehensive Basis of Accounting” as described in paragraph three and Note 1.

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated August 20, 2009 on our consideration of the Borough's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

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

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

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

Michael S. Garcia

**Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472**

August 20, 2009

EXHIBIT - A
CURRENT FUND

BOROUGH OF WOODBINE
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
<u>Assets</u>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 594,688.17	\$ 935,210.00
Investments		841,860.00	874,360.00
Change and Petty Cash Funds		275.00	275.00
		<u>1,436,823.17</u>	<u>1,809,845.00</u>
Other Receivables:			
Due from State of New Jersey - Senior Citizens and Veterans		1,536.61	2,303.00
		<u>1,536.61</u>	<u>2,303.00</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	56,738.78	43,076.00
Property Acquired for Taxes - Assessed Valuation		570,400.00	570,400.00
Due from Grant Fund		216,801.77	195,990.00
Revenue Accounts Receivable	A-9	230,597.35	244,395.00
Due from Trust		25,000.00	37.00
Due from Dog Trust Fund		400.00	3.00
		<u>1,099,937.90</u>	<u>1,053,901.00</u>
Deferred Charges:			
Special Emergency		18,000.00	36,000.00
		<u>18,000.00</u>	<u>36,000.00</u>
		<u>2,556,297.68</u>	<u>2,902,049.00</u>
Federal and State Grant Fund:			
Cash	A-4	1.80	2.00
Due from Current Fund		-	129,119.00
Grants Receivable	A-11	1,813,737.69	1,345,845.00
		<u>1,813,739.49</u>	<u>1,474,966.00</u>
		<u>\$ 4,370,037.17</u>	<u>\$ 4,377,015.00</u>

BOROUGH OF WOODBINE
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 294,928.51	\$ 280,599.00
Reserve for Encumbrances	A-3	84,600.27	59,158.00
Prepaid Taxes		69,687.32	51,689.00
Tax Overpayments		372.37	2,052.00
Local School District Tax Payable		240,686.50	181,303.00
Payroll Taxes Payable		4,242.22	-
Due to County - Added Taxes		1,553.87	814.95
Due to Grant Fund		-	129,119.00
Due to General Capital Fund		-	145,508.00
Reserve for Pinelands Property Tax Stabilization Aid		615.00	615.00
Reserve for Garden State Trust		835.53	662.00
Reserve for Land Sale Deposits		22,636.00	22,636.00
Reserve for Sale of Municipal Assets		59,438.00	59,438.00
Reserve for Revaluation		5,446.00	46,800.00
		<u>785,041.59</u>	<u>980,393.95</u>
Reserve for Receivables and Other Assets		1,099,937.90	1,053,901.00
Fund Balance	A-1	671,318.19	867,754.05
		<u>2,556,297.68</u>	<u>2,902,049.00</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-12	-	50,000.00
Appropriated Reserves	A-13	1,373,931.25	1,228,976.00
Due to Current Fund		216,801.77	195,990.00
Due to Capital Fund		145,508.00	-
Encumbrance Payable		77,498.47	-
		<u>1,813,739.49</u>	<u>1,474,966.00</u>
		<u>\$ 4,370,037.17</u>	<u>\$ 4,377,015.00</u>

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2008</u>	<u>Year 2007</u>
Fund Balance Utilized	\$	621,878.00	\$ 400,000.00
Miscellaneous Revenue Anticipated		2,260,916.77	2,291,680.00
Receipts from Delinquent Taxes		37,036.40	39,755.00
Receipts from Current Taxes		1,926,959.18	1,748,337.00
Non-Budget Revenue		88,969.11	162,453.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		279,273.40	282,040.00
Cancelled Grant Reserve		50,000.00	-
Adjustment to Reserve for Revaluation		40,354.00	-
Cancellation of Prior Liabilities		-	7,870.00
Interfunds Returned		-	286,944.00
Total Income		<u>5,305,386.86</u>	<u>5,219,079.00</u>
 <u>Expenditures</u>			
Budget and Emergency Appropriations:			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages		457,450.00	453,500.00
Other Expenses		1,051,450.00	1,143,901.00
Deferred Charges & Statutory Expenditures		77,500.00	41,000.00
Appropriations Excluded from "CAP"			
Operations:			
Other Expenses		704,903.86	394,281.00
Capital Improvements		685,500.00	946,500.00
Municipal Debt Service		289,095.25	143,716.00
Deferred Charges		18,000.00	18,000.00
Transferred to Board of Education		9,378.00	13,439.00
County Taxes		322,791.42	271,576.00
County Added and Omitted Taxes		1,553.87	815.00
Prior Year Senior & Vets Disallowed		750.00	-
Cancellation of Prior Year Tax Overpayments		25.50	-
Local District School Tax		1,215,375.00	1,096,608.00
Interfunds Created		46,171.77	196,406.00
Total Expenditures		<u>4,879,944.67</u>	<u>4,719,742.00</u>

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

	<u>Ref.</u>	<u>Year 2008</u>	<u>Year 2007</u>
Excess In Revenue		\$ <u>425,442.19</u>	\$ <u>499,337.00</u>
Adjustments to Income before Fund Balance:			
None		<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance		425,442.19	499,337.00
Fund Balance January 1	A	<u>867,754.00</u>	<u>768,417.00</u>
		1,293,196.19	1,267,754.00
Decreased by:			
Utilization as Anticipated Revenue		621,878.00	400,000.00
Fund Balance December 31	A	<u>\$ <u>671,318.19</u></u>	<u>\$ <u>867,754.00</u></u>

BOROUGH OF WOODBINE
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated		\$ 621,878.00	\$ -	\$ 621,878.00	\$ -
		621,878.00	-	621,878.00	-
Miscellaneous Revenues:					
Licenses - Alcoholic Beverages	A-9	5,000.00		7,556.80	2,556.80
Municipal Court - Fines and Costs		20,000.00		22,165.69	2,165.69
Interest and Costs on Taxes		10,000.00		8,360.64	(1,639.36)
Consolidated Municipal Property Tax Relief Aid		231,684.00		231,684.00	-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		144,929.00		144,929.00	-
Pinelands Property Tax Stabilization Program		615.00		615.00	-
Garden State Trust		662.00		662.00	-
Special Items:					
State and Federal Programs Off-Set by Revenues:					
N.J. Transportation Trust Fund Authority Act		140,000.00		140,000.00	-
Recycling Tonnage Grant			4,646.93	4,646.93	-
Clean Communities Grant			4,927.84	4,927.84	-
Alcohol Education and Rehabilitation Fund			696.09	696.09	-
N.J. DOT Airport Entrance Road Grant			200,000.00	200,000.00	-
N.J. DOT Airport Economic Study Grant			225,000.00	225,000.00	-
USDA Rural Business Enterprise Grant			75,000.00	75,000.00	-
NJDCA Public Works Garage			109,000.00	109,000.00	-
Municipal Alliance on Alcoholism and Drug Abuse			9,333.00	9,333.00	-
Small Cities Block Grant IDP		433,500.00		433,500.00	-
Other Special Items:					
Host Communities Benefits - Cape May County MUA		465,000.00		465,289.34	289.34
State Police Lease		175,000.00		177,550.44	2,550.44
Total Miscellaneous Revenues	A-1	1,626,390.00	628,603.86	2,260,916.77	5,922.91
Receipts from Delinquent Taxes	A-1:A-2	40,000.00		37,036.40	(2,963.60)

BOROUGH OF WOODBINE
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	N.J.S. 40A:4-87		
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		\$ 425,511.00	\$	\$ 436,339.89	\$ 10,828.89
Total Amount to be Raised by Taxes for Support of Municipal Budget		<u>425,511.00</u>	<u>-</u>	<u>436,339.89</u>	<u>10,828.89</u>
Budget Totals		<u>2,713,779.00</u>	<u>628,603.86</u>	<u>3,356,171.06</u>	<u>13,788.20</u>
Non-Budget Revenues				<u>88,969.11</u>	<u>88,969.11</u>
		<u>\$ 2,713,779.00</u>	<u>\$ 628,603.86</u>	<u>\$ 3,445,140.17</u>	<u>\$ 102,757.31</u>

BOROUGH OF WOODBINE
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS

Analysis of Realized RevenuesAllocation of Current Tax Collections:

Revenues from Collections	\$	1,926,959.18
Allocated to:		
School, County and Other Taxes		<u>1,539,720.29</u>
Balance for Support of Municipal Budget Appropriations		387,238.89
Add: Appropriation		
"Reserve for Uncollected Taxes"		<u>49,101.00</u>
Amount for Support of Municipal Budget Appropriations	\$	<u><u>436,339.89</u></u>

Receipts from Delinquent Taxes:

Tax Title Liens	\$	12,356.73
Delinquent Tax Collections		<u>24,679.67</u>
	\$	<u><u>37,036.40</u></u>

Analysis of Non-Budget Revenues:

Miscellaneous Revenue Not Anticipated:

Marriage Licenses	\$	51.00
Mercantile Licenses		5,625.00
Tax Searches		30.00
Zoning Fees		1,120.00
Rental Registrations		14,680.00
Copies		218.00
Comcast Cable		6,849.73
Woodbine Development Center 911 Payment		7,388.89
PILOT		10,541.50
MUA Reimbursements		10,401.45
Bid Specs		75.00
Leases		1,100.00
200 Foot List		30.00
Wedding Administration Fee		175.00
Wedding Ceremony Fee		1,050.00
JIF Reimbursements		8,015.15
Interest on Investments		9,943.02
Municipal Searches		10.00
Senior and Veteran Administrative Fee		505.00
Cape May County MUA Recycling Rebate		9,504.28
Miscellaneous		<u>1,656.09</u>
	\$	<u><u>88,969.11</u></u>

BOROUGH OF WOODBINE
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS"</u>						
General Administration						
Salaries and Wages	\$ 60,000.00	\$ 60,000.00	\$ 59,540.00	\$	\$ 460.00	\$
Other Expenses	81,000.00	81,000.00	59,551.80	17,816.95	3,631.25	
Mayor and Commissioners						
Salaries and Wages	102,500.00	102,500.00	95,999.84		6,500.16	
Other Expenses	7,000.00	7,000.00	5,086.96		1,913.04	
Borough Clerk						
Salaries and Wages	24,800.00	24,800.00	24,800.00		-	
Other Expenses	22,000.00	22,000.00	11,337.38	3,363.20	7,299.42	
Finance Department						
Salaries and Wages	60,500.00	60,500.00	60,500.00		-	
Other Expenses	35,000.00	35,000.00	12,578.34	13,928.62	8,493.04	
Audit						
Other Expenses	27,000.00	27,000.00	27,000.00		-	
Assessment of Taxes						
Salaries and Wages	17,000.00	17,000.00	17,000.00		-	
Other Expenses	9,500.00	9,500.00	2,338.97	581.62	6,579.41	
Collection of Taxes						
Salaries and Wages	39,800.00	39,800.00	39,800.00		-	
Other Expenses	4,000.00	4,000.00	1,988.80		2,011.20	
Liquidation of Tax Title Liens and Forclosed Property						
Other Expenses	100.00	100.00			100.00	
Legal Services and Costs						
Salaries and Wages		-			-	
Other Expenses	60,000.00	60,000.00	33,354.50		26,645.50	
Prosecutor						
Salaries and Wages	14,500.00	14,500.00	13,012.78		1,487.22	
Municipal Court						
Salaries and Wages	59,000.00	59,000.00	59,000.00		-	
Other Expenses	5,000.00	6,000.00	4,807.96	62.98	1,129.06	
Public Defender						
Salaries and Wages	9,250.00	9,250.00	9,250.00		-	
Other Expenses	1,000.00	1,000.00	300.00		700.00	
Engineering						
Other Expenses	24,000.00	24,000.00	17,634.58	525.64	5,839.78	
Public Buildings and Grounds						
Other Expenses	43,000.00	43,000.00	19,500.94	765.54	22,733.52	

BOROUGH OF WOODBINE
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
Planning and Zoning Board						
Salaries and Wages	\$ 9,300.00	\$ 9,300.00	\$ 9,300.00	\$ -	\$ -	\$ -
Other Expenses	18,500.00	20,500.00	16,226.56	153.34	4,120.10	
Construction Code Official						
Salaries and Wages	9,500.00	9,500.00	9,500.00		-	
Other Expenses	500.00	500.00		62.98	437.02	
Other Code Enforcement						
Salaries and Wages	7,200.00	7,200.00	7,200.00		-	
Other Expenses	500.00	500.00		62.98	437.02	
Emergency Management						
Salaries and Wages	4,400.00	4,400.00	4,400.00		-	
Other Expenses	2,000.00	2,000.00	1,075.00	62.98	862.02	
Board of Health						
Other Expenses	250.00	250.00			250.00	
School Crossing Guard						
Salaries and Wages	16,500.00	16,500.00	15,793.78		706.22	
Other Expenses	1,000.00	1,000.00	162.68		837.32	
Streets and Roads						
Salaries and Wages	52,000.00	52,000.00	41,745.44		10,254.56	
Other Expenses	77,500.00	74,500.00	21,634.74		52,865.26	
Garbage and Trash Removal						
Other Expenses:						
Contractual	92,400.00	92,400.00	84,700.00	7,700.00	-	
Tipping Fees	70,000.00	70,000.00	53,801.83	5,051.67	11,146.50	
Dog Regulation						
Other Expenses	15,800.00	15,800.00	15,524.08		275.92	
Recycling						
Other Expenses	1,000.00	1,000.00			1,000.00	
Parks and Recreation						
Salaries and Wages	3,700.00	3,700.00	3,700.00		-	
Other Expenses	20,000.00	20,000.00	13,771.81	1,635.22	4,592.97	
Public Relations/Community Events						
Other Expenses	3,000.00	3,000.00	963.15		2,036.85	
Insurance						
Other Insurance Premiums	44,000.00	44,000.00	38,188.00		5,812.00	
Group Employee Insurance	148,000.00	148,000.00	136,654.48	9,977.83	1,367.69	
Interlocal Agreement with First Aid Organization - Belleplain	50,000.00	50,000.00	50,000.00		-	

BOROUGH OF WOODBINE
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
Small Business Development Other Expenses	\$ 500.00	\$ 500.00	\$	\$	\$ 500.00	\$
Utility Expenses and Bulk Purchases						
Telephone	12,000.00	12,000.00	8,205.23		3,794.77	
Electricity	75,000.00	75,000.00	54,784.00		20,216.00	
Water	2,400.00	2,400.00	1,469.25		930.75	
Natural Gas	35,000.00	35,000.00	27,454.43		7,545.57	
Postage	5,000.00	5,000.00	4,000.00		1,000.00	
Street Lighting	26,000.00	26,000.00	19,677.95		6,322.05	
TOTAL OPERATIONS WITHIN "CAPS"	1,508,900.00	1,508,900.00	1,214,315.26	61,751.55	232,833.19	-
Contingent						
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	1,508,900.00	1,508,900.00	1,214,315.26	61,751.55	232,833.19	-
Detail:						
Salaries and Wages	489,950.00	457,450.00	433,396.06	-	24,053.94	-
Other Expenses	1,018,950.00	1,051,450.00	780,919.20	61,751.55	208,779.25	-
STATUTORY EXPENDITURES:						
Contributions to:						
Social Security System (O.A.S.I.)	41,000.00	41,000.00	35,940.59		5,059.41	
Unemployment Compensation Insurance	3,500.00	3,500.00	1,804.66		1,695.34	
Volunteer Fire Company	33,000.00	33,000.00	33,000.00		-	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"	77,500.00	77,500.00	70,745.25	-	6,754.75	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	1,586,400.00	1,586,400.00	1,285,060.51	61,751.55	239,587.94	-
OPERATIONS EXCLUDED FROM "CAPS"						
Contributions to:						
Public Employees' Retirement System	24,300.00	24,300.00	24,270.40		29.60	
Municipal Stormwater Street Division						
Other Expenses	2,500.00	2,500.00	1,342.40		1,157.60	
911 Emergency Management Services						
Other Expenses	49,500.00	49,500.00	36,944.46	12,314.82	240.72	
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	76,300.00	76,300.00	62,557.26	12,314.82	1,427.92	-

BOROUGH OF WOODBINE
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Municipal Alcohol Education/Rehabilitation	\$	\$ 9,333.00	\$ 9,333.00	\$	\$	\$
Clean Communities Grant		4,927.84	4,927.84			
Recycling Tonnage Grant		4,646.93	4,646.93			
Alcohol Education and Rehabilitation		696.09	696.09			
New Jersey Department of Transportation						
Airport Entrance Road Grant		200,000.00	200,000.00			
Airport Economic Study Grant		225,000.00	225,000.00			
USDA Rural Business Enterprise Grant		75,000.00	75,000.00			
NJDCA Public Works Garage		109,000.00	109,000.00			
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES		<u>628,603.86</u>	<u>628,603.86</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	<u>76,300.00</u>	<u>704,903.86</u>	<u>691,161.12</u>	<u>12,314.82</u>	<u>1,427.92</u>	<u>-</u>
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	76,300.00	704,903.86	691,161.12	12,314.82	1,427.92	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":						
Capital Improvement Fund						
Various Improvements & Infrastructure	90,000.00	90,000.00	30,553.45	10,533.90	48,912.65	
Public Facilities Upgrade	5,000.00	5,000.00			5,000.00	
Volunteer Fire Company Contribution - Capital	17,000.00	17,000.00	17,000.00		-	
New Jersey Transportation Trust Fund						
Monroe Avenue	140,000.00	140,000.00	140,000.00		-	
Small Cities Public Facilities IDP	433,500.00	433,500.00	433,500.00		-	
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	<u>685,500.00</u>	<u>685,500.00</u>	<u>621,053.45</u>	<u>10,533.90</u>	<u>53,912.65</u>	<u>-</u>

**BOROUGH OF WOODBINE
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
DEBT SERVICE - EXCLUDED FROM "CAPS":						
Payment of Bond Anticipation & Capital Notes	\$ 270,000.00	\$ 270,000.00	\$ 270,000.00	\$	\$	\$ -
Interest on Notes	6,200.00	6,200.00	6,199.73			0.27
Loan Repayments for Principal and Interest	12,900.00	12,900.00	12,895.52			4.48
TOTAL DEBT SERVICE - EXCLUDED FROM "CAPS"	<u>289,100.00</u>	<u>289,100.00</u>	<u>289,095.25</u>	<u>-</u>	<u>-</u>	<u>4.75</u>
DEFERRED CHARGES EXCLUDED FROM "CAPS":						
Special Emergency Authorization - 5 Years	18,000.00	18,000.00	18,000.00			-
TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"	<u>18,000.00</u>	<u>18,000.00</u>	<u>18,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>1,068,900.00</u>	<u>1,697,503.86</u>	<u>1,619,309.82</u>	<u>22,848.72</u>	<u>55,340.57</u>	<u>4.75</u>
TRANSFERRED TO BOARD OF EDUCATION	9,378.00	9,378.00	9,378.00		-	
SUBTOTAL GENERAL APPROPRIATIONS	<u>2,664,678.00</u>	<u>3,293,281.86</u>	<u>2,913,748.33</u>	<u>84,600.27</u>	<u>294,928.51</u>	<u>4.75</u>
Reserve for Uncollected Taxes	<u>49,101.00</u>	<u>49,101.00</u>	<u>49,101.00</u>		-	
TOTAL GENERAL APPROPRIATIONS	<u>\$ 2,713,779.00</u>	<u>\$ 3,342,382.86</u>	<u>\$ 2,962,849.33</u>	<u>\$ 84,600.27</u>	<u>\$ 294,928.51</u>	<u>\$ 4.75</u>
Adopted Budget		\$ 2,713,779.00				
EMERGENCY						
Added Appropriations N.J.S.A. 40A:4-87		628,603.86				
		<u>\$ 3,342,382.86</u>				
			Paid or Charged			
Reserve for Uncollected Taxes			\$ 49,101.00			
Federal and State Grants			1,202,103.86			
Deferred Charges			18,000.00			
Disbursed			1,693,644.47			
			<u>\$ 2,962,849.33</u>			

**EXHIBIT - B
TRUST FUND**

BOROUGH OF WOODBINE
TRUST FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
<u>Animal Control Fund</u>			
Cash and Investments	B-1	\$ 1,109.39	\$ 1,157.07
		<u>1,109.39</u>	<u>1,157.07</u>
<u>Other Funds</u>			
Cash and Investments	B-2	50,966.40	58,879.98
Small Cities Loans Receivable		132,774.00	132,774.00
Emergency Loans Receivable		16,147.00	16,147.00
Developers Escrow Receivable		25,000.00	-
Due from Current Fund: Premium Account			6.32
		<u>224,887.40</u>	<u>207,807.30</u>
		<u>225,996.79</u>	<u>208,964.37</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Animal Control Fund</u>			
Reserve for Dog Expenditures	B-3	74.19	520.39
Reserve for Cat Expenditures		634.00	634.00
Due to Current Fund		400.00	2.68
Due to State of New Jersey		1.20	-
		<u>1,109.39</u>	<u>1,157.07</u>
<u>Other Funds</u>			
Reserve for Community Development Block Grants		20,468.90	18,178.90
Reserve for Small Cities Loans Receivable		132,774.00	132,774.00
Reserve for Emergency Loans Receivable		16,147.00	16,147.00
Reserve for TTL Redemption Premiums		325.00	150.00
Reserve for Municipal Alliance		2,993.88	2,957.94
Reserve for Recreation Commission		11,013.95	9,972.79
Reserve for Developers Escrow		16,164.67	27,583.37
Due to Current Fund: Developers Escrow		25,000.00	-
Due to Current Fund: Community Development Block Grants			43.30
		<u>224,887.40</u>	<u>207,807.30</u>
		<u>\$ 225,996.79</u>	<u>\$ 208,964.37</u>

EXHIBIT - C
GENERAL CAPITAL FUND

BOROUGH OF WOODBINE
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
<u>Assets</u>			
Deferred Charges to Future Taxation:			
Funded	C-5	\$ 100,341.65	\$ 111,069.00
Unfunded	C-6	841,860.00	1,111,860.00
Due from Grant Fund	C-3	145,508.00	145,508.00
		<u>1,087,709.65</u>	<u>1,368,437.00</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Green Trust Loan Payable	C-8	100,341.65	111,069.00
Bond Anticipation Notes Payable	C-9	841,860.00	1,111,860.00
Improvement Authorizations:			
Funded	C-7	7,400.00	7,400.00
Unfunded	C-7	73,529.00	73,529.00
Capital Improvement Fund	C-4	18,320.00	18,320.00
Fund Balance	C-1	46,259.00	46,259.00
		<u>\$ 1,087,709.65</u>	<u>\$ 1,368,437.00</u>

BOROUGH OF WOODBINE
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - STATUTORY BASIS

Balance December 31, 2007	<u>Ref.</u> C		\$	46,259.00
Increased By:				
None		\$		-
				-
				46,259.00
Decreased By:				
None				-
				-
Balance December 31, 2008	C		\$	46,259.00

EXHIBIT - D
GENERAL FIXED ASSET ACCOUNT GROUP

BOROUGH OF WOODBINE
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS - STATUTORY BASIS
DECEMBER 31, 2008

	Balance <u>Dec. 31, 2008</u>	Balance <u>Dec. 31, 2007</u>
General Fixed Assets:		
Land, Buildings and Improvements	\$ 9,248,181.15	\$ 9,055,149.00
Machinery and Equipment	<u>1,301,930.00</u>	<u>1,301,930.00</u>
Total General Fixed Assets	<u>\$ 10,550,111.15</u>	<u>\$ 10,357,079.00</u>
Investment in General Fixed Assets	<u>\$ 10,550,111.15</u>	<u>\$ 10,357,079.00</u>

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Description of Financial Reporting Entity

The Borough of Woodbine was incorporated as a borough in 1903. The borough is essentially a rural, residential community with some agricultural and industrial facilities.

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

Component Units

The Woodbine Municipal Utilities Authority, P.O. Box 473, Woodbine, NJ 08270 and Woodbine Port Authority, P.O. Box 144, Woodbine, NJ 08270 are component units of the Borough of Woodbine and both have annual audits which can be obtained at their offices.

Basis of Presentation, Fund Accounting

The financial statements – statutory basis of the Borough of Woodbine contain all funds and account groups in accordance with the “Requirements of Audit” as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Woodbine accounts for its financial transactions through the following separate funds that differ from the funds required by GAAP.

Current Fund

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

Trust Funds

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

General Capital Funds

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

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

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

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

Cash and Investments

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

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

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

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

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

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

Interfunds

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories of Supplies

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

General Fixed Assets

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

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from GAAP. The following is a brief description of the provisions of the Directive. Fixed Assets used in governmental operations (“general fixed assets”) are accounted for in the General Fixed Assets Account Group. Public Domain (“Infrastructure”) fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, are not capitalized.

All fixed assets are valued at historical cost, or estimated historical cost if actual historical cost is not available.

No depreciation on general fixed assets is recorded in the financial statements – statutory basis.

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

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

Foreclosed Property

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

Deferred Charges

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

Appropriation Reserves

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Liens Sold for Other Governmental Units

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

Fund Balance

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

Revenues

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

Property Tax Revenues

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

School Taxes

The Borough is responsible for levying, collecting and remitting school taxes for the Borough of Woodbine School District. Fund Balance is charged for the full amount required to be raised from taxation to operate the school districts from January 1st through December 31st.

<u>Category</u>	<u>12/31/2008</u>	<u>12/31/2007</u>
Local District School Tax Payable	\$ 240,686.50	\$ 181,303.00
Local District School Tax Deferred	367,000.00	367,000.00
	<u>\$ 607,686.50</u>	<u>\$ 548,303.00</u>

County Taxes

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reserve for Uncollected Taxes

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

Expenditures

Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance system. Outstanding encumbrances at December 31st are recorded as a cash liability. Appropriations for principal payments on outstanding General Capital and Utility Capital Fund bonds and notes are provided on the cash basis; interest on General Capital Fund indebtedness is on the cash basis, whereas interest on Utility Fund indebtedness is on the accrual basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long – term debt, which is recognized when due.

Compensated Absences and Post – Employment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a “pay as you go” basis. Likewise, no accrual is made for post employment benefits, if any, which are also funded on a “pay as you go” basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as expenditure in the operating funds and the remaining obligations be recorded as long – term obligations.

NOTE 2: LONG-TERM DEBT

SUMMARY OF MUNICIPAL DEBT

	<u>Year</u> <u>2008</u>	<u>Year</u> <u>2007</u>	<u>Year</u> <u>2006</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ <u>841,860.00</u>	\$ <u>1,222,929.00</u>	\$ <u>1,126,765.00</u>
Total Issued	<u>841,860.00</u>	<u>1,222,929.00</u>	<u>1,126,765.00</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	<u>100,341.00</u>	<u>-</u>	<u>237,500.00</u>
Total Authorized But Not Issued	<u>100,341.00</u>	<u>-</u>	<u>237,500.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	\$ <u><u>942,201.00</u></u>	\$ <u><u>1,222,929.00</u></u>	\$ <u><u>1,364,265.00</u></u>

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

NOTE 2: LONG-TERM DEBT (Continued)

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .59%.

	Gross Debt	Deductions	Net Debt
General Debt	\$ 942,201.00	-	\$ 942,201.00
	\$ 942,201.00	-	\$ 942,201.00

Net debt \$942,201 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$159,980,081 = .59%.

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

3 - 1/2 % of Equalized Valuation Basis	\$	5,599,302.84		
Net Debt		942,201.00		
Remaining Borrowing Power	\$	4,657,101.84		

Description of Bonds and Loans Payable

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

\$142,000 Green Trust Loan dated June 1, 2004, due in semiannual installments through January 27, 2017, bearing interest at 2.00% per annum. The balance remaining as of December 31, 2008, is \$100,341.65. Installments are paid through the Current Fund Budget.

Description of Notes Payable

At December 31, 2008, outstanding bond anticipation notes in the General Capital Fund consisted of the following:

The Borough had \$1,111,860 in outstanding bond anticipation notes at December 31, 2007. During the current year, \$270,000 was paid on these notes. As of December 31, 2008, the total amount of outstanding bond anticipation notes totaled \$841,860. The notes payable to the Borough will mature on April 21, 2009 and August 31, 2009 and will be renewed for another one year period. It is the intent of the Borough Council to retire these notes over 10 years without going to permanent financing.

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

NOTE 2: LONG-TERM DEBT (Continued)

Changes in Long-Term Debt

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

	<u>Outstanding 12/31/07</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/08</u>
General Capital Fund:			
Bonds Payable	\$ 1,111,860.00	\$ 270,000.00	\$ 841,860.00
Loans Payable	111,069.00	10,727.35	100,341.65
Total General Capital Fund	<u>1,222,929.00</u>	<u>280,727.35</u>	<u>942,201.65</u>
Total All Funds	<u>\$ 1,222,929.00</u>	<u>\$ 280,727.35</u>	<u>\$ 942,201.65</u>

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

Year Ending December 31	General Capital Fund	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 10,943.13	\$ 1,952.39
2010	11,163.08	1,732.44
2011	11,387.46	1,508.05
2012	11,616.35	1,279.17
2013	11,849.84	1,045.68
2014-2017	43,381.77	1,752.55
	<u>\$ 100,341.63</u>	<u>\$ 9,270.28</u>

NOTE 3: INVESTMENTS

As of December 31, 2008, the Borough had investments totaling \$841,860 in Bond Anticipation Notes of the Capital Fund with 0% interest rates and maturity dates of August 31, 2009 and April 21, 2009.

NOTE 4: COMPENSATED ABSENCES

Borough employees are covered by an AFSCME union contract specifying that vacation time may be carried over to the next calendar year, with prior permission. Sick leave may be accumulated from year to year and used as needed. An employee that has reached the age of 55 and accumulated 10 years of service will be compensated for 1/2 of the accumulated sick pay at the current rate of pay upon retirement. It is estimated that the current cost of such unpaid compensation would approximate \$39,003 and \$32,419 as of December 31, 2008 and 2007, respectively. This amount is not reported either as an expenditure or liability. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absence liability. The Borough has elected not to accrue this liability as of December 31, 2008.

NOTE 5: DEFERRED COMPENSATION ACCOUNT

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan complies with a private letter ruling of the Internal Revenue Service that requires assets of deferred compensation plans be held in Trust under the beneficial ownership of the Trustee, (Borough of Woodbine) serving as Trustee, for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The plan administrator is Allianz.

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

NOTE 6: TAXES COLLECTED IN ADVANCE

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

	Balance December 31, 2008	Balance December 31, 2007
Prepaid Taxes - Cash Liability	\$ <u>69,687.32</u>	\$ <u>51,689.00</u>

NOTE 7: RETIREMENT PLANS

Plan Descriptions

All eligible employees participate in the Public Employees' Retirement System (PERS) contributory defined benefit public employee retirement systems which have been established by State Statute. These systems are sponsored and administered by the State of New Jersey.

The Public Employees' Retirement System was established in January 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above – mentioned formula but at a reduced rate (one-quarter of one percent for each month the member lacks of attaining the age 55).

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the Financial Statement and required supplementary information for PERS. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$241,106,642 from the proceeds of the Bonds were deposited into the investment accounts of PERS.

As a result of additional legislation enacted during the year ended June 30, 1997, (Chapter 115, P.L. 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. This legislation also contains a provision to reduce the employee contribution rates under PERS by ½ of 1 percent to 4.5 percent for calendar years 1998 and 1999, and to allow for a similar reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The rate for the year 2008 was 5.5%.

Funding Policy

The Contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5.5% or 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. For the Public Employees' Retirement System, the Borough's contribution was \$24,270.40 for 2008.

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

NOTE 7: RETIREMENT PLANS (Continued)

DEFINED CONTRIBUTION RETIREMENT PROGRAM

Plan Description

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefits Provisions

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer.

Retirement benefits for members are determined according to the applicable Tier level:

Tier 1 Membership: The retirement age is 60 for a Service or Deferred Retirement. For an Early Retirement, a member must have at least 25 years of service credit; however, if a member is under the age of 55 at the time of retirement, the retirement allowance is reduced 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

Tier 2 Membership: The retirement age is 60 for a Service or Deferred Retirement. For an Early Retirement a member must have at least 25 years of service credit; however, if a member is under the age of 60 at the time of retirement, the retirement allowance is reduced 1 percent per year (1/12 of 1 percent per month) for each year the member is under age 60 but over age 55, and 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

Tier 3 Membership: The retirement age is 62 for a Service or Deferred Retirement. For an Early Retirement a member must have at least 25 years of service credit; however, if a member is under the age of 62 at the time of retirement, the retirement allowance is reduced 1 percent per year (1/12 of 1 percent per month) for each year the member is under age 62 but over age 55, and 3 percent per year (1/4 of 1 percent per month) for each year the member is under age 55.

Funding Policy

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

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

NOTE 8: CASH AND INVESTMENTS

Cash

Operating cash, in the form various checking, savings, money market accounts and certificates of deposit, are held in the Borough's name by a commercial banking institution. At December 31, 2008, the carrying amount of the Borough's deposits was \$647,040.76 and the bank balance was \$701,262.92. Of the bank balance, \$250,000.00 was insured with Federal Deposit Insurance. The remaining balance was insured under the Governmental Unit Deposit Protection Act (GUDPA).

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the Borough's bank accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Borough would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2007, all of the Borough's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The Borough does not have a policy for custodial credit risk.

Investments

Pursuant to the Enabling Act, the funds of the Borough may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the Borough may approve. It invests pooled monies from various State and non-State agencies in primarily short-term investments.

As of December 31, 2008, the Borough had investments totaling \$841,860 in Bond Anticipation Notes of the Capital Fund with 0% interest rates and maturity dates of August 31, 2009 and April 21, 2009.

NOTE 9: PROPERTY TAXES

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

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

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

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

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

NOTE 9: PROPERTY TAXES (Continued)

Statutes. Delinquent taxes open for one year or more are annually included in the tax sale in accordance with New Jersey statutes.

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

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

Comparative Schedule of Tax Rates

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	\$ 1.099	\$ 1.000	\$ 2.510
Apportionment of Tax Rate:			
Municipal	0.238	0.231	0.409
County	0.182	0.154	0.416
Local School	0.679	0.615	1.685

Assessed Valuation

2008	\$ 179,062,422.00	
2007	178,440,561.00	R
2006	59,701,776.00	

R = Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2008	\$ 1,977,279.51	\$ 1,926,959.18	97.46%
2007	1,789,687.00	1,748,337.00	97.69%
2006	1,521,166.00	1,480,179.00	97.31%

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

NOTE 9: PROPERTY TAXES (Continued)

Delinquent Taxes and Tax Title Liens				
Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2008	\$ -	\$ 56,738.78	\$ 56,738.78	2.87%
2007	-	43,076.00	43,076.00	2.41%
2006	-	41,914.00	41,914.00	2.76%

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

Year	Amount
2008	\$ 570,400.00
2007	570,400.00
2006	570,400.00

NOTE 10: ECONOMIC DEPENDENCY

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

NOTE 11: FUND BALANCES APPROPRIATED

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

Year	Balance December 31st	Utilized in Budget of Succeeding Year	Percent Utilized
2008	\$ 671,318.19	\$ 459,875.00	68.50%
2007	867,754.05	621,878.00	71.67%
2006	768,417.00	400,000.00	52.06%
2005	1,508,576.00	1,180,000.00	78.22%
2004	918,453.00	500,000.00	54.44%

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

NOTE 12: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

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

<u>Amount</u>	<u>Due To</u>	<u>Due From</u>
\$ 216,801.77	Current Fund	Grant Fund
25,000.00	Current Fund	Trust Fund
400.00	Current Fund	Dog Trust Fund
145,508.00	Capital Fund	Grant Fund
<u>\$ 387,709.77</u>		

NOTE 13: BUDGETARY DATA

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

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

Budget transfers between appropriation accounts are prohibited until the last two months of the year. The Borough's Board of Commissioners approves the transfers by Resolution. Budgetary transfers during the year were not significant.

NOTE 14: FEDERAL AND STATE GRANTS

In the normal course of operations, the Borough receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 15: GENERAL FIXED ASSETS

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

	<u>Balance as of December 31, 2007</u>	<u>Additions</u>	<u>Balance as of December 31, 2008</u>
Land Buildings & Improvements	\$ 9,055,149.00	\$ 193,032.15	\$ 9,248,181.15
Machinery & Equipment	1,301,930.00		1,301,930.00
Total	<u>\$ 10,357,079.00</u>	<u>\$ 193,032.15</u>	<u>\$ 10,550,111.15</u>

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

NOTE 16: RISK MANAGEMENT

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

Property and Liability Insurance

The Borough maintains commercial insurance coverage for property, liability and surety bonds.

NOTE 17: HOST COMMUNITY BENEFIT

The Borough of Woodbine has entered into a Host Community Benefit Agreement with the Cape May County Municipal Utilities Authority with respect to waste accepted at the landfill. The Authority, as owner of the landfill located in the Borough, agrees to provide the Borough with a “host community” benefit for each ton of waste it shall accept for disposal at the landfill. The amount of the benefit for the year 2008 is \$2.58 per ton of waste. This rate is scheduled to increase 2% per year.

SUPPLEMENTARY INFORMATION

BOROUGH OF WOODBINE
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Current Fund</u>		<u>Federal and State Grant Fund</u>
Balance December 31, 2007		\$ 935,210.00		\$ 1.80
Increased By Receipts:				
Taxes Receivable	A-7	\$ 1,875,466.24	\$	
Tax Title Liens	A-8	12,356.73		
Due from State - Senior Citizens and Veterans		25,250.00		
Prepaid Taxes		69,793.76		
Tax Overpayments				
Federal and State Grants Receivable				734,211.17
Miscellaneous Revenue Anticipated	A-9	1,058,986.44		
Miscellaneous Revenue Not Anticipated	A-9	88,969.11		
Payroll Payable		536,899.19		
Due from General Capital Fund		32,500.00		
Due to Dog		824.00		
Cancelled Grant Reserve		50,000.00		
Due to Current Fund				295,438.97
		3,751,045.47		1,029,650.14
		4,686,255.47		1,029,651.94

BOROUGH OF WOODBINE
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Current Fund</u>		<u>Federal and State Grant Fund</u>
Decreased By Disbursements:				
2008 Appropriations	\$	1,693,644.47	\$	\$
2007 Appropriation Reserves		60,483.60		
County Taxes		323,606.37		
Local District School Tax		1,155,991.50		
Tax Overpayments		1,811.42		
Payroll Payable		532,656.97		
Due to Dog Fund		1,221.00		
Due to Trust Other		24,963.00		
Due from Current Fund				
Reserve for Revaluation		1,000.00		
Grant Expenditures				1,029,650.14
Prior Year Senior & Vets Disallowed		750.00		
Due to Federal & State Grant Fund		295,438.97		
		4,091,567.30		1,029,650.14
Balance December 31, 2007		\$ 594,688.17		\$ 1.80

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

Year	Balance Dec. 31, 2007	2008 Levy	Added Taxes	Collections		Adjustments	Transferred To Tax Title Liens	Balance Dec. 31, 2008
				2007	2008			
Arrears	\$ 8,814.00	\$	\$	\$	\$ 2,446.06	\$ (28,365.97)	\$	\$ 34,733.91
2007	34,262.00				22,233.61	(554.34)		250.00
	<u>43,076.00</u>	-	-	-	24,679.67	(28,920.31)	12,332.73	34,983.91
2008		1,967,896.79	9,382.72	51,689.00	1,875,270.18	28,565.46		21,754.87
	<u>\$ 43,076.00</u>	<u>\$ 1,967,896.79</u>	<u>\$ 9,382.72</u>	<u>\$ 51,689.00</u>	<u>\$ 1,899,949.85</u>	<u>\$ (354.85)</u>	<u>\$ 12,332.73</u>	<u>\$ 56,738.78</u>
Ref.	A							A

\$ 1,875,466.24 Taxes Receivable
 24,483.61 Senior Citizens and Veterans
\$ 1,899,949.85

Analysis of 2008 Property Tax Levy

Tax Yield:

General Property Tax

Added Taxes (54:4-63.1 et seq.)

\$ 1,967,896.79
 9,382.72
\$ 1,977,279.51

Tax Levy:

School Tax Levy

County Taxes

County Taxes Added and Omitted

Local Tax for Municipal Purposes

Add: Additional Tax Levied

1,215,375.00
 322,791.42
 1,553.87
425,511.00
12,048.22
\$ 1,977,279.51

BOROUGH OF WOODBINE
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2007	<u>Ref.</u> A		\$	-
Increased By:				
Transfers from Taxes Receivable		\$ 12,332.73		
Interest & Costs on Tax Sale		<u>24.00</u>		
				<u>12,356.73</u>
				12,356.73
Decreased By:				
Cash Receipts		<u>12,356.73</u>		
				<u>12,356.73</u>
Balance December 31, 2008	A		\$	<u><u>-</u></u>

BOROUGH OF WOODBINE
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec. 31, 2007</u>	<u>Accrued In 2008</u>	<u>Collected</u>	<u>Balance Dec. 31, 2008</u>
<u>Miscellaneous Revenue Anticipated:</u>					
Licenses - Alcoholic Beverages	\$	-	\$ 7,556.80	\$ 7,556.80	\$ -
Municipal Court - Fines and Costs		1,931.36	21,572.42	22,165.69	1,338.09
Interest and Costs on Taxes		-	8,360.64	8,360.64	-
Energy Receipts Tax		-	144,929.00	144,929.00	-
Consolidated Municipal Property Tax Relief Aid		-	231,684.00	231,684.00	-
Pinelands Property Tax Stabilization		-	615.00	615.00	-
Host Community Benefits		242,464.00	452,084.60	465,289.34	229,259.26
State Police Lease		-	177,550.44	177,550.44	-
Garden State Trust		-	835.53	835.53	-
<u>Miscellaneous Revenue Not Anticipated:</u>					
Miscellaneous Non-Budget Revenue		-	88,969.11	88,969.11	-
TOTALS	\$	<u>244,395.36</u>	\$ <u>1,134,157.54</u>	\$ <u>1,147,955.55</u>	\$ <u>230,597.35</u>
	Ref.	A		A-4	A

BOROUGH OF WOODBINE
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Administrative				
Salaries and Wages	\$ 1,580.00	\$ 1,580.00		\$ 1,580.00
Other Professional Services	13,258.00	13,258.00	10,676.25	2,581.75
Mayor and Commissioners				
Salaries and Wages	2,375.00	2,375.00		2,375.00
Other Expenses	1,972.00	1,972.00	461.72	1,510.28
Municipal Clerk				
Salaries and Wages	1,000.00	1,000.00		1,000.00
Other Expenses	4,031.00	4,031.00	566.36	3,464.64
Finance Department				
Salaries and Wages	5,750.00	5,750.00		5,750.00
Other Expenses	8,843.00	8,843.00	795.50	8,047.50
Liquidation of Tax Title Liens / Forclosed Property				
Other Expenses	500.00	500.00		500.00
Tax Collection				
Salaries and Wages	750.00	750.00		750.00
Other Expenses	2,806.00	2,806.00	35.23	2,770.77
Tax Assessment				
Salaries and Wages	1,500.00	1,500.00		1,500.00
Other Expenses	5,949.00	5,949.00		5,949.00
Legal Services and Costs				
Other Expenses	27,379.00	27,379.00	6,897.00	20,482.00
Planning Board				
Salaries and Wages	700.00	700.00		700.00
Other Expenses	3,500.00	3,500.00	130.50	3,369.50
Public Defender				
Salaries and Wages	50.00	50.00		50.00
Other Expenses	900.00	900.00	100.00	800.00
Emergency Management				
Other Expenses	897.00	897.00		897.00
School Crossing Guard				
Salaries and Wages	2,687.00	2,687.00		2,687.00
Other Expenses	410.00	410.00		410.00
Dispatch				
Other Expenses	241.00	241.00		241.00
Public Relations				
Other Expenses	721.00	721.00		721.00
Engineering Services and Costs				
Other Expenses	6,673.00	6,673.00	1,129.00	5,544.00
Prosecutor				
Salaries and Wages	1,000.00	1,000.00		1,000.00
Small Business Development				
Other Expenses	500.00	500.00		500.00
Recycling				
Other Expenses	5,000.00	5,000.00		5,000.00
Dog Regulation				
Other Expenses	400.00	400.00		400.00

BOROUGH OF WOODBINE
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2007	Balance After Transfers	Paid or Charged	Balance Lapsed
Streets and Roads				
Salaries and Wages	\$ 31,191.00	\$ 31,191.00		\$ 31,191.00
Other Expenses	7,842.00	7,842.00	1,195.12	6,646.88
Garbage and Trash Removal				
Other Expenses				
Miscellaneous	7,800.00	7,800.00	7,700.00	100.00
Tipping Fees	11,808.00	11,808.00	5,525.80	6,282.20
Buildings and Grounds				
Other Expenses	2,367.00	2,367.00	55.95	2,311.05
Parks and Recreation				
Salaries and Wages	200.00	200.00		200.00
Other Expenses	74.00	74.00	74.00	-
Board of Health				
Other Expenses	500.00	500.00		500.00
Municipal Court				
Salaries and Wages	2,200.00	2,200.00		2,200.00
Other Expenses	1,038.00	1,038.00	94.83	943.17
Municipal Stormwater Street Division				
Other Expenses	7,000.00	7,000.00		7,000.00
Other Code Enforcement				
Other Expenses	442.00	442.00	3.69	438.31
Zoning and Housing Inspector				
Salaries and Wages	3,100.00	3,100.00		3,100.00
Other Expenses	500.00	500.00		500.00
Various Improvements and Infrastructure	103,526.00	103,526.00	6,776.50	96,749.50
Unclassified:				
Electricity	8,286.00	8,286.00		8,286.00
Street Lighting	4,430.00	4,430.00	2,961.97	1,468.03
Telephone	3,488.00	3,488.00	783.53	2,704.47
Natural Gas	8,929.00	8,929.00	4,190.20	4,738.80
Water	1,044.00	1,044.00		1,044.00
Postage	750.00	750.00	750.00	-
Insurance				
Group Insurance for Employees	21,163.00	21,163.00	9,495.45	11,667.55
Other Insurance Premiums	5,066.00	5,066.00	85.00	4,981.00
Contribution to:				
Social Security	5,314.00	5,314.00		5,314.00
Lifeguard Pension		-		-
PERS	47.00	47.00		47.00
PFRS		-		-
Unemployment Compensation	280.00	280.00		280.00
TOTALS	\$ 339,757.00	\$ 339,757.00	\$ 60,483.60	\$ 279,273.40
Ref.	A			A-1
		Cash Disbursed	\$ 60,483.60	
		Accounts Payable		
			<u>\$ 60,483.60</u>	

**BOROUGH OF WOODBINE
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2007</u>	<u>Anticipated Revenues</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2008</u>
Small Cities Block Grant - 2007:					
Public Facility Housing Rehab	\$ 197,050.00	\$	\$ 162,863.00	\$	\$ 34,187.00
Public Facility - Gym/Community Center	206,311.00		166,452.00		39,859.00
NJ Transportation Monroe Avenue - 2007	42,448.36		42,448.36		-
NJ Transportation Sherman Avenue - 2007	149,000.00		89,351.25		59,648.75
2008 DOT Grant / Franklin & Clay		140,000.00	105,000.00		35,000.00
2008 SC IDP Grant		433,500.00			433,500.00
Urban Gateway 2000	25,000.00				25,000.00
Community Stewardship - Tree Planting					
2006	25,000.00		25,000.00		-
2007	50,000.00		46,250.00		3,750.00
Municipal Alliance Program					
2006	7,586.00				7,586.00
2007	11,331.64		4,057.70		7,273.94
2008		9,333.00	400.00		8,933.00
Smart Future Program - 2007	50,000.00				50,000.00
Washington Avenue Streetscape	500,000.00				500,000.00
Washington Avenue Streetscape	82,118.00		82,118.00		-
Alcohol Education & Rehabilitation - 2008		696.09	696.09		-
Clean Communities - 2008		4,927.84	4,927.84		-
DOT Airport Entrance Road - 2008		225,000.00			225,000.00
Airport Economic Study - 2008		200,000.00			200,000.00
USDA Rural Business Grant - 2008		75,000.00			75,000.00
Recycling Tonnage Grant - 2008		4,646.93	4,646.93		-
NJ DCA New Public Works Garage		109,000.00			109,000.00
TOTALS	\$ 1,345,845.00	\$ 1,202,103.86	\$ 734,211.17	\$ -	\$ 1,813,737.69
Ref.	A				A

BOROUGH OF WOODBINE
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

<u>Purpose</u>	<u>Balance Dec. 31, 2007</u>	<u>Received</u>	<u>Cancelled</u>	<u>Anticipated Revenues</u>	<u>Balance Dec. 31, 2008</u>
State:					
Cape May County Joint Venture	\$ 50,000.00	\$	\$	\$ 50,000.00	\$ -
 TOTALS	<u>\$ 50,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000.00</u>	<u>\$ -</u>
Ref.	A				A

BOROUGH OF WOODBINE
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

<u>Purpose</u>	<u>Balance Dec. 31, 2007</u>	<u>Budget Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2008</u>
Alcohol Education Rehabilitation	\$ 1,186.00	\$	\$	\$	\$ 1,186.00
Community Stewardship - Tree Planting	50,000.00		25,000.00		25,000.00
Clean Communities	4,588.00		4,588.00		-
Green Communities	288.00		288.00		-
All Hazards Emergency Operation Planning	2,406.00				2,406.00
Municipal Stormwater Regulation Program	1,000.00				1,000.00
Recycling Tonnage Grant	10,755.00				10,755.00
Municipal Alliance Program - 2007					
County Share	11,332.00				11,332.00
Local Share	2,706.00		1,950.68		755.32
Municipal Alliance Program - 2006					
County Share	5,060.00		5,060.00		-
Hazardous Site Remediation Program - 2000	1,500.00				1,500.00
Hazardous Site Remediation Program - 2004	1,937.00		1,936.96		0.04
NJ Transportation Trust Fund Streetscape	19,206.00				19,206.00
NJ Transportation Sherman Avenue - 2007	149,000.00		138,307.36		10,692.64
Smart Future Program	50,000.00				50,000.00
2007 Small Cities Block Grant:					
Public Facility Housing Rehab	189,700.00		169,138.00		20,562.00
Public Facility - Gym/Community Center	206,311.00		193,032.15		13,278.85
Urban Gateway 2000	18,501.00				18,501.00
Mural Project	3,500.00				3,500.00
Washington Avenue Streetscape	500,000.00		222,638.85		277,361.15
2008 DOT Grant		140,000.00	140,000.00		-
2008 SC IDP Grant		433,500.00	161,826.25		271,673.75
2008 Alcohol Education & Rehabilitation		696.09			696.09
2008 Clean Communities		4,927.84	4,207.40		720.44
2008 DOT Airport Entrance Road		225,000.00			225,000.00
2008 Airport Economic Study		200,000.00			200,000.00
2008 USDA Rural Business Grant		75,000.00			75,000.00
2008 Recycling Tonnage		4,646.93			4,646.93
NJ DCA New Public Works Garage		109,000.00			109,000.00
2008 Municipal Alliance		9,333.00			9,333.00
Cape May County Joint Venture - Franklin & Clay		50,000.00	39,174.96		10,825.04
TOTALS	\$ 1,228,976.00	\$ 1,252,103.86	\$ 1,107,148.61	\$ -	\$ 1,373,931.25
Ref.	A				A

Cash Disbursed	\$ 1,029,650.14	A-4
Encumbered	77,498.47	A
	<u>\$ 1,107,148.61</u>	

BOROUGH OF WOODBINE
TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2007	<u>Ref.</u> B		\$	1,157.07
Increased By Receipts:				
Dog License Fees		\$		840.80
Cat License Fees				90.00
Miscellaneous				61.80
Interest Due to Current Fund				13.76
				<u>1,006.36</u>
				2,163.43
Decreased By Disbursements:				
Statutory Expenditures				821.00
Due to State of New Jersey				216.60
Interest Due to Current Fund				16.44
				<u>1,054.04</u>
Balance December 31, 2008	B		\$	<u><u>1,109.39</u></u>

BOROUGH OF WOODBINE
TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2007	B		\$ 58,879.98
Increased By Receipts:			
Tax Title Lien Redemption		\$ 13,095.93	
Planning and Zoning		40,593.93	
CDBG Revolving		27,890.00	
Developers Escrow		30,382.00	
Recreation Commission		5,541.38	
Interest Earned:			
Tax Title Lien Redemption		9.22	
Planning and Zoning		5.81	
CDBG Revolving		174.37	
Economic Development		0.21	
Developers Escrow		87.00	
Recreation Commission		120.28	
Municipal Alliance		35.94	
Due from Current Fund			
			117,936.07
			176,816.05
Decreased By Disbursements:			
Tax Title Lien Redemption		12,923.83	
Planning and Zoning		41,678.42	
CDBG Revolving		25,817.63	
Economic Development		0.25	
Developers Escrow		40,809.02	
Recreation Commission		4,620.50	
			125,849.65
Balance December 31, 2008	B		\$ 50,966.40

BOROUGH OF WOODBINE
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2007	<u>Ref.</u> B		\$	520.39
Increased By:				
Dog Licenses Fees Collected		\$		992.60
				<u>992.60</u>
				1,512.99
Decreased By:				
Statutory Expenditures				821.00
Due to State of New Jersey				217.80
Due to Current Fund				<u>400.00</u>
				1,438.80
Balance December 31, 2008	B		\$	<u><u>74.19</u></u>

License Fees Collected		<u>Year</u>		
		2007	\$	709.00
		2006		<u>600.00</u>
			\$	<u><u>1,309.00</u></u>

BOROUGH OF WOODBINE
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	<u>Balance</u> Dec. 31, 2007	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>		<u>Balance</u> Dec. 31, 2008
		<u>Misc.</u>	<u>Improvement</u> <u>Authorizations</u>	<u>From</u>	<u>To</u>	
Fund Balance	\$ 46,259.00	\$	\$	\$	\$	\$ 46,259.00
Capital Improvement Fund	18,320.00					18,320.00
Due from Current Fund	(145,508.00)				145,508.00	-
Due from Grant Funds				145,508.00		(145,508.00)
 <u>Improvement Authorizations</u>						
Ord.						
<u>Number</u>						
456-04 Lincoln Park Improvements	7,400.00					7,400.00
463-05 Construction of Sanitary Wastewater Treatment Plant	73,529.00					73,529.00
499-08 Improvements to Franklin & Clay Streets - with County Participation		50,000.00	50,000.00			-
	<u>\$ -</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 145,508.00</u>	<u>\$ 145,508.00</u>	<u>\$ -</u>
Ref.	C					C

BOROUGH OF WOODBINE
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2007	<u>Ref.</u> C		\$ 18,320.00
Increased By:			
None		\$ -	
		<hr/>	<hr/>
			-
			<hr/>
			18,320.00
Decreased By:			
None		-	
		<hr/>	<hr/>
			-
Balance December 31, 2008	C		\$ <u><u>18,320.00</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2007	<u>Ref.</u> C		\$ 111,069.00
Increased By:			
None		\$ -	
		<hr/>	<hr/>
			-
			<hr/>
			111,069.00
Decreased By:			
Serial Bonds and Loans Paid		10,727.35	
		<hr/>	<hr/>
			10,727.35
Balance December 31, 2008	C		\$ <u><u>100,341.65</u></u>

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

Ord. Number	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Bonds Issued	Balance Dec. 31, 2008	Analysis of Balance		Unexpended Improvement Authorization
						Bond Anticipation Note	Expenditures	
429A-01	Various Improvements	\$ 114,360.00	\$	\$ 32,500.00	\$ 81,860.00	\$ 81,860.00	\$	\$
434-01	Various Improvements	237,500.00		237,500.00	-			
463-05	Various General Improvements	760,000.00			760,000.00	760,000.00		
		<u>\$ 1,111,860.00</u>	<u>\$ -</u>	<u>\$ 270,000.00</u>	<u>\$ 841,860.00</u>	<u>\$ 841,860.00</u>	<u>\$ -</u>	<u>\$ -</u>
Ref.		C			C			C

**BOROUGH OF WOODBINE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2007		2008 Authorizations			Balance December 31, 2008	
				Funded	Unfunded	Capital Improvement Fund	Adjustments	Paid or Charged	Funded	Unfunded
456-04	Lincoln Park Improvements	7/15/2004	\$ 7,400.00	\$ 7,400.00	\$	\$	\$	\$	\$ 7,400.00	\$
463-05	Construction of Sanitary Wastewater Treatment Plant	4/21/2005	800,000.00		73,529.00				-	73,529.00
499-08	Improvements to Franklin & Clay Streets - with County Participation	8/21/2008	50,000.00			50,000.00		50,000.00		
				<u>\$ 7,400.00</u>	<u>\$ 73,529.00</u>	<u>\$ 50,000.00</u>	<u>\$ -</u>	<u>\$ 50,000.00</u>	<u>\$ 7,400.00</u>	<u>\$ 73,529.00</u>
	Ref.			C	C				C	C
								\$ 50,000.00		
								\$ 50,000.00		

BOROUGH OF WOODBINE
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST FUND LOAN PAYABLE

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2008</u>
			<u>Date</u>	<u>Amount</u>					
Lincoln Park	6/1/2000	\$ 142,000.00	\$		2.00%	\$ 111,069.00	\$	\$ 10,727.35	\$ 100,341.65
						\$ <u>111,069.00</u>	\$ <u>-</u>	\$ <u>10,727.35</u>	\$ <u>100,341.65</u>
					Ref.	C			C

BOROUGH OF WOODBINE
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2008</u>
Various Improvements	8/31/2001	8/31/2005	8/30/2009	0.00%	\$ 114,360.00	\$	\$ 32,500.00	\$ 81,860.00
Various Improvements	4/21/2005	4/21/2005	4/21/2009	0.00%	760,000.00			760,000.00
Various Improvements	7/20/2007	7/20/2007		5.25%	237,500.00		237,500.00	-
					<u>\$ 1,111,860.00</u>	<u>\$ -</u>	<u>\$ 270,000.00</u>	<u>\$ 841,860.00</u>
				Ref.	C			C

BOROUGH OF WOODBINE

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2008

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

To the Honorable Mayor and
Members of the Borough Council
Borough of Woodbine
County of Cape May, New Jersey

We have audited the financial statements – statutory basis of the Borough of Woodbine, State of New Jersey (the “Borough”), as of and for the year ended December 31, 2008, and have issued our report thereon dated August 20, 2009. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough’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 Borough’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough’s internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to initiate, authorize, record, process or report financial data reliably in accordance with the statutory basis of accounting, prescribed by the Division, such that there is more than a remote likelihood that a misstatement of the entity’s financial statements that is more than inconsequential will not be prevented or detected by the entity’s internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting. This finding is reported as 2008-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We consider the significant deficiency described in the accompanying schedule of findings and responses to be a material weakness, as defined above. This finding is reported as 2008-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division. This finding is reported as 2008-2.

We noted certain matters that we reported to the Borough's management in a separate letter dated August 20, 2009.

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

This report is intended solely for the information and use of management, the Borough Committee, others within the entity, and the Division 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

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

August 20, 2009

BOROUGH OF WOODBINE

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." The bid threshold for the Borough is \$29,000.

The governing body of the Borough of Woodbine has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

- Sherman Avenue Reconstruction
- Community Center Site Improvements
- Franklin and Clay Street Reconstruction
- Collection, Hauling, and Disposal of Garbage and Trash
- Washington Avenue Streetscape Improvements Phase 3

BOROUGH OF WOODBINE

GENERAL COMMENTS (Continued)

Collection of Interest on Delinquent Taxes and Assessments

The statutes provide the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

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

BE IT RESOLVED by the Council of the Borough of Woodbine, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the governing body inter alia to fix the rate of interest to be charged, in the Borough of Woodbine, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

BE IT FURTHER RESOLVED by the Council of the Borough of Woodbine, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2008.

This Resolution shall take effect January 1, 2008.

It appears from an examination of the collector's records that interest was charged in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The tax sale was held and was complete.

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

<u>Year</u>	<u>Number</u>
2008	0
2007	0
2006	0

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

BOROUGH OF WOODBINE

GENERAL COMMENTS (Continued)

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2008 and 2009 Taxes	40
Delinquent Tax Balances at 12/31/2008	15
Total	<u>55</u>

Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

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

FINDINGS AND RECOMMENDATIONS

Finding # 2008-1.**

The Borough is not fully utilizing the general ledger.

Criteria:

The CFO is responsible for correctly posting all required transactions and journal entries to the general ledger.

Condition:

The CFO did not fully utilize the general ledger.

Cause:

Full utilization of the general ledger has not been a priority.

Effect:

Not utilizing the general ledger fully could cause a material misstatement to occur.

Recommendation:

That the Borough fully utilize the general ledger to record all transactions and that the general ledger be properly closed at year-end.

Management Response:

Borough personnel will work to improve the recording of transactions in the general ledger.

BOROUGH OF WOODBINE

FINDINGS AND RECOMMENDATIONS

Finding # 2008-2.**

Some of the various balance sheets of the Borough contain Interfund balances.

Criteria:

Interfund Balances should be eliminated prior to year end.

Condition:

Interfund Balances exist.

Cause:

Interfunds were caused by payments being made prior to receipt of grant funds.

Effect:

The Fund Balance in the Current Fund has been charged to create a reserve for these Interfunds.

Recommendation:

That all Interfunds be liquidated prior to year end.

Management Response:

The Borough will make every effort to eliminate Interfunds prior to year end.

** Indicates a similar recommendation made in the prior year.

In accordance with OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and Division of Local Government Services Regulations, a corrective action plan must be prepared and filed by Borough Council in response to our recommendation.

Should any questions arise as to my comments or recommendation, or should you desire assistance in implementing my recommendations, please do not hesitate to contact me.

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

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

August 20, 2009

BOROUGH OF WOODBINE

PART III

FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAMS

FOR THE YEAR ENDED

DECEMBER 31, 2008

BOROUGH OF WOODBINE
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2008

Federal Department/ Pass-Through State Provider/ Federal Program	CFDA / Pass Through Grantor's #	Grant Period		Award	Balance	Income	Expenditures	Balance	Cumulative
		From	To		Balance 12/31/2007			Balance 12/31/2008	
Federal Emergency Management Agency									
State and Local All Hazards Emergency Operation Planning	N/A	1/1/2003	12/31/2003	\$ 2,406.00	\$ 2,406.00	\$ -	\$ -	\$ 2,406.00	\$ -
					2,406.00	-	-	2,406.00	-
Department of Agriculture									
2008 USDA Rural Business Enterprise Grant	10.769	5/1/2008	4/30/2009	75,000.00	-	75,000.00	-	75,000.00	-
					-	75,000.00	-	75,000.00	-
Environmental Protection									
Municipal Stormwater Regulation Program CY03	66.xxx	1/1/2006	12/31/2006	5,000.00	1,000.00	-	-	1,000.00	4,000.00
					1,000.00	-	-	1,000.00	4,000.00
Transportation Enhancement Agency									
Washington Avenue Streetscape Improvements	20.205	1/1/2002	12/31/2002	500,000.00	500,000.00	-	222,638.85	277,361.15	222,638.85
					500,000.00	-	222,638.85	277,361.15	222,638.85
Housing and Urban Development									
Small Cities Community Development Block Grant									
2008 IDP Grant	14.228	1/1/2008	6/30/2009	433,500.00	-	433,500.00	161,826.25	271,673.75	161,826.25
2007 Public Facility - Gym/Community Center	14.218	1/1/2007	12/31/2007	400,000.00	206,311.00	-	193,032.15	13,278.85	386,721.15
2007 Public Facility Housing Rehabilitation	14.218	1/1/2007	12/31/2007	200,000.00	189,700.00	-	169,138.00	20,562.00	179,438.00
					396,011.00	433,500.00	523,996.40	305,514.60	727,985.40
Total Federal Assistance					\$ 899,417.00	\$ 508,500.00	\$ 746,635.25	\$ 661,281.75	\$ 954,624.25

BOROUGH OF WOODBINE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2008

State Department/ Passthrough State or Local Provider/ Program	State Appropriation Number	Grant Period		Award	Balance	Income	Expenditures	Balance	Cumulative
		From	To		12/31/2007			12/31/2008	
Department of Environmental Protection									
Clean Communities	4900-765-042-4900-004								
FY 2008		1/1/2008	12/31/2008	\$ 4,927.84	\$ 0.00	\$ 4,927.84	\$ 4,207.40	\$ 720.44	\$ 4,207.40
FY 2007		1/1/2007	12/31/2007	4,588.00	4,588.00		4,588.00	-	4,588.00
Hazardous Site Remediation - 2004	P13964	1/1/2002	12/31/2002	93,015.00	1,937.00		1,936.96	0.04	93,014.96
Hazardous Site Remediation - 2000		1/1/2000	12/31/2000	79,670.00	1,500.00			1,500.00	78,170.00
Green Communities	4870-100-042-6120	1/1/2004	12/31/2004	2,000.00	288.00		288.00	-	2,000.00
Recycling Tonnage Grant	4900-752-042-4900-001								
FY 2008		1/1/2008	12/31/2008	4,646.93	-	4,646.93		4,646.93	-
FY 2007		1/1/2007	12/31/2007	1,515.00	1,515.00			1,515.00	-
FY 2006		1/1/2006	12/31/2006	3,548.00	3,548.00			3,548.00	-
FY 2005		1/1/2005	12/31/2005	857.00	857.00			857.00	-
FY 2004		1/1/2004	12/31/2004	4,732.00	4,732.00			4,732.00	-
FY 2001		1/1/2001	12/31/2001	3,183.00	104.00			104.00	3,079.00
Community Stewardship Tree Planting	PF04-125	1/1/2006	12/31/2006	25,000.00	50,000.00		25,000.00	25,000.00	-
					69,069.00	9,574.77	36,020.36	42,623.41	185,059.36
Department of Transportation									
N.J. Transportation Trust Fund Authority Act									
Sherman Avenue	6320-480-601395-61	1/1/2007	12/31/2007	149,000.00	149,000.00		138,307.36	10,692.64	138,307.36
Streetscape - Additional Funds		1/1/2006	12/31/2006	100,000.00	19,206.00			19,206.00	80,794.00
Franklin and Clay - 2008	08-480-078-6320-AJ9-6010	1/30/2008	1/30/2010	140,000.00	-	140,000.00	140,000.00	-	140,000.00
Airport Entrance Road - 2008	08-480-078-6300-DM1-7310	6/4/2008	6/10/2008	225,000.00	-	225,000.00		225,000.00	-
Airport Economic Study	08-480-078-6300-DM1-7310	6/4/2008	6/4/2010	200,000.00	-	200,000.00		200,000.00	-
					168,206.00	565,000.00	278,307.36	454,898.64	359,101.36
State of New Jersey State Police									
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001								
FY 2008		1/1/2008	12/31/2008	696.09	-	696.09		696.09	-
FY 2007		1/1/2007	12/31/2007	113.00	113.00			113.00	-
FY 2006		1/1/2006	12/31/2006	648.00	648.00			648.00	-
FY 2005		1/1/2005	12/31/2005	57.00	57.00			57.00	-
FY 2004		1/1/2004	12/31/2004	250.00	250.00			250.00	-
FY 2003		1/1/2003	12/31/2003	65.00	65.00			65.00	-
FY 2002		1/1/2002	12/31/2002	248.00	52.00			52.00	196.00
					1,185.00	696.09	-	1,881.09	196.00

BOROUGH OF WOODBINE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2008

State Department/ Passthrough State or Local Provider/ Program	State Appropriation Number	Grant Period		Award	Balance	Income	Expenditures	Balance	Cumulative
		From	To		12/31/2007			12/31/2008	
Department of Community Affairs									
Public Works Garage	2009-100-022-8030-658-FFFF-6020	7/1/2008	12/31/2009	\$ 109,000.00	\$ -	\$ 109,000.00	\$ -	\$ 109,000.00	\$ -
					-	109,000.00	-	109,000.00	-
Other									
Urban Getaway - 2000		1/1/2000	12/31/2000	25,000.00	18,501.00			18,501.00	6,499.00
Smart Future Program	100-022-8049-006-FFFF-6120	1/1/2007	12/31/2007	50,000.00	50,000.00			50,000.00	-
Municipal Alliance Program - 2008		1/1/2008	12/31/2008	9,333.00	-	9,333.00		9,333.00	-
Municipal Alliance Program - 2007		1/1/2007	12/31/2007	11,336.00	14,038.00		1,950.68	12,087.32	1,950.68
Municipal Alliance Program - 2006		1/1/2006	12/31/2006	10,832.00	5,060.00		5,060.00	-	10,832.00
					87,599.00	9,333.00	7,010.68	89,921.32	19,281.68
Total State Assistance					\$ 326,059.00	\$ 693,603.86	\$ 321,338.40	\$ 698,324.46	\$ 563,638.40

BOROUGH OF WOODBINE
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

Note 1: General

The accompanying schedule of financial assistance presents the activity of all federal and state financial assistance programs of the Borough of Woodbine. The Borough of Woodbine is defined in Note 1(A) of the Borough's financial statements. All federal and state financial assistance received from federal and state agencies, as well as, federal and state assistance passed through other governmental agencies, are included on the schedule of federal and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the funds required by accounting principles generally accepted in the United States of America (GAAP).

Note 3: Relationship to Financial Statements

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements – statutory basis. The financial statements – statutory basis present the Grant Fund on a budgetary basis. The Grant Fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

	<u>Federal</u>	<u>State</u>
Grant Fund	\$ <u>746,635.25</u>	\$ <u>321,338.40</u>
	<u>\$ 746,635.25</u>	<u>\$ 321,338.40</u>

Note 4: Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agrees with the amounts reported in the related federal financial reports, where applicable.

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

To the Honorable Mayor and
Members of the Borough Committee
Borough of Woodbine
501 Washington Avenue
Woodbine, New Jersey 08270

Compliance

We have audited the compliance of the Borough of Woodbine, State of New Jersey (the "Borough"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the New Jersey Grant Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough's management. Our responsibility is to express an opinion on the Borough's compliance based on our audit.

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

In our opinion, the Borough complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal and state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of management, the Borough's governing body, and the Division and 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**

Michael S. Garcia

**Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472**

August 20, 2009

BOROUGH OF WOODBINE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2008

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified Opinion issued on the Financial Statements – Statutory Basis, presented in accordance with an “Other Comprehensive Basis of Accounting”.

Internal control over financial reporting:

- 1) Material weakness identified? YES
- 2) Significant deficiencies identified that are not considered to be a material weakness? NO

Non-compliance material to financial statements – statutory basis noted? NO

Federal Awards

Internal control over major programs:

- 1) Material Weakness identified? NO
- 2) Significant deficiencies identified that are not considered to be a Material Weakness? NO

Type of auditor's report issued on compliance for major programs: An Unqualified Opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with OMB Circular Letter A-133? NO

Identification of major programs:

- 14.228 Small Cities Community Development Block Grant – 2008 IDP Block Grant
- 14.218 Small Cities Community Development Block Grant – 2007 Public Facility – Gym/Community Center
- 20.205 Transportation Enhancement Agency – Washington Avenue Streetscape Improvements

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000

Auditee qualified as low-risk Auditee? NO

BOROUGH OF WOODBINE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

I. SUMMARY OF AUDITOR'S RESULTS - Continued

State Awards

NOT APPLICABLE

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

In accordance with *Government Auditing Standards*, our audit disclosed findings relating to the financial statements – statutory basis that are required to be reported under this section. These findings are reported in the Findings and Recommendations section as 2008-1 and 2008-2. In addition, we noted certain immaterial findings that are reported in the Management Letter.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AND STATE ASSISTANCE

None

STATUS OF PRIOR YEAR FINDINGS

Findings 2008-1 & 2008-2 is a repeat from 2007.