

BOROUGH OF WOODBINE

CAPE MAY COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

**BOROUGH OF WOODBINE
TABLE OF CONTENTS**

Exhibit	PART I	Page No.
	Independent Auditor's Report	1 - 2
	CURRENT FUND	
A	Comparative Balance Sheet - Regulatory Basis	3 - 4
A - 1	Combined Statement of Operations and Changes in Fund Balance - Regulatory Basis	5 - 6
A - 2	Statement of Revenues - Regulatory Basis	7 - 10
A - 3	Statement of Expenditures - Regulatory Basis	11 - 16
	TRUST FUND	
B	Comparative Balance Sheet - Regulatory Basis	17
	GENERAL CAPITAL FUND	
C	Comparative Balance Sheet - Regulatory Basis	18
C - 1	Statement of Fund Balance - Regulatory Basis	19
	GENERAL FIXED ASSETS ACCOUNT GROUP	
G	Comparative Statement of General Fixed Assets - Regulatory Basis	20
	NOTES TO FINANCIAL STATEMENTS	21 - 33
	SUPPLEMENTARY INFORMATION	
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	34 - 35
	Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with New Jersey OMB Circular 04-04	36 - 37
Sch 1	Schedule of Federal and State Financial Assistance	38 - 39
	Notes to Schedule of Expenditures of Federal and State Awards	40

**BOROUGH OF WOODBINE
TABLE OF CONTENTS**

Exhibit	Page No.
Schedule of Findings and Questioned Costs	
Part I - Summary of Auditor's Results	41 - 42
Part II - Schedule of Financial Statement Findings	43
Part III - Schedule of Federal Award Findings and Questioned Costs	43
 CURRENT FUND	
A - 4 Schedule of Cash - Treasurer	44
A - 5 Schedule of Petty Cash	45
A - 6 Schedule of Investments	45
A - 8 Schedule of Taxes Receivable and Analysis of Property Tax Levy	46
A - 9 Schedule of Tax Title Liens	47
A - 10 Schedule of Revenue Accounts Receivable	48
A - 11 Schedule of Appropriation Reserves	49
A - 12 Schedule of Local District School Tax	50
A - 13 Schedule of Federal and State Grants Receivable	51
A - 14 Schedule of Federal and State Grants - Appropriated	52
A - 15 Schedule of Federal and State Grants - Unappropriated	53
 TRUST FUNDS	
B - 1 Schedule of Cash - Treasurer	54
B - 2 Schedule of Cash - Collector	55
B - 3 Schedule of Reserve for Dog Fund Expenditures	56
B - 4 Schedule of Due to State of NJ Dept. of Health - Dog License Fund	57
B - 5 Schedule of Deposits for Redemptions of Tax Sale Certificates	58
B - 6 Schedule of Premiums Received at Tax Sales	58
B - 7 Schedule of Reserve for Community Development Block Grants	59
B - 8 Schedule of Reserve for Escrow Fees	59
B - 9 Schedule of Reserve for Municipal Alliance	60
B - 10 Schedule of Reserve for Recreation Commission	60
B - 11 Schedule of Reserve for Emergency Loans Receivable	61

**BOROUGH OF WOODBINE
TABLE OF CONTENTS**

Exhibit		Page No.
	GENERAL CAPITAL FUND	
C - 2	Schedule of Due from Current Fund	62
C - 3	Analysis of Cash	63
C - 4	Schedule of Deferred Charges to Future Taxation - Funded	64
C - 5	Schedule of Deferred Charges to Future Taxation - Unfunded	65
C - 6	Schedule of Capital Improvement Fund	66
C - 7	Statement of Improvement Authorizations	67
C - 8	Schedule of Bond Anticipation Notes	68
C - 9	Schedule of Green Trust Loan Payable	69
	PART II	
	General Comments	70 - 72
	Findings and Recommendations	73
	Status of Prior Recommendations	74
	Recommendations	75

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

BOROUGH OF WOODBINE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2011

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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



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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of Borough Council
Borough of Woodbine, New Jersey

We have audited the accompanying balance sheet - regulatory basis of the various funds and account groups of the Borough of Woodbine, New Jersey, as of December 31, 2011, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2011. These financial statements are the responsibility of the Borough of Woodbine's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended December 31, 2010 were audited by other auditors whose report dated April 25, 2011 expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unqualified opinion under the regulatory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Borough of Woodbine, New Jersey 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, 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. Such financial statements are not intended to be presented in accordance with accounting principles generally accepted in the United States of America.

In our opinion, because of the Borough's policy to prepare its financial statements on the basis of accounting discussed in the third paragraph of this report, 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 Borough of Woodbine as of December 31, 2011 or the results of its operations for the year then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the Borough of Woodbine, New Jersey as of December 31, 2011 and 2010 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2011 on a modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2012 on our consideration of the Borough of Woodbine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents, including the accompanying schedule of expenditures of federal and state awards are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the U.S Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Office of Management and Budget Circular 04-04 and is also not a required part of the basic financial statements. The supplemental schedules listed in the table of contents and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Kenneth W. Moore
Kenneth W. Moore, CPA
Registered Municipal Accountant
No. 231

March 9, 2012

**EXHIBIT - A
CURRENT FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>Assets</u>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 625,002	\$ 739,061
Investments	A-6	634,000	684,000
Change Fund	A-5	300	300
		<u>1,259,302</u>	<u>1,423,361</u>
Other Receivables:			
Due from State of New Jersey - Senior Citizens and Veterans		1,803	1,907
		<u>1,803</u>	<u>1,907</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	105,118	89,945
Tax Title Liens	A-9	5,565	2,423
Property Acquired / Assessed Valuation		570,400	570,400
Due from Grant Fund		315,459	39,044
Revenue Accounts Receivable	A-10	225,854	228,030
	A	<u>1,222,396</u>	<u>929,842</u>
		<u>2,483,501</u>	<u>2,355,110</u>
Federal and State Grant Fund:			
Cash	A-4	2	2
Due from Current Fund		59,505	4,009
Federal and State Grants Receivable	A-13	2,683,153	3,390,144
		<u>2,742,660</u>	<u>3,394,155</u>
		<u>\$ 5,226,161</u>	<u>\$ 5,749,265</u>

**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Appropriation Reserves	A-3	\$ 122,090	\$ 118,191
Encumbrances Payable	A-3	69,789	31,035
Prepaid Taxes	A-4	55,468	63,974
Tax Overpayments		858	3,881
Due County for Added and Omitted Taxes		317	1,764
Local School Tax Payable	A-12	271,844	271,816
Due to Federal and State Grant Fund		59,505	4,009
Due to Trust Fund	B	25,170	25,150
Due to Capital	C	266,225	130,967
Due to CDBG	B	1,500	1,500
Reserve for Pinelands Property Tax Stabilization Aid	A-4	615	615
Reserve for Land Sale Deposits		10,436	16,136
Reserve for Sale of Municipal Assets		59,438	59,438
		<u>943,255</u>	<u>728,476</u>
Reserves for Receivables	A	1,222,396	929,842
Fund Balance	A-1	317,850	696,792
		<u>2,483,501</u>	<u>2,355,110</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-14	1,482,217	2,519,537
Unappropriated Reserves	A-15	4,956	-
Due to Current Fund	A	315,459	39,044
Due to Capital Fund	C	145,508	145,508
Encumbrances Payable	A-14	794,520	690,066
		<u>2,742,660</u>	<u>3,394,155</u>
		<u>\$ 5,226,161</u>	<u>\$ 5,749,265</u>

See Accompanying Notes to Financial Statements

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS**

	Ref.	Year 2011		Year 2010
<u>Revenue and Other Income Realized:</u>				
Fund Balance Utilized	A-2	\$ 400,000	\$	437,000
Miscellaneous Revenues Anticipated	A-2	1,801,778		3,161,729
Receipts from Delinquent Taxes	A-2	62,176		45,993
Receipts from Current Taxes	A-2	2,029,515		2,041,708
Nonbudget Revenues	A-2	149,918		119,665
Other Credits to Income:				
Unexpended Balance of				
Appropriation Reserves	A-11	112,120		10,247
Interfunds Returned				49,011
		<u>4,555,507</u>		<u>5,865,353</u>
<u>Expenditures:</u>				
Budget and Emergency Appropriations:				
Appropriations Within "CAPS"				
Operations:				
Salaries and Wages	A-3	374,162		475,650
Other Expenses	A-3	900,335		893,760
Deferred Charges and				
Statutory Expenditures	A-3	75,470		70,302
Appropriations Excluded from "CAPS"				
Operations:				
Other Expenses	A-3	340,523		809,424
Capital Improvements	A-3	804,176		1,703,402
Debt Service	A-3	62,896		52,556
Transferred to Board of Education	A-3	6,824		6,881
County Taxes	A-8	401,432		387,048
Due County for Added and Omitted Taxes	A-8	317		1,764
Local District School Tax	A-12	1,277,692		1,277,635
Return of Prior Year Revenue		1,155		175
Interfund Created		289,467		-
		<u>\$ 4,534,449</u>	\$	<u>5,678,597</u>

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS**

	<u>Ref.</u>	<u>Year 2011</u>	<u>Year 2010</u>
Excess (Deficit) in Revenues		\$ 21,058	\$ 186,756
Adjustments to Income Before Fund Balance - Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year		-	-
Statutory Excess of Fund Balance		21,058	186,756
Fund Balance January 1	A	<u>696,792</u>	<u>947,036</u>
Total		717,850	1,133,792
Decreased by:			
Utilization as Anticipated Revenue	A-2	<u>400,000</u>	<u>437,000</u>
Fund Balance December 31	A	<u>\$ 317,850</u>	<u>\$ 696,792</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS**

	Ref.	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 400,000	\$ -	\$ 400,000	-
		400,000	-	400,000	-
<u>Miscellaneous Revenues:</u>					
Licenses:					
Alcoholic Beverages	A-10	9,000		9,983	983
Municipal Court	A-10			695	695
Interest and Costs on Taxes	A-10	12,000		16,294	4,294
Host Communities Benefits	A-10	400,000		420,409	20,409
Reserve for State Police Lease	A-10	160,000		177,550	17,550
Consolidated Municipal Property Tax Relief	A-10	89,325		89,325	-
Woodbine MUA contribution	A-10	75,000		75,000	-
Energy Receipts Tax	A-10	200,212		200,212	-
Additional Revenues Offset With Appropriations:					
NJ Transportation Trust Fund Authority Act	A-13	205,000		205,000	-
Clean Communities Program	A-13		6,260	6,260	-
Municipal Alliance on Alcoholism and Drug Abuse	A-13	7,500		7,500	-
Small Cities Public Facilities		380,000		380,000	-
Recycling Tonnage Grant			6,050	6,050	-
South Jersey Industries, Inc. - Game on Grant			500	500	-
NJ Dept. of Environmental Protection			7,000	7,000	-
NJ DOT Airport Entrance			200,000	200,000	-
Total Miscellaneous	A-2	1,538,037	219,810	1,801,778	43,931

See Accompanying Notes to Financial Statements

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)**

	Ref.	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Receipts from Delinquent Taxes	A-2	50,000		62,176	12,176
Subtotal General Revenues		1,988,037	219,810	2,263,954	56,107
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	A-2	433,019		426,551	(6,468)
Budget Totals	A-1:A-2	2,421,056	219,810	2,690,505	49,639
Nonbudget Revenues				149,918	149,918
		\$ 2,421,056	\$ 219,810	\$ 2,840,423	\$ 199,557
Ref.		A-3	A-3		

See Accompanying Notes to Financial Statements

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)**

<u>Analysis of Realized Revenue:</u>	<u>Ref.</u>		
<u>Allocation of Current Tax Collections:</u>			
Revenue from Collections	A-1:A-8	\$	2,029,515
Allocated to:			
School and County Taxes			<u>1,679,440</u>
Balance for Support of Municipal Budget Revenues			350,075
Add:			
Appropriation: "Reserve for Uncollected Taxes"	A-3		<u>76,476</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>426,551</u></u>
 <u>Receipts from Delinquent Taxes:</u>			
Delinquent Tax Collections	A-8		59,478
Tax Title Lien Collections	A-9		<u>2,698</u>
	A-2	\$	<u><u>62,176</u></u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)**

<u>Analysis of Realized Revenue: (Continued)</u>	<u>Ref.</u>		
<u>Miscellaneous Revenue Not Anticipated:</u>			
Other Licenses		\$	2,675
Interest on Investments			462
In Lieu of Taxes			11,596
MUA Reimbursements			9,383
Health Reimbursements			3,685
Tax Searches			20
Zoning Fees			2,985
Municipal Court			13,694
Copies			370
Canceled Grants			16,383
Rental Registration Fees			13,960
Leases			1,300
911 Agreement			7,389
Comcast Cable			6,761
JIF Reimbursements			13,507
FEMA Reimbursement			12,410
Miscellaneous			<u>33,338</u>
	A-2:A-10	\$	<u>149,918</u>

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Administrative and Executive						
Salaries and Wages	\$ 73,000	\$ 73,000	\$ 69,556	\$	\$ 3,444	\$
Other Expenses	31,800	31,800	29,150	2,650	-	
Other Professional Services						
Miscellaneous Other Expenses						
Mayor and Council						
Salaries and Wages	101,000	101,000	96,000		5,000	
Other Expenses	6,000	6,000	5,172		828	
Municipal Clerk						
Salaries and Wages	28,000	28,000	24,519		3,481	
Other Expenses	18,000	18,000	15,535	178	2,287	
Financial Administration						
Salaries and Wages	58,000	52,512	48,500		4,012	
Other Expenses	22,000	19,500	11,723	2,035	5,742	
Audit Services						
Other Expenses	27,250	27,250	27,250			
Assessment of Taxes						
Salaries and Wages	18,100	18,100	17,200		900	
Other Expenses	7,000	7,000	4,291		2,709	
Collection of Taxes						
Salaries and Wages	36,000	30,850	27,500		3,350	
Other Expenses	3,000	3,000	2,475	55	470	
Liquidation of Tax Title Liens / Foreclosed Property						
Other Expenses	100	100			100	
Legal Services and Costs						
Other Expenses	60,000	55,000	43,979		11,021	
Municipal Court						
Salaries and Wages	1,600	1,600	1,557		43	
Other Expenses	5,500	5,700	5,664		36	
Engineering Services and Costs						
Other Expenses	21,500	31,500	14,073	9,495	7,932	
Public Buildings and Grounds						
Other Expenses	33,000	43,000	32,605	5,859	4,536	

See Accompanying Notes to Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
OPERATIONS WITHIN "CAPS"							
GENERAL GOVERNMENT:							
Municipal Land Use Law (N.J.S. 40:55D-1)							
Planning and Zoning Board							
Salaries and Wages	\$ 10,000	\$ 10,000	\$ 9,500	\$	\$ 500	\$	
Other Expenses							
Legal	8,800	8,800	5,321		3,479		
Miscellaneous Other Expenses	11,500	6,500	1,680	60	4,760		
Insurance							
Unemployment Compensation	2,500	2,500	1,505		995		
Other Insurance Premiums	11,950	11,950	6,099		5,851		
Workers Compensation	31,250	31,250	31,250				
Employee Group Health	142,000	142,000	139,172		2,828		
Small Business Development							
Other Expenses	100	100			100		
PUBLIC SAFETY:							
Volunteer Fire Company - Contribution	33,000	33,000	33,000				
Interlocal Agreement with First Aid Organization	50,000	50,000	50,000				
Sub-Code Officials							
Code Enforcement							
Salaries and Wages	7,500	5,000	2,333		2,667		
Other Expenses	250	250			250		
Zoning and Housing Inspector							
Salaries and Wages	8,000	8,000	7,300		700		
Other Expenses	250	250			250		
Emergency Management Services							
Salaries and Wages	4,400	4,400	4,400				
Other Expenses	1,800	1,800	1,263	350	187		
School Crossing Guard							
Salaries and Wages	14,000	11,500	11,452		48		
Other Expenses	800	800	154		646		
STREETS AND ROADS:							
Road Repairs and Maintenance							
Salaries and Wages	34,000	26,500	19,278		7,222		
Other Expenses	26,600	26,600	15,245	4,124	7,231		
Solid Waste (P.L. 1987, Ch. 74)							
Recycling							
Other Expenses	500	500			500		

See Accompanying Notes to Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES				OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED			
OPERATIONS WITHIN "CAPS":								
STREETS & ROADS:								
Garbage and Trash Removal								
Other Expenses:								
Contractual	\$ 75,400	\$ 75,400	\$ 75,400	\$	\$ 3,101	\$	\$	
Tipping Fees	66,000	66,000	58,926	3,973				
HEALTH AND WELFARE:								
Board of Health	250	250			250			
Other Expenses								
Dog Regulation								
Other Expenses								
Contractual	10,800	10,800	10,800					
County Shelter	11,735	11,735	11,735					
Miscellaneous Other Expenses	1,200	1,200	600		600			
RECREATION AND EDUCATION:								
Parks and Playgrounds								
Salaries and Wages	3,700	3,700	3,700					
Other Expenses	20,000	20,100	20,029		71			
Public Relations								
Other Expenses	1,500	1,500	225	50	1,225			
UNCLASSIFIED:								
Utilities								
Telephones / Communications	11,500	13,000	11,246	404	1,350			
Electric	68,000	68,000	66,520		1,480			
Street Lighting	25,200	25,200	21,672	2,193	1,335			
Water	2,000	2,000	999		1,001			
Heating & Fuel	34,000	36,500	30,916	3,313	2,271			
Postage	4,500	4,500	1,500		3,000			
Total Operations Within "CAPS"	1,285,835	1,274,497	1,129,969	34,739	109,789	-	-	
Contingent								
Total Operations Incl. Contingent Within "CAPS"	1,285,835	1,274,497	1,129,969	34,739	109,789	-	-	
Detail:								
Salaries and Wages	397,300	374,162	342,795	-	31,367	-	-	
Other Expenses	888,535	900,335	787,174	34,739	78,422	-	-	

See Accompanying Notes to Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 40,470	\$ 40,470	\$ 40,470	\$ -	\$ 8,771	\$ -
Social Security System (O.A.S.I.)	35,000	35,000	26,229	-	-	-
	<u>75,470</u>	<u>75,470</u>	<u>66,699</u>	<u>-</u>	<u>8,771</u>	<u>-</u>
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
	1,361,305	1,349,967	1,196,668	34,739	118,560	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"						
OPERATIONS EXCLUDED FROM "CAPS":						
Municipal Stormwater						
Street Division OE	1,500	1,838	1,838	-	-	-
Dispatcher						
Other Expenses	49,500	49,500	49,259	-	241	-
Municipal Court Services						
Other Expenses	60,000	60,000	60,000	-	-	-
Public and Private Programs Off-Set by Revenues:						
Municipal Alliance on Drug and Alcohol Abuse						
State Share	7,500	7,500	7,500	-	-	-
Borough Share	1,875	1,875	1,875	-	-	-
South Jersey Game on Grant	500	500	500	-	-	-
Clean Communities	6,260	6,260	6,260	-	-	-
Recycling Tonnage	6,050	6,050	6,050	-	-	-
NJDOT Airport Entrance	200,000	200,000	200,000	-	-	-
Community Forestry Grant	7,000	7,000	7,000	-	-	-
	<u>340,185</u>	<u>340,523</u>	<u>340,282</u>	<u>-</u>	<u>241</u>	<u>-</u>
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"						
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	340,185	340,523	340,282	-	241	-

See Accompanying Notes to Financial Statements

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>						
Capital Improvement Fund	\$ 150,000	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -
Various Improvements and Infrastructure	53,176	64,176	28,837	32,150	3,189	
Public Facilities Upgrade	5,000	5,000	2,000	2,900	100	
State and Federal Programs Offset by Revenues:						
New Jersey Transportation Trust Fund	205,000	205,000	205,000			
Small Cities Block Grant - Public Facilities	380,000	380,000	380,000			
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	<u>793,176</u>	<u>804,176</u>	<u>765,837</u>	<u>35,050</u>	<u>3,289</u>	<u>-</u>
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":</u>						
Payment of Bond Anticipation and Capital Notes	50,000	50,000	50,000			
Green Trust Loan Program	12,900	12,900	12,896			4
Loan Repayments for Principal and Interest						
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	<u>62,900</u>	<u>62,900</u>	<u>62,896</u>	<u>-</u>	<u>-</u>	<u>4</u>

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)**

	APPROPRIATIONS		EXPENDITURES			OVER EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
Transferred to Board of Education for Use of Local Schools (NJSA 40:48-17.1 17.3)	\$ 6,824	\$ 6,824	\$ 6,824	\$	\$	\$	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	1,203,085	1,214,423	1,175,839	35,050	3,530	-	4
SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	2,564,390	2,564,390	2,372,507	69,789	122,090	-	4
	76,476	76,476	76,476				
TOTAL GENERAL APPROPRIATIONS	\$ 2,640,866	\$ 2,640,866	\$ 2,448,983	\$ 69,789	\$ 122,090	\$ -	\$ 4

A

Budget
N.J.S.A. 40A:4-87

Ref.	
A-2	\$ 2,421,056
A-2	219,810
	<u>\$ 2,640,866</u>

	Ref.	PAID OR CHARGED
Federal and State Grants	A-14	\$ 814,185
Capital Improvement Fund		150,000
BANS		50,000
Reserve for Uncollected Taxes	A-2	76,476
Disbursed	A-4	<u>1,358,322</u>
		<u>\$ 2,448,983</u>

EXHIBIT - B
TRUST FUNDS

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

<u>Assets</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
Dog License Fund:			
Cash	B-1	\$ <u>470</u>	\$ <u>258</u>
		<u>470</u>	<u>258</u>
Other Funds:			
Cash - Treasurer	B-1	24,897	56,693
Cash - Collector	B-2	8,200	13,382
Small Cities Loans Receivable		351,452	351,452
Emergency Loans Receivable		51,885	51,885
Interfunds			
Due to Current Fund:			
Developer's Escrow		25,170	25,152
Community Development Block Grants		1,500	1,500
		<u>463,104</u>	<u>500,064</u>
		\$ <u><u>463,574</u></u>	\$ <u><u>500,322</u></u>
<u>Liabilities, Reserves, and Fund Balance</u>			
Dog License Fund:			
Reserve for Dog Licenses	B-3	\$ <u>470</u>	\$ <u>258</u>
		<u>470</u>	<u>258</u>
Other Funds:			
Reserves for:			
Developer's Escrow	B-8	42,895	46,898
Community Development Block Grants	B-7	5,756	21,048
Small Cities Loans Receivable		351,452	351,452
Emergency Loans Receivable	B-11	51,885	51,885
TTL Redemption	B-5	320	2
TTL Redemption Premiums	B-6	7,880	13,380
Municipal Alliance	B-9	2,916	2,914
Recreation Commission	B-10	-	12,485
		<u>463,104</u>	<u>500,064</u>
Total		\$ <u><u>463,574</u></u>	\$ <u><u>500,322</u></u>

See Accompanying Notes to Financial Statements

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EXHIBIT - C
GENERAL CAPITAL FUND

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>Assets</u>			
Due from Grant Fund	C-2	\$ 145,508	\$ 145,508
Due from Current Fund	C-2	266,225	130,967
Deferred Charges to Future Taxation:			
Funded	C-4	66,848	78,235
Unfunded	C-5	634,000	684,000
		<u>\$ 1,112,581</u>	<u>\$ 1,038,710</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Encumbrance Payable	C-7	\$ 35,509	\$ 52,687
Green Trust Loan Payable	C-9	66,848	78,235
Bond Anticipation Notes	C-8	634,000	684,000
Capital Improvement Fund	C-6	208,320	58,320
Improvement Authorizations:			
Funded	C-7	48,116	45,680
Unfunded	C-7	73,529	73,529
Fund Balance	C-1	46,259	46,259
		<u>\$ 1,112,581</u>	<u>\$ 1,038,710</u>

There were No Bonds and Notes Authorized But Not Issued at December 31, 2011 and 2010.

**GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>		
Balance December 31, 2010	C	\$	46,259
No activity in 2011			
Balance December 31, 2011	C	\$	<u>46,259</u>

See Accompanying Notes to Financial Statements

EXHIBIT - G
GENERAL FIXED ASSETS

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
REGULATORY BASIS**

	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
General Fixed Assets:		
Land and Buildings	\$ 9,262,543	\$ 9,248,181
Machinery and Equipment	<u>1,330,954</u>	<u>1,330,954</u>
Total General Fixed Assets	<u>10,593,497</u>	<u>10,579,135</u>
Investment in General Fixed Assets	\$ <u>10,593,497</u>	\$ <u>10,579,135</u>

See Accompanying Notes to Financial Statements

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Woodbine include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Woodbine, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. 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.

B. Description of Funds

The accounting policies of the Borough of Woodbine conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the Borough of Woodbine accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds -- receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

Revenues -- are recorded as received in cash except for certain amounts that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Borough budget. 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. Other amounts that are due to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year 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 year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets -- The Borough has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from accounting principles generally accepted in the United States of America.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition.

No depreciation has been provided for in the financial statements.

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

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

The following schedule is a summarization of the changes in general fixed assets for the calendar year ended December 31, 2011.

	Balance as of 12/31/2010	Additions	Deletions	Balance as of 12/31/2011
Land, Buildings and Improvements	\$ 9,248,181	\$ 14,362		\$ 9,262,543
Machinery and Equipment	1,330,954			1,330,954
Total General Fixed Assets	<u>\$ 10,579,135</u>	<u>\$ 14,362</u>	<u>\$ -</u>	<u>\$ 10,593,497</u>

The Borough provided funding to the School District in completing a new gymnasium and community center during the current and prior years, and has been noted above as construction in progress. The project was completed during the current year, and the building addition will be reflected as an asset of the School District.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Capitalization of Interest -- It is the policy of the Borough of Woodbine to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Borough's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues – regulatory basis and the statement of expenditures – regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2011 and 2010 statutory budgets included a reserve for uncollected taxes in the amount of \$76,476 and \$53,403, respectively. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2011 and 2010 statutory budgets was \$400,000 and \$437,000, respectively.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Borough Committee. The following significant budget transfers were approved in the 2011 calendar year.

Budget Category	Amount
Collection of Taxes S&W	\$ (5,150)
Legal Expenses OE	(5,000)
Engineering OE	10,000
Public Buildings & Grounds OE	10,000
Planning and Zoning OE	(5,000)
Road Repairs & Maintenance S&W	(7,500)
Various Improvements & Infrastructure	\$ 11,000

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. The following budget insertions were approved during the 2011 calendar year:

Budget Category	Amount
Recycling Tonnage	\$ 6,050
Game On Grant	500
Community Forrestry Grant	7,000
Clean Communities Program	6,260
NJ DOT Airport Entrance	\$ 200,000

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. There were no emergency appropriations authorized by Borough Council during the 2011 or 2010 calendar years

Note 3: INVESTMENTS

As of December 31, 2011, the municipality had investments totaling \$634,000 in Bond Anticipation Notes of the Capital Fund with 0% interest rates and maturity date of April 21, 2012.

Interest Rate Risk. The municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The municipality places no limit on the amount the Borough may invest in any one issuer.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Note 4: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The municipality’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in Qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2011 and 2010, \$0 of the municipality’s bank balance of \$740,471 and \$965,230, respectively, was exposed to custodial credit risk.

Cash and cash equivalents included various checking and money market accounts, U.S. obligations and certificates of deposit with maturities of three months or less.

Note 5: LONG TERM DEBT

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

	<u>Balance</u> <u>Beginning</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u> <u>Balance</u>	<u>Due in</u> <u>One Year</u>
General	\$ 762,235	\$	\$ 61,387	\$ 700,848	\$ 61,616
Compensated Absences	22,146	12,842	22,387	12,601	
Total	<u>\$ 784,381</u>	<u>\$ 12,842</u>	<u>\$ 83,774</u>	<u>\$ 713,449</u>	<u>\$ 61,616</u>

Outstanding debt whose principal and interest are paid from the Current Fund Budget of the Borough:

\$142,000 Green Trust Loan dated June 1, 2004 for Lincoln Park Improvements in the Borough. This is a direct reduction loan payable semiannually with a balance due on December 31, 2011 of \$66,848. The loan is payable semiannually on January 27 and July 27. Interest is calculated at 2%. The final payment is due January 27, 2017.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

Year Ending December 31,	Principal	Interest	Total
2012	\$ 11,616	\$ 1,279	\$ 12,895
2013	11,850	1,045	12,895
2014	12,088	808	12,896
2015	12,331	564	12,895
2016	12,579	317	12,896
2017	6,384	64	6,448
Total	\$ 66,848	\$ 4,077	\$ 70,925

Summary of Municipal Debt

	Year 2011	Year 2010	Year 2009
Bond Anticipation Notes	\$ 634,000	\$ 684,000	\$ 723,660
Green Trust Loan Payable	66,848	78,235	89,399
Bonds & Notes Authorized but Not Issued	-	-	-
Net Bonds & Notes Issued and Authorized but Not Issued	\$ 700,848	\$ 762,235	\$ 813,059

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 .39%

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 3,682,000	\$ (3,682,000)	\$ -
General Debt	700,848		700,848
	\$ 4,382,848	\$ (3,682,000)	\$ 700,848

Net Debt \$700,849 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$178,654,621 = .39%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 6,252,912
Net Debt	700,848
Remaining Borrowing Power	\$ 5,552,064

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Note 6: NOTES PAYABLE

The Borough had \$684,000 in outstanding bond anticipation notes as of January 1, 2011 payable to the Borough of Woodbine at a rate of 0.00% interest. During the current year, \$50,000 was paid on these notes. The notes payable to the Borough matured on April 21, 2011 and August 31, 2011 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. The balance of the bond anticipation notes as of December 31, 2011 was \$634,000.

Note 7: FUND BALANCES APPROPRIATED

Current Fund balance at December 31, 2011 which is anticipated to be appropriated and included as anticipated revenue for the year ending December 31, 2011 was \$400,000. The 2012 budget has not been adopted as of the date of the audit.

Note 8: SCHOOL TAXES

Local District School Taxes have been raised and a liability deferred by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	Local District School Tax	
	Balance 12/31/2011	Balance 12/31/2010
Balance of Tax	\$ 638,844	\$ 638,816
Deferred	367,000	367,000
Taxes Payable	\$ 271,844	\$ 271,816

Note 9: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance 12/31/11	Balance 12/31/10
Prepaid Taxes	\$ 55,468	\$63,974
Cash Liability for Taxes Collected in Advance	\$ 55,468	\$63,974

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Note 10: PENSION FUNDS

Substantially all of the Borough's employees participate in the Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the Stat of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton New Jersey, 08625 or the report can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Public Employees' Retirement System

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5.5% through September 30, 2011 and 6.5% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The current PERS rate is 5.7% of covered payroll. The Borough's contributions to PERS for the years ended December 31, 2011, 2010 and 2009 were \$40,470, \$31,302 and \$30,980 respectively, equal to the required contributions for each year.

Note 11: POST-RETIREMENT BENEFITS

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1992, the Borough of Woodbine authorized participation in the State Health Benefit Program through resolution 35-3-92. The Borough authorized participation in the Local Prescription Drug Program in 2007, through resolution 4-46-2007. The Borough does not offer post-retirement benefits to retirees.

Note 12: POSTEMPLOYMENT BENEFITS

In accordance with State statute, employees participating in the Public Employees' Retirement System (PERS) who retire after accumulating 25 years of credited service are eligible to receive post-retirement health care benefits. The cost of these benefits is actuarially determined and advance funded through contributions by the State. As of December 31, 2011 and 2010 there were two and two employees, respectively, who met the eligibility requirements for post-retirement healthcare benefits. During 2011, \$132,939 was paid by the Borough for health care, of which \$6,231 was paid for retirees. The amount paid during 2010 was \$138,223, of which \$8,893 was paid for retirees. The funded status and funding progress of post-retirement benefits is combined with the funded status and funding progress of pension benefits described in Note 11.

Note 13: ACCRUED SICK AND VACATION BENEFITS

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 \$12,601 and \$22,146 as of December 31, 2011 and 2010, 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, 2011.

Note 14: ECONOMIC DEPENDENCY

The Borough of Woodbine is not economically dependent on any one business or industry within the Borough.

Note 15: SANITARY LANDFILL

The Borough of Woodbine entered into a lease agreement with Foundations and Structures, Inc. for the operation of a sanitary landfill which expired in 1984. The Appellate Division of the Superior Court reserved the action of the Department of Environmental Protection's denial for granting an extension and remanded the matter to the DEP for further proceedings. To date, those proceedings have not been completed, although the landfill has remained closed and inoperative since the end of 1984.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

By Statute, the Borough and operator are each, jointly and severally responsible for the closure costs of the landfill. That closure, utilizing conventional capping techniques has been estimated as costing between six to nine million dollars, but the actual cost is uncertain. The Borough is seeking to accomplish the closure without any cost to itself, but at this time, it is not known whether those efforts will be successful.

Note 16: LITIGATION

During the normal course of operations, lawsuits are occasionally brought against the governmental unit. As of this date the outcome of these lawsuits is not presently determinable and the Borough's counsel has not given any indication that settlements would have a material adverse effect on the Borough.

Note 17: DEFERRED COMPENSATION

Employees of the Borough of Woodbine may participate in a deferred compensation plan adopted under the provision of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Borough. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts are held in trust for the exclusive benefit of participants and their beneficiaries and is not a part of the financial statements of the Borough of Woodbine.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Note 18: INTERFUND BALANCES

As of December 31, 2011, the following interfunds were included on the balance sheets of the various funds of the Borough of Woodbine:

	From	To
Current Fund:		
Trust Fund		25,170
Grant Fund	315,459	
CDBG		1,500
Small Cities		59,505
General Capital		266,225
Grant Fund:		
Current Fund		315,459
Capital	145,507	
Small Cities	59,505	
Trust Fund:		
Current Fund - Other Trusts	26,670	
General Capital:		
Current Fund	266,225	
Grant Fund		145,507
	813,366	813,366

The amount due to the Current Fund from the Grant Fund is due to the fact that the Borough does not receive all grant funds prior to expenditures being made, therefore all disbursements must be done through the current fund. The amount due to the Grant Fund from the General Capital Fund was the result of expenditures prior to the grant revenues being received.

Note 19: 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.

The Borough of Woodbine is a member of the Atlantic County Municipal Joint Insurance Fund and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The Borough is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Borough has a liability limit of \$10,000,000 under MEL. There has not been a reduction in coverage and there have not been any claims in excess of coverage.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

New Jersey Unemployment Compensation Insurance – The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”.

Note 20: 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 was \$2.58 per ton of waste. This rate is scheduled to increase 2% per year.

Note 21: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through March 9, 2012, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

SUPPLEMENTARY INFORMATION

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

The Honorable Mayor and
Members of Borough Council
Borough of Woodbine, New Jersey

We have audited the financial statements - regulatory basis of the Borough of Woodbine, New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated March 9, 2012. Our report disclosed that, as described in Note 1 to the financial statements – regulatory basis, the Borough of Woodbine, New Jersey 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, 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”)

Internal Control Over Financial Reporting

Management of the Borough of Woodbine is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Woodbine, New Jersey'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 - regulatory basis but not for the purpose of expressing an opinion on the effectiveness of the Borough of Woodbine's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Woodbine's internal control over financial reporting.

A deficiency in internal controls 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 *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Woodbine, New Jersey'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 audit did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the requirements of the Division of Local Government Services.

We noted certain matters that we reported to management of the Borough of Woodbine, New Jersey in a separate letter dated March 9, 2012.

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 Finance Committee, the Borough Mayor and Council, and the State of New Jersey, Division of Local Government Services 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

Kenneth W. Moore
Kenneth W. Moore, CPA
Registered Municipal Accountant
No. 231

March 9, 2012

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

The Honorable Mayor and
Members of Borough Council
Borough of Woodbine, New Jersey

Compliance

We have audited the compliance of the Borough of Woodbine, State of New Jersey, 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 State Grants Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended December 31, 2011. The Borough of Woodbine's major federal and state programs are identified in the *Summary of Auditor's Results Section* of the accompanying schedule of findings and questioned costs. 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 of Woodbine's management. Our responsibility is to express an opinion on the Borough of Woodbine'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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB 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*. Those standards and Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Woodbine'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 of Woodbine's compliance with those requirements.

In our opinion, the Borough of Woodbine, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended December 31, 2011.

Internal Control Over Compliance

The management of the Borough of Woodbine is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Woodbine's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 of the audit committee, management, Borough Council and other state and federal awarding agencies 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

Kenneth W. Moore
Kenneth W. Moore, CPA
Registered Municipal Accountant
No. 231

March 9, 2012

SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/10	Receipts or Revenue Recognized	Disbursements/Expenditures	Prior Year Encumbrances	Cancelled	Balance 12/31/11	Cumulative Expenditures
STATE OF NEW JERSEY										
Municipal Alliance Program		01/01/11 12/31/11	\$ 7,500	\$ 7,500	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500	\$ -
Municipal Alliance Program		01/01/10 12/31/10	7,500	7,500	5,494	2,006			2,006	5,494
Municipal Alliance Program		01/01/09 12/31/09	7,500	3,926			3,926			7,500
Municipal Alliance Program		01/01/08 12/31/08	9,333	8,379			53			9,333
Municipal Alliance Program		01/01/07 12/31/07	13,572	4,831			214			13,572
Department of Community Affairs										
Neighbor Stabilization Program		01/01/09 12/31/09	689,657	408,137	488,847	150,634			69,924	619,733
Public Works Garage		01/01/08 12/31/08	109,000	40,050			40,050			109,000
Department of Environmental Protection										
Clean Communities	4900-765-042-4900-004	01/01/11 12/31/11	6,260	6,260					6,260	
Clean Communities	4900-765-042-4900-004	01/01/10 12/31/10	6,573	6,573	845				5,728	845
Clean Communities	4900-765-042-4900-004	01/01/09 12/31/09	6,312	2,677	2,677					6,312
Hazardous Site Remediation	n/a	01/01/00 12/31/00	79,670	1,500	1,500					79,670
EDA Hazardous Discharge	n/a	01/01/09 12/31/09	35,848	-						35,848
EDA Hazardous Discharge	n/a	01/01/10 12/31/10	428,178	-						428,178
Green Communities	4870-100-042-6120	01/01/09 12/31/09	3,000	-						3,000
Recycling Tonnage	4900-752-042-4900-001	01/01/10 12/31/10	6,050	-	6,050					6,050
Recycling Tonnage	4900-752-042-4900-001	01/01/09 12/31/09	9,237	9,237	9,237					9,237
Recycling Tonnage	4900-752-042-4900-001	01/01/08 12/31/08	4,647	4,647	4,647					4,647
Recycling Tonnage	4900-752-042-4900-001	01/01/07 12/31/07	1,515	1,515					1,515	
Recycling Tonnage	4900-752-042-4900-001	01/01/06 12/31/06	3,548	3,548	3,187				361	3,187
Recycling Tonnage	4900-752-042-4900-001	01/01/05 12/31/05	856	856	856					856
Recycling Tonnage	4900-752-042-4900-001	01/01/04 12/31/04	4,732	4,732	4,732					4,732
Recycling Tonnage	4900-752-042-4900-001	01/01/01 12/31/01	3,183	104	104					3,183
Department of Transportation										
DOT Route 550	08-480-078-6300-DM1-7310	01/01/09 12/31/09	200,000	16,755	2,236	2,236	2,236		16,755	183,245
DOT Bike Safety - Routes to School		01/01/09 12/31/09	275,000	246,829	258,350	16,505	16,505		4,984	270,016
DOT Bike Safety Path Phase 4b		01/01/09 12/31/09	250,000	-	70,510	73,415	73,415		2,905	247,095
DOT Bike Safety Path - Webster		01/01/10 12/31/10	325,000	37,844	61,502	25,750	25,750		2,082	322,908
DOT 2001 Fremont Avenue		01/01/11 12/31/11	205,000	-	205,000				1,477	203,523
New Jersey Transportation Trust Fund Authority Act - Scott		01/01/10 12/31/10	174,000	705	12,260	11,555				174,000
New Jersey Transportation Trust Fund Authority Act - Franklin		01/01/09 12/31/09	46,000	561					561	45,439
Airport Entrance Road - 2011	08-480-078-6300-DM1-7310	06/01/11 05/31/12	200,000	-	200,000				12,659	187,341
Airport Entrance Road - 2008	08-480-078-6300-DM1-7310	06/01/08 05/31/10	225,000	-	187,341					225,000
Airport Economic Study	08-480-078-6300-DM1-7310	06/01/08 05/31/10	200,000	200,000	200,000					200,000
State of New Jersey State Police										
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/10 12/31/10	1,106	1,106					1,106	
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/09 12/31/09	186	186						186
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/08 12/31/08	696	696						696
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/07 12/31/07	114	114						114
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/06 12/31/06	648	322					322	326
Total State Assistance			\$ 1,013,330	\$ 424,810	\$ 1,523,898	\$ 280,362	\$ 57,453	\$ 137,151		

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

SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/10	Receipts or Revenue Recognized	Disbursements/Expenditures	Prior Year Encumbrances	Cancellation	Balance 12/31/11	Cumulative Expenditures
FEDERAL:										
Federal Emergency Management Agency										
State and Local All Hazards Emergency Operation Planning	N/A	01/01/03 12/31/03	2,406 \$	2,406 \$	-	-	-	-	2,406 \$	-
Total Federal Emergency Management Agency				2,406	-	-	-	-	2,406	-
Environmental Protection										
Municipal Stormwater Regulation Program CY03	66.XXX	01/01/06 12/31/06	5,000	1,000	-	-	-	-	1,000	4,000
Total Environmental Protection				1,000	-	-	-	-	1,000	-
Department of Agriculture										
2008 USDA Rural Business Enterprise Grant	10.769	01/01/10 12/31/10	98,000	98,000	-	32,144	-	-	65,856	32,144
Total Department of Agriculture				98,000	-	32,144	-	-	65,856	-
Transportation Enhancement Agency										
Washington Avenue Streetscape		01/01/09 12/31/09	450,000	450,000	-	71,087	-	-	450,000	-
Streetscape Phase V		01/01/10 12/31/10	500,000	480,871	-	20,246	16,031	-	409,784	90,216
Washington Avenue Streetscape Improvements	STP - 0117 (104)	01/01/02 12/31/02	500,000	4,219	-	-	-	-	4	499,986
Total Transportation Enhancement Agency				935,090	-	91,333	16,031	-	859,788	-
Housing and Urban Development										
Small Cities Community Development Block Grant										
2010 Public Facility - Improvement to School	14.218	01/01/10 12/31/10	489,402	-	111,012	111,012	-	-	-	489,402
2011 Public Facility	14.218	01/01/11 12/31/11	380,000	-	380,000	380,000	-	-	344,910	35,090
2010 Housing Rehabilitation	14.218	01/01/09 12/31/09	200,000	195,800	-	137,360	-	-	58,440	141,560
2009 Well Repair and Recreation Facilities	14.218	01/01/09 12/31/09	500,000	-	12,325	19,095	-	-	6,770	493,230
2008 IDP Grant	14.218	01/01/08 06/30/09	433,500	249,500	251,665	2,165	-	-	-	433,500
2007 Public Facility - Gym/Community Center	14.218	01/01/07 12/31/07	400,000	12,801	-	287	-	-	-	400,000
2007 Public Facility Housing Rehabilitation	14.218	01/01/07 12/31/07	200,000	5,162	-	-	-	-	-	200,000
Total Housing and Urban Development				463,263	380,000	547,452	132,559	18,250	410,120	-
Total Federal Assistance				\$ 1,499,759	\$ 380,000	\$ 670,929	\$ 148,590	\$ 18,250	\$ 1,339,170	

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

**NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Note 1: BASIS OF PRESENTATION

The accompanying schedule of federal and state awards includes the federal and state grant activity of the Borough of Woodbine, State of New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Encumbrances are considered in determining the single audit threshold on major programs.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements. Receipts from federal and state grants are realized as revenue when anticipated in the Borough's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the Borough's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services as follows:

	Federal	State
Expenditures per Schedule of Federal and State Awards	\$ 670,929	\$ 1,523,898
Add :		
County / Local Funding	277,047	
	\$ 947,976	\$ 1,523,898

**BOROUGH OF WOODBINE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011**

Part I -- Summary of Auditor's Results

Financial Statement Section

- A) Type of auditor's report issued: Unqualified
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? _____ yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X no
- C) Noncompliance material to general-purpose financial statements noted? _____ yes X no

Federal Awards Section

- D) Dollar threshold used to determine Type A programs: \$300,000
- E) Auditee qualified as low-risk auditee? X yes _____ no _____ n/a
- F) Type of auditor's report on compliance for major programs Unqualified
- G) Internal Control over compliance:
- 1) Material weakness(es) identified? _____ yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X no
- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? _____ yes X no
- I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Small Cities Community Development Block Grant

**BOROUGH OF WOODBINE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011**

Part I -- Summary of Auditor's Results

State Awards Section

- J) Dollar threshold used to determine Type A programs: \$300,000
- K) Auditee qualified as low-risk auditee? X yes no n/a
- L) Type of auditor's report on compliance for major programs Unqualified
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? yes X no
- 2) Were reportable condition(s) identified that were not considered to be material weaknesses? yes X no
- N) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? yes X no

O) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
100-022-8020-XX-XXXXXX	Neighborhood Stabilization Program

Part 2 - Schedule of Financial Statement Findings

NONE

Part 3 - Schedule of Federal Award Findings and Questioned Costs

NONE

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Ref.	Treasurer	Federal and State Grant
Balance December 31, 2010	A	\$ 739,601	\$ 2
Increased by Receipts:			
Taxes Receivable	A-8	\$ 2,003,762	
Tax Title Liens	A-9	2,698	
Tax Overpayments		858	
Prepaid Taxes		55,468	
Due from State - Sr. Citizens and Veterans		19,431	
Miscellaneous Revenue Anticipated	A-2:A-10	989,468	
Miscellaneous Revenue Not Anticipated	A-2:A-10	127,486	
Federal and State Grants Receivable	A-13	1,463,864	
Due from Trust	B	25,073	
Due from CDBG		15,290	
		4,703,398	-
		5,442,999	2
Decreased by Disbursements:			
2011 Appropriations	A-3	1,358,322	
2010 Appropriation Reserves	A-11	37,104	
County Taxes Payable		401,432	
Due County for Added and Omitted Taxes		1,764	
Local District School Tax	A-12	1,277,664	
Federal and State Grant Expenditures	A-14	1,677,354	
Reserve for Land Sale Deposits		5,700	
Tax Overpayments		3,572	
Due to Capital		14,742	
Due to CDBG		15,290	
Due to Trust		25,053	
		\$ 4,817,997	-
Balance December 31, 2011	A	\$ 625,002	2

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF PETTY CASH**

Balance December 31, 2010	<u>Ref.</u> A	\$ 300
No activity for 2011		
Balance December 31, 2011	A	<u><u>\$ 300</u></u>

**CURRENT FUND
SCHEDULE OF INVESTMENTS**

Balance December 31, 2010	<u>Ref.</u> A	\$ 684,000
Decreased by:		
Budget Appropriation		<u>50,000</u>
Balance December 31, 2011	A	<u><u>\$ 634,000</u></u>

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

Year	Balance Dec. 31, 2010	2011 Levy	Added Taxes	2010	2011	Over- Payments Applied	Over- Payments Created	Transferred to Lien	(Veterans Disallowed) or Canceled	Transferred to Arrears	Balance Dec. 31, 2011
Arrears 2010	\$ 23,357	\$	\$	\$ 2,054	\$ 56,962	462	\$	\$ 1,829	\$ 5,802	\$ 5,274	\$ 20,775
	66,588								1,583	(5,274)	478
2011	89,945	2,111,624	7,810	63,974	1,963,996	462	-	1,829	7,385	-	21,253
	89,945	2,111,624	7,810	63,974	2,023,012	2,403	858	3,768	2,286		83,865
Ref. A						2,865	858	5,597	9,671		105,118
Taxes Receivable											A
Senior Citizens and Veterans				Ref. A-4	\$ 2,003,762						
					19,250						
					2,023,012						
Analysis of 2011 Property Tax Levy				Ref.							
Tax Yield:											
General Property Tax					\$ 2,111,624						
Added Taxes (54:4-63.1 et. seq.)					7,810						
											\$ 2,119,434
Tax Levy:											
Local School District Tax (Abstract)					\$	\$ 1,277,692					
County Taxes:											
County Tax (Abstract)					\$	330,404					
County Library Tax (Abstract)						52,817					
County Open Space (Abstract)						18,210					
Due County for Added Taxes (54:4-63.1 et. seq.)						317					
Total County Taxes						401,748					
Local Tax for Municipal Purposes											
Add: Additional Tax Levied						\$ 439,994					
											\$ 2,119,434
											A-8

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

	<u>Ref.</u>		
Balance December 31, 2010	A	\$	2,423
Increased by:			
Transfers from Taxes Receivable	A-8	\$	5,597
Interests and Costs accrued by tax sale of February 2, 2011			<u>243</u>
			5,840
Decreased by:			
Collections	A-4	\$	<u>2,698</u>
			2,698
Balance December 31, 2011	A	\$	<u><u>5,565</u></u>

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

Ref.	Balance Dec. 31, 2010	Accrued In 2011	Collected	Balance Dec. 31, 2011
Miscellaneous Revenue Anticipated:				
A-2	\$ -	9,983	9,983	-
A-2	695	-	695	-
A-2	-	16,294	16,294	-
A-2	-	200,212	200,212	-
A-2	-	89,325	89,325	-
A-2	-	177,550	177,550	-
A-2	-	75,000	75,000	-
A-2	227,335	418,928	420,409	225,854
A-2	-	149,918	149,918	-
	<u>\$ 228,030</u>	<u>\$ 1,137,210</u>	<u>\$ 1,139,386</u>	<u>\$ 225,854</u>
<u>Ref.</u>	A			A
	Treasurer Reserve	\$	1,139,386	A-4
			<u>-</u>	A
		\$	<u>1,139,386</u>	

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES**

	<u>Balance Dec. 31, 2010</u>	<u>Balance After Transfers</u>	<u>Paid</u>	<u>Balance Lapsed</u>
Administrative and Executive				
Other Professional Services	\$ 2,650	\$ 2,650	\$ 2,650	\$ -
Municipal Clerk				
Other Expenses	4,148	4,148	858	3,290
Financial Administration				
Other Expenses	6,200	6,200	338	5,862
Assessment of Taxes				
Other Expenses	363	363	50	313
Legal Services and Costs				
Other Expenses	11,012	11,012	4,800	6,212
Tax Collector				
Other Expenses	293	293	30	263
Liquidation of TTL	100	100		100
Engineering Services and Costs				
Other Expenses	8,616	8,616	413	8,203
Public Buildings and Grounds				
Other Expenses	5,317	5,317	1,562	3,755
Planning and Zoning Board				
Other Expenses				
Miscellaneous Other Expenses	6,715	6,715	737	5,978
Legal Expenses	3,225	3,225	243	2,982
Insurance				
Other Insurance Premiums	1,002	1,002		1,002
Unemployment	492	492		492
Group Insurance	15,669	15,669	5,188	10,481
Road Repairs & Maintenance				
Other Expenses	16,169	16,169	5,536	10,633
Recreation				
Other Expenses	6,995	6,995	1,626	5,369
Municipal Court				
Other Expenses	1,238	1,238	109	1,129
Utilities:				
Telephones / Communications	1,656	1,656	575	1,081
Street Lighting	2,667	2,667	2,667	-
Postage	1,500	1,500	1,500	-
Heating and Fuel	9,124	9,124	3,386	5,738
Insurance - Group (Outside CAPs)	4,836	4,836	4,836	-
Accounts With No Change	39,237	39,237		39,237
Totals	\$ <u>149,224</u>	\$ <u>149,224</u>	\$ <u>37,104</u>	\$ <u>112,120</u>

Ref.

A

A

A-1

Cash Disbursements	A-4	\$ 37,104
Encumbrances		
Total Paid		\$ <u>37,104</u>

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2010			
School Tax Payable	A	\$ 271,816	
Deferred School Tax Payable	A	<u>367,000</u>	
			\$ 638,816
Increased by:			
Levy-School Year July 1, 2010 to June 30, 2011	A-8		<u>1,277,692</u>
			1,916,508
Decreased by:			
Payments	A-4	<u>1,277,664</u>	
			<u>1,277,664</u>
Balance December 31, 2011			
School Tax Payable	A	271,844	
Deferred School Tax Payable	A	\$ <u>367,000</u>	
			\$ <u><u>638,844</u></u>
<u>2011 Liability for Local District School Tax</u>			
Tax Paid	A-4:A-12		\$ 1,277,664
Tax Payable December 31, 2011	A-12		<u>271,844</u>
			1,549,508
Less:			
Tax Payable December 31, 2010	A:A-12		<u>271,816</u>
Amount Charged to 2011 Operations	A-1		\$ <u><u>1,277,692</u></u>

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

Grant	Balance	Anticipated	Received	Cancelled	Balance
	Dec. 31, 2010	Revenue			Dec. 31, 2011
Municipal Alliance Program					
2006	\$ 7,586	\$		\$ 7,586	\$ -
2007	7,274			7,274	-
2008	3,277			3,277	-
2009	2,206			2,206	-
2010	7,500				7,500
2011		7,500	7,106		394
Clean Communities		6,260	6,260		-
EDA Hazardous Site					-
EDA Hazardous Discharge Landfill					-
EDA Feasibility Study					-
Recycling Tonnage		6,050	6,050		-
Community Stewardship - Tree Planting 2007	3,750		3,750		-
DOT Airport Entrance Road - 2011		200,000			200,000
NJDOT 2009	5,706				5,706
NJDOT 2010 Scott Avenue	66,904		66,904		-
NJDOT 2011 Fremont Avenue	40,000	205,000			205,000
NJDOT Route 550	275,000				40,000
NJDOT Bike Safety Path Phase 1	89,650		86,739		275,000
NJDOT Bike Safety Path Phase 4b	173,200		171,086		2,911
NJDOT Bike Safety 2010 Hailprin - Webster	40,050			40,050	2,114
NJ DCA New Public Works Garage	558,772		395,381		-
DCA Neighborhood Stabilization Program Northside	200,000				163,391
Airport Economic Study - 2008		500	500		200,000
SJG Game On Grant		7,000	7,000		-
Community Forestry Grant					-
USDA Rural Business Grant - 2008	75,000		75,000		-
Rural Business Enterprise	98,000		24,943		73,057
Washington Avenue Streetscape	68,225				68,225
Washington Ave Streetscape	450,000				450,000
Streetscape Phase V	500,000				500,000
Small Cities Block Grant:					
Public Facility - 2011		380,000	90,145		380,000
Public Facility Housing Rehab	200,000		111,012		109,855
Improvement to School	111,012		125,132		-
Well & Recreation	125,132		281,900		-
2008 IDP Grant	281,900				-
	\$ 3,390,144	\$ 812,310	\$ 1,458,908	\$ 60,393	\$ 2,683,153
Ref.	A	A-2	A-4		A

See Accompanying Auditor's Report

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

Grant	Balance	2011 Budget	Prior Year	Expended	Cancelled	Balance
	Dec. 31, 2010	Appropriation	Encumbrance			
2007 Municipal Alliance	\$ 4,831	\$ -	214	\$ -	5,045	\$ -
2008 Municipal Alliance	8,379	-	53	-	8,432	-
2009 Municipal Alliance	3,926	-	-	-	3,926	-
Local Share	1,073	-	-	-	1,073	-
2010 Municipal Alliance	7,500	-	-	5,494	-	2,006
Local Share	1,875	-	-	1,354	-	521
2011 Municipal Alliance	-	7,500	-	-	-	7,500
Local Share	-	1,875	-	-	-	1,875
Clean Communities	6,573	6,260	-	845	-	6,260
Clean Communities	2,677	-	-	2,677	-	-
Clean Communities	1,500	-	-	1,500	-	-
Hazardous Site Remediation Program - 2000	-	-	262,993	262,993	-	-
EDA Hazardous Discharge - Landfill	-	-	-	-	-	-
EDA Hazardous Discharge	-	-	-	-	-	-
Green Communities	-	-	-	-	-	-
Recycling Tonnage	4,647	-	-	4,647	-	-
Recycling Tonnage Grant	10,755	-	-	8,879	-	1,876
Recycling Tonnage	-	6,050	-	6,050	-	-
2009 Recycling Tonnage	9,237	-	-	9,237	-	-
Rural Business Grant	98,000	-	-	32,144	-	65,856
Rural Business USDA Market Initiative	-	-	5,200	5,200	-	-
DOT route 550	16,755	-	2,236	2,236	-	16,755
DOT bike safety path phase 1	246,829	-	16,505	258,350	-	4,984
DOT bike safety path phase 4b	-	-	73,415	70,510	-	2,905
DOT Bike Safety 2010	37,844	-	25,750	61,502	-	2,092
DOT 2009	561	-	-	561	-	-
DOT Scott Avenue	705	-	11,555	12,260	-	1,477
DOT 2011 Fremont Ave	-	205,000	-	203,523	-	12,659
2011 DOT Airport Entrance Road	-	200,000	-	187,341	-	12,659
2008 Airport Economic Study	200,000	-	-	200,000	-	-
Alcohol Education Rehabilitation Grant	436	-	-	436	-	-
Alcohol Education Rehabilitation Grant	696	-	-	696	-	-
Alcohol Education Rehabilitation Grant	186	-	-	186	-	-
Alcohol Education Rehabilitation Grant	1,106	-	-	1,106	-	-
Alcohol Education Rehabilitation Grant	2,406	-	-	2,406	-	-
All Hazards Emergency Operation Planning	1,000	-	-	1,000	-	-
Municipal Stormwater Regulation Program	450,000	-	-	450,000	-	-
Wash Ave Streetscape	480,871	-	-	71,087	-	409,784
Streetscape Phase V	4,219	-	16,031	20,246	-	4
Washington Avenue Streetscape	-	-	-	-	-	-
Small Cities	-	-	-	-	-	-
2008 SC IDP Grant	249,500	-	2,165	251,665	-	-
Public Facility - Gym/Community Center	12,801	-	287	13,088	-	-
Public Facility Housing Rehab	5,162	-	-	5,162	-	-
Well	-	-	-	-	-	-
Improvement to Schools	-	-	19,095	12,325	-	6,770
Housing Rehab	-	-	111,012	111,012	-	-
Public Facility 2011	195,800	-	-	137,360	-	58,440
SJG Game On Grant	-	380,000	-	35,090	-	344,910
Forestry Grant	-	500	-	500	-	-
Mural Project	3,500	7,000	-	7,000	-	-
NJ DCA New Public Works Garage	40,050	-	-	-	-	3,500
DCA Neighborhood Stabilization Program	408,137	-	150,634	488,847	-	69,924
Ref.	\$ 2,519,537	\$ 814,185	\$ 697,145	\$ 2,471,874	\$ 76,776	\$ 1,482,217
	A	A-3	A	A	A	A
Encumbrances Payable			\$	794,520		A
Current Fund			\$	1,677,354		A-4
			\$	2,471,874		

See Accompanying Auditor's Report

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

<u>Grant</u>	<u>Balance Dec. 31, 2010</u>	<u>Received</u>	<u>Transferred to 2011 Budget Appropriations</u>	<u>Balance Dec. 31, 2011</u>
Alcohol Education Rehabilitation	\$ -	\$ 162	\$	\$ 162
Recycling Tonnage	-	4,794	-	4,794
	<u>\$ -</u>	<u>\$ 4,956</u>	<u>\$ -</u>	<u>\$ 4,956</u>
	A	A-4		A

See Accompanying Auditor's Report

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	Ref.	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2010	B	\$ 258	\$ 56,693
Increased by Receipts:			
Dog License Fees 2011	B-3	\$ 212	
Due to State of New Jersey	B-4	180	
Community Development Block Grant	B-7		\$ 9
Recreation Commission	B-10		11,839
Municipal Alliance	B-9		2
Developer's Escrow Fees	B-8		18,302
		<u>392</u>	<u>30,152</u>
		650	86,845
Decreased by Disbursements			
Due to State of New Jersey	B-4	180	
Due to Current Fund			18
Community Development Block Grant	B-7		15,301
Developer's Escrow Fees	B-8		22,305
Municipal Alliance	B-9		
Recreation Commission	B-10		24,324
		<u>180</u>	<u>61,948</u>
Balance December 31, 2011	B	<u>\$ 470</u>	<u>\$ 24,897</u>

**TRUST FUND
SCHEDULE OF CASH - COLLECTOR**

	<u>Ref.</u>	<u>Tax Title Lien Redemption</u>	
Balance December 31, 2010	B		\$ 13,382
Increased by Receipts:			
Deposits for Redemption of Tax Sale Certificates	B-5	<u>\$ 53,110</u>	<u>53,110</u>
			66,492
Decreased by Disbursements:			
Due to Current		2	
Refunds on Tax Sale Certificates	B-5	<u>\$ 58,290</u>	<u>58,292</u>
Balance December 31, 2011	B		<u>\$ 8,200</u>

**TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

	Ref.	
Balance December 31, 2010	B	\$ 258
Increased by:		
Dog License Fees Collected	B-1	212
		470
Decreased by:		
Expenditures under N.J.S. 4:19-15:11	B-1	
Balance December 31, 2011	B	\$ 470

License Fees Collected:

Year	Amount
2009	\$ 490
2010	463
	\$ 953

TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY - DEPARTMENT OF HEALTH

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ -
Increased by:		
Collected in 2011:		
2011 State License Fees	B-1	180
		<hr/> 180
Decreased by:		
Disbursements to the State	B-1	180
		<hr/> 180
Balance December 31, 2011	B	<u><u>\$ -</u></u>

TRUST FUND
SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ -
Increased by:		
Deposits Received - Collector	B-2	<u>53,110</u>
		53,110
Decreased by:		
Refunds - Tax Sale Certificates	B-2	<u>52,790</u>
Balance December 31, 2011	B	<u><u>\$ 320</u></u>

TRUST FUND
SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 13,380
Increased by:		
Deposits Received - Collector		<u> </u>
Decreased by:		
Payments		<u>5,500</u>
Balance December 31, 2011	B	<u><u>\$ 7,880</u></u>

**TRUST FUND
SCHEDULE OF RESERVE FOR COMMUNITY
DEVELOPMENT BLOCK GRANT**

	<u>Ref.</u>		
Balance December 31, 2010	B		\$ 21,048
Increased by:			
Receipts	B-1	\$ <u> 9</u>	<u> 9</u>
			21,057
Decreased by:			
Expenditures	B-1		<u>15,301</u>
Balance December 31, 2011	B		<u><u>\$ 5,756</u></u>

**TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW FEES**

Balance December 31, 2010	B		\$ 46,898
Increased by:			
Deposits	B-1	\$ <u>18,302</u>	<u>18,302</u>
			65,200
Decreased by:			
Payments	B-1	\$ <u>22,305</u>	<u>22,305</u>
Balance December 31, 2011	B		<u><u>\$ 42,895</u></u>

**TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE**

	<u>Ref.</u>		
Balance December 31, 2010	B		\$ 2,914
Increased by:			
Interest	B-1	\$ <u>2</u>	<u>2</u>
Balance December 31, 2011	B		<u><u>\$ 2,916</u></u>

**TRUST FUND
SCHEDULE OF RESERVE FOR RECREATION COMMISSION**

	<u>Ref.</u>		
Balance December 31, 2010	B		\$ 12,485
Increased by:			
Deposits	B-1	\$ <u>11,839</u>	<u>11,839</u>
			24,324
Decreased by:			
Expenditures	B-1	\$ <u>24,324</u>	<u>24,324</u>
Balance December 31, 2011	B		<u><u>\$ -</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR EMERGENCY LOANS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 51,885
Increased by:		
Prior year adjustment	B-1	<hr/> -
		51,885
Decreased by:		
Repayments	B-1	<hr/> -
Balance December 31, 2011	B	<hr/> <u>\$ 51,885</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
AMOUNT DUE TO/(FROM) CURRENT FUND**

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ (130,967)
Increased by:		
Budget Appropriation	A-4	<u>150,000</u>
		(280,967)
Decreased by:		
Improvement Authorization	C-7	<u>14,742</u>
Balance December 31, 2011	C	<u><u>\$ (266,225)</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2010	Budget Appropriation	Receipts ----- Miscellaneous	Improvement Authorizations	Disbursements ----- Miscellaneous	----- Transfers ----- From	To	Balance Dec. 31, 2011
Fund Balance	\$ 46,259							46,259
Capital Improvement Fund	58,320							208,320
Encumbrances Payable	52,687		35,509		52,687		150,000	35,509
Due from Grant Funds	(145,508)							(145,508)
Due from Current Fund	(130,967)		14,742			150,000		(266,225)
<u>Improvement Authorizations:</u>								
<u>Ordinance</u>								
<u>Number</u>								
456-04 Lincoln Park Improvements	7,400							7,400
463-05 Construction of Sanitary Wastewater Treatment Plant	73,529							73,529
515-10 Various Improvements	31,673		3,095	2,721				32,047
516-10 Various Improvements	6,607		49,592	47,530				8,669
	\$ -	\$ -	\$ 102,938	\$ 50,251	\$ 52,687	\$ 150,000	\$ 150,000	\$ -
C		A-3		C-2:C-7	C-2			C

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

	<u>Ref.</u>		
Balance December 31, 2010	C	\$	78,235
Decreased by Budget Appropriation			11,387
Balance December 31, 2011	C	\$	<u>66,848</u>

See Accompanying Auditor's Report

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

Ordinance Number	Improvement Description	Analysis of Balance Dec. 31, 2011				Unexpended Improvement Authorization	Financed by Notes	Expended
		Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011			
463-05	Construction of Sanitary Wastewater Treatment Plant	\$ 684,000	\$ -	\$ 50,000	\$ 634,000	\$ 634,000	\$ -	
		<u>\$ 684,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 634,000</u>	<u>\$ 634,000</u>	<u>\$ -</u>	
		C	C-2:C-7	C-2:C-10	C:C-10	C-7	C-8	C-3
						Improvement Authorization A-7		73,529
						Unexpended proceeds Ordinance # 463-05		<u>73,529</u>
								<u>\$ -</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2010	<u>Ref.</u> C	\$ 58,320
Increased by:		
2011 Budget Appropriation		150,000
Decreased by:		
Appropriated to Finance Improvement Authorizations		-
Balance December 31, 2011	C	<u>\$ 208,320</u>

**GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2010		2011 Authorizations Capital Improvement Fund	Deferred Charge to Future Taxation	Cancelled Encumbrances	Expended	Balance Dec. 31, 2011	
				Funded	Unfunded					Funded	Unfunded
456-04	Lincoln Park Improvements	7/15/04	7,400	\$ 7,400	\$	\$	\$	\$	\$	7,400	\$
463-05	Construction of Sanitary Wastewater Treatment Plant	04/21/05	800,000		73,529						73,529
515-10	Various Capital Improvements	05/05/10	70,000	31,673			3,095	2,721		32,047	
516-10	Various Capital Improvements	05/05/10	100,000	6,607			49,592	47,530		8,669	
				<u>\$ 45,680</u>	<u>\$ 73,529</u>	<u>\$ -</u>	<u>\$ 52,687</u>	<u>\$ 50,251</u>		<u>\$ 48,116</u>	<u>\$ 73,529</u>
				C	C	C-6	C-5:C-10			C	C:C-5
								\$ 14,742		C-2	
								<u>35,509</u>		C-3	
								<u>\$ 50,251</u>			

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Purpose	Date of Original Issue	Date of Issue	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
Various Improvements	4/21/2005	4/21/2011	760,000	0.00%	\$ 684,000	\$	\$ 50,000	\$ 634,000
					\$ 684,000	-	\$ 50,000	\$ 634,000
					C			C

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
Lincoln Park	6/1/2000	142,000	2%	\$ 78,235	\$	\$ 11,387	\$ 66,848
				\$ 78,235	-	\$ 11,387	\$ 66,848
				C	C-2		C

See Accompanying Auditor's Report

BOROUGH OF WOODBINE

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

GENERAL COMMENTS

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

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding the aggregate \$17,500 except by contract or agreement."

The governing body of the Borough of Woodbine has the responsibility of determining whether the expenditures in any category will exceed \$17,500 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the district counsel's opinion should be sought before a commitment is made.

The minutes indicate that the following bids were requested by public advertising during the current year.

Airport Entrance
Fremont Avenue
Safe Routes to School

Our examination of expenditures did not reveal payments in excess of \$17,500 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 20, 2011, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED by the Borough Council of the Borough of Woodbine, in accordance with Chapter 435, New Jersey Laws of 1979, and N.J.S.A. 54:4-67, 54:5-32, 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 and assessments, said rate of interest shall be and is hereby fixed at 8 percent 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 and assessments become delinquent,"

"This Resolution shall take effect January 1, 2011."

Our examination of interest collected on delinquent taxes did not reveal any charges that were not in agreement with the above resolution.

Delinquent Taxes and Tax Title Liens

The tax sale was held on February 2, 2011 and was complete. There are several bankruptcies from prior years not sold.

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

<u>Year</u>	<u>Number</u>
2011	2
2010	1
2009	2

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2011 and 2012 Taxes	10
Delinquent Taxes	2

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2011	\$ 2,119,434	\$ 2,029,513	95.76%
2010	2,109,099	2,042,062	96.82%
2009	2,079,108	2,031,920	97.73%
2008	1,977,280	1,926,959	97.46%
2007	1,789,687	1,748,337	97.69%

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007 *</u>
Tax Rate	\$ 1.170	\$ 1.156	\$ 1.146	\$ 1.099	\$ 1.000
Apportionment of Tax Rate:					
Municipal	0.240	0.237	0.238	0.238	0.231
County	0.222	0.215	0.204	0.182	0.154
Local School	0.708	0.704	0.704	0.679	0.615
Assessed Valuation	\$ 180,544,076	\$ 181,627,030	\$ 180,677,045	\$ 179,062,422	\$ 178,440,561

* Revaluation took place in 2007.

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

<u>Year</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of Tax <u>Levy</u>
2011	\$ 5,565	\$ 105,118	\$ 110,683	5.22%
2010	2,422	89,944	92,366	4.38%
2009	192	64,420	64,612	3.11%
2008	-	56,739	56,739	2.87%
2007	-	43,076	43,076	2.41%

FINDINGS AND RECOMMENDATIONS

11-1. Criteria

Interfund balances should be eliminated prior to year end.

Condition

The various balance sheets of the Borough contain many interfund balances.

Cause

Interfunds were caused by payments of expenditures being made prior to receipt of all grant funds, therefore all disbursements must be made through the current fund.

Effect

The creation of interfunds has a negative effect on the fund balance and cash and reduces the effect of fund accounting whereby each fund must stand on its own.

Recommendation

That the Borough pursue collecting outstanding receivables prior to year end to eliminate interfunds.

Management Response

The Borough will make every effort to collect outstanding grant funds prior to year end.

STATUS OF PRIOR RECOMMENDATIONS

Finding 10-1

Condition

An accurate general ledger was not maintained for all funds.

Current Status

This recommendation was cleared during 2011.

Finding 10-2

Condition

Interfund balances existed at the end of the year.

Current Status

This recommendation was not cleared during 2011.

Corrective Action to be Taken

Checks will be written to clear the interfunds.

RECOMMENDATIONS

*1.. That all interfunds be liquidated prior to the end of the year.

* - similar recommendation made in prior years.

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

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

Very truly yours,

Ford Scott & Associates., LLC

**Ford Scott & Associates., LLC
Certified Public Accountants**

Kenneth W. Moore

**Kenneth W. Moore, CPA
Registered Municipal Accountant
No. 231**

March 9, 2012