

BOROUGH OF WOODBINE

CAPE MAY COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

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BOROUGH OF WOODBINE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2017

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Woodbine, as of December 31, 2017 and 2016, the related statement of operations and changes in fund balance - regulatory basis for the years 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, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles.

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Woodbine on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Woodbine as of December 31, 2017 and 2016, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2017 and 2016, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2017 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Woodbine’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2018 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* in considering the Borough of Woodbine's internal control over financial reporting and compliance.

Very truly yours,

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

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Registered Municipal Accountant
No. 542

June 11, 2018

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EXHIBIT A - CURRENT FUND

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**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 2,195,012.84	2,447,829.31
Investments	-	-
Cash - Change	300.00	300.00
Total Cash	2,195,312.84	2,448,129.31
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	1,053.00	553.00
Total Other Receivables	1,053.00	553.00
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	42,085.29	38,049.95
Tax Title and Other Liens	98,939.51	78,034.42
Property Acquired for Taxes - at Assessed Valuation	570,400.00	570,400.00
Revenue Accounts Receivable	278,177.31	296,502.50
Interfund Receivable:		
Grant Fund	30,479.91	-
Small Cities	226,648.57	-
Water Capital	81,795.25	-
Airport Capital	1,260.79	-
Dog Trust Fund	1,009.26	670.26
Other Trust Fund	-	0.42
Total Receivables and Other Assets	1,330,795.89	983,657.55
Deferred Charges		
Expenditure without an Appropriation	17,500.00	-
Total Deferred Charges	17,500.00	-
Total Regular Fund	3,544,661.73	3,432,339.86
Federal and State Grant Fund:		
Cash	-	-
Federal and State Grants Receivable	1,780,317.39	1,205,669.70
Due from Current Fund	-	148,407.32
Total Federal and State Grant Fund	1,780,317.39	1,354,077.02
Total Current Fund	\$ 5,324,979.12	4,786,416.88

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

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2017</u>	<u>2016</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 219,453.52	251,384.33
Reserve for Encumbrances	32,361.46	43,775.01
Prepaid Taxes	87,468.22	79,996.91
Overpaid Taxes	29,922.31	1,788.25
Local School Tax Payable	646,706.46	565,371.98
County Added Tax Payable	2,840.05	734.84
Interfund Payable:		
Capital	346,546.68	346,546.68
Grant Fund	-	147,907.35
Small Cities	-	499.97
Reserve for Property Sale Deposits	588.70	588.70
	<u>1,365,887.40</u>	<u>1,438,594.02</u>
Reserve for Receivables and Other Assets	1,330,795.89	983,657.55
Fund Balance	847,978.44	1,010,088.29
Total Regular Fund	<u>3,544,661.73</u>	<u>3,432,339.86</u>
Federal and State Grant Fund:		
Unappropriated Reserves	5,107.72	-
Appropriated Reserves	1,253,114.79	1,129,017.08
Encumbrances Payable	264,966.40	225,059.94
Due to Current Fund - Small Cities	226,648.57	
Due to Current Fund	30,479.91	-
Total Federal and State Grant Fund	<u>1,780,317.39</u>	<u>1,354,077.02</u>
Total Current Fund	<u>\$ 5,324,979.12</u>	<u>4,786,416.88</u>

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2017	2016
Revenue and Other Income Realized		
Fund Balance	\$ 457,656.00	525,000.00
Miscellaneous Revenue Anticipated	1,959,929.51	1,778,342.68
Receipts from Delinquent Taxes	47,833.05	40,321.05
Receipts from Current Taxes	2,681,663.67	2,537,142.99
Non Budget Revenue	193,171.66	207,855.03
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	228,703.90	134,622.92
Interfund Returned	-	174,283.65
	5,568,957.79	5,397,568.32
 Total Income		
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	379,600.00	390,125.00
Other Expenses	942,650.00	925,000.00
Deferred Charges & Statutory Expenditures	67,500.00	62,271.00
Appropriations Excluded from "CAPS"		
Operations:		
Other Expenses	1,146,312.91	949,409.00
Capital Improvements	55,000.00	135,000.00
Debt Service	6,447.74	12,895.52
Deferred Charges	-	58,227.00
Transferred to Board of Education	7,656.00	7,370.00
Local District School Tax	1,884,956.00	1,761,348.00
County Tax	412,972.67	394,629.64
County Share of Added Tax	2,840.05	734.84
Interfund Created	329,133.35	-
Cancelled Grants	2,678.91	-
Cancelled Receivables	25,000.00	-
Refund Prior Year Revenue	10,664.01	-
	5,273,411.64	4,697,010.00
 Total Expenditures		
Excess/(Deficit) in Revenue	295,546.15	700,558.32

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

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2017	2016
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	\$ -	-
Emergency Appropriation	-	-
Total Adjustments	-	-
Statutory Excess to Fund Balance	295,546.15	700,558.32
Fund Balance January 1	1,010,088.29	834,529.97
	1,305,634.44	1,535,088.29
Decreased by:		
Utilization as Anticipated Revenue	457,656.00	525,000.00
Fund Balance December 31	\$ 847,978.44	1,010,088.29

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

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 457,656.00	-	457,656.00	-
Total Fund Balance Anticipated	457,656.00	-	457,656.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	9,000.00		10,250.00	1,250.00
Interest and Costs on Taxes	7,000.00		11,905.04	4,905.04
Total Section A: Local Revenues	16,000.00	-	22,155.04	6,155.04
Section B: State Aid Without Offsetting Appropriations				
Consolidated Municipal Property Tax Relief	65,598.00		65,598.00	-
Energy Receipts Tax	223,939.00		223,939.00	-
Total Section B: State Aid Without Offsetting Appropriations	289,537.00	-	289,537.00	-
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
NJ Econ. Dev.-Hazardous Site Remediation - Airport Site		129,645.00	129,645.00	-
DeHirsch Avenue Reconstruction		102,000.00	102,000.00	-
Heilprin and Sumner Avenue Reconstruction		200,000.00	200,000.00	-
Municipal Alcohol Education/Rehabilitation Program		579.06	579.06	-
Clean Communities		7,992.45	7,992.45	-
Recycling Tonnage Grant	2,948.40		2,948.40	-
Municipal Alliance on Alcoholism and Drug Abuse	5,500.00		5,500.00	-
Sustainable Jersey	30,000.00		30,000.00	-
Homeland Security Assistance to Firefighters Grant Program		100,000.00	100,000.00	-

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

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Small Cities Public Facilities	386,488.00		386,488.00	-
USDA Firefighter Equipment		37,500.00	37,500.00	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	424,936.40	577,716.51	1,002,652.91	-
Section G: Other Special Items				
Host Communities Benefits - Cape May County MUA	400,000.00		515,669.56	115,669.56
State Police Lease	125,000.00		129,915.00	4,915.00
Total Section G: Other Special Items	525,000.00	-	645,584.56	120,584.56
Total Miscellaneous Revenues:	1,255,473.40	577,716.51	1,959,929.51	126,739.60
Receipts from Delinquent Taxes	20,000.00		47,833.05	27,833.05
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	412,608.00		499,181.95	86,573.95
Total Amount to be Raised by Taxes for Support of Municipal Budget	412,608.00	-	499,181.95	86,573.95
Budget Totals	2,145,737.40	577,716.51	2,964,600.51	241,146.60
Non- Budget Revenues: Other Non- Budget Revenues:			193,171.66	193,171.66
\$	2,145,737.40	577,716.51	3,157,772.17	434,318.26

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

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 2,681,663.67
Less: Reserve for Tax Appeals Pending	<u>-</u>
Net Revenue from Collections	2,681,663.67
Allocated to:	
School, County and Other Taxes	<u>2,300,768.72</u>
Balance for Support of Municipal Budget Appropriations	380,894.95
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	<u>118,287.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>499,181.95</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collection	41,260.54
Tax Title Lien Collections	<u>6,572.51</u>
Total Receipts from Delinquent Taxes	<u><u>47,833.05</u></u>

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Municipal Court	20,458.35
Miscellaneous	9,444.42
Clerk	294.00
Vacant Property Registration	47,666.67
Interest on Investments	16,207.03
MUA Reimbursements	1,385.98
911 Agreement	7,388.89
Rental Registration	14,760.00
Payment in Lieu of Taxes	906.86
Health Insurance Reimbursements	64,575.46
JIF Reimbursements	5,629.00
Planning/Zoning Fees	2,330.00
Mercantile Licenses	2,125.00
Cancellation of prior payables	-

Total Miscellaneous Revenue Not Anticipated:	<u><u>\$ 193,171.66</u></u>
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Cash	\$ 180,089.55
Non-Cash	<u>13,082.11</u>
	<u><u>\$ 193,171.66</u></u>

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
Administrative and Executive					
Salaries and Wages	\$ 45,000.00	47,500.00	47,406.36	93.64	-
Other Expenses	40,000.00	39,300.00	32,083.26	2,916.74	-
Other Professional Services					
Miscellaneous Other Expenses					
Mayor and Council					
Salaries and Wages	78,000.00	80,700.00	80,679.70	20.30	-
Other Expenses	5,500.00	5,500.00	3,538.00	150.00	-
Municipal Clerk					
Salaries and Wages	25,000.00	25,000.00	24,860.34	139.66	-
Other Expenses	16,000.00	16,000.00	10,406.56	3,328.78	-
Central Purchasing					
Other Expenses	4,000.00	4,000.00	2,764.66	663.14	-
Financial Administration					
Salaries and Wages	61,000.00	61,000.00	60,067.78	932.22	-
Other Expenses	21,000.00	21,000.00	17,903.45	601.75	-
Audit Services					
Other Expenses	27,250.00	27,250.00	27,250.00	-	-
Assessment of Taxes					
Salaries and Wages	19,700.00	19,700.00	19,700.00	-	-
Other Expenses	8,000.00	8,000.00	6,585.46	228.93	-
Collection of Taxes					
Salaries and Wages	45,000.00	45,000.00	41,791.06	3,208.94	-
Other Expenses	5,000.00	5,000.00	1,793.14	670.68	-
Liquidation of Tax Title Liens and Foreclosed Property					
Other Expenses	2,000.00	2,000.00		2,000.00	-
Legal Services and Costs					
Other Expenses	85,000.00	85,000.00	48,231.84	3,500.00	-
Municipal Court					
Other Expenses	3,000.00	3,000.00	2,408.00	592.00	-
Engineering Services and Costs					
Other Expenses	21,250.00	25,750.00	19,353.60	5,359.00	-
Public Buildings and Grounds					
Other Expenses	35,000.00	36,000.00	26,596.46	5,960.18	-
Municipal Land Use Law (N.J.S.A. 40:55 D-1)					
Planning and Zoning Board					
Salaries and Wages	10,100.00	10,100.00	10,007.72	92.28	-
Other Expenses					

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Legal	5,500.00	5,500.00	4,500.00	1,000.00	-
Miscellaneous Other Expenses	6,000.00	6,000.00	4,387.12	1,612.88	-
Insurance N.J.S.A. 40A:4-45.3(00)					
Other Insurance Premiums	17,100.00	17,100.00	11,385.00	5,715.00	-
Workers Compensation	38,950.00	38,950.00	38,902.00	48.00	-
Employee Group Health	117,500.00	117,500.00	95,984.20	21,515.80	-
Small Business Development					
Other Expenses	100.00	100.00		100.00	-
Insurance					
Unemployment Compensation Insurance	3,000.00	3,000.00	2,823.55	176.45	-
PUBLIC SAFETY					
Volunteer Fire Company - Contribution	40,000.00	36,200.00	36,200.00	-	-
Interlocal Agreement with First Aid Organization	50,000.00	50,000.00	50,000.00	-	-
Sub-Code Officials					
Code Enforcement					
Salaries and Wages	8,500.00	3,500.00	3,500.00	-	-
Other Expenses	5,100.00	5,100.00		5,100.00	-
Zoning and Housing Inspector					
Salaries and Wages	8,800.00	8,800.00	8,800.00	-	-
Other Expenses	100.00	100.00		100.00	-
Emergency Management					
Salaries and Wages	4,000.00	4,000.00	4,000.00	-	-
Other Expenses	1,500.00	1,500.00	206.99	1,293.01	-
School Crossing Guard					
Salaries and Wages	13,000.00	11,800.00	10,412.00	1,388.00	-
Other Expenses	600.00	600.00	78.15	521.85	-
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries and Wages	60,000.00	60,000.00	53,626.35	6,373.65	-
Other Expenses	21,500.00	21,500.00	7,575.52	1,703.33	-
Solid Waste (P.L. 1987, Ch.74)					
Garbage/Recycling Removal					
Other Expenses					
Contractual	78,000.00	78,000.00	78,000.00	-	-
Tipping Fee	65,000.00	65,000.00	49,806.51	15,193.49	-
Recycling					
Salaries and Wages	2,500.00	2,500.00	2,038.38	461.62	-
Other Expenses	100.00	100.00		100.00	-

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
HEALTH AND WELFARE					
Board of Health	100.00	100.00		100.00	-
Other Expenses			8,988.00	12.00	-
Dog Regulation			25,526.00	474.00	-
Other Expenses			4,168.00	832.00	-
Contractual			960.00	40.00	-
County Shelter					-
County Shelter - Spay/Neuter					-
Misc.					-
RECREATION AND EDUCATION					
Parks and Playgrounds					-
Salaries and Wages	17,000.00	17,000.00	17,000.00	-	-
Other Expenses					-
Public Relations/Community Events			70.33	1,863.68	-
Other Expenses	2,000.00	2,000.00			-
UNCLASSIFIED					
Telephones/Communications	13,000.00	13,000.00	10,068.72	360.00	-
Electric	72,000.00	72,000.00	61,228.93	10,771.07	-
Water	2,500.00	2,500.00		2,500.00	-
Heating and Fuel	30,000.00	30,000.00	15,030.94	781.22	-
Postage	4,000.00	4,000.00	3,999.22	0.78	-
Street Lighting	37,000.00	37,000.00	28,981.81	2,871.72	-
TOTAL OPERATIONS WITHIN "CAPS"	1,322,250.00	1,322,250.00	1,121,675.11	29,161.46	171,413.43
Contingent					-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	1,322,250.00	1,322,250.00	1,121,675.11	29,161.46	171,413.43
Detail:					
Salaries and Wages	380,600.00	379,600.00	366,889.69	-	12,710.31
Other Expenses	941,650.00	942,650.00	754,785.42	29,161.46	158,703.12
DEFERRED CHARGES AND STATUTORY EXPENDITURES:					

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	36,000.00	36,000.00	33,296.00	2,704.00	-
Social Security System (O.A.S.I.)	30,000.00	30,000.00	27,554.63	2,445.37	-
Defined Contribution Retirement Program	1,500.00	1,500.00	-	1,500.00	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	67,500.00	67,500.00	60,850.63	6,649.37	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	1,389,750.00	1,389,750.00	1,182,525.74	29,161.46	-
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
Municipal Stormwater	1,500.00	1,500.00	910.00	590.00	-
Street Division OE					
Shared Service Agreements					
Dispatcher					
Other Expenses	49,260.00	49,260.00	49,259.28	0.72	0.00
Municipal Court Services					
Other Expenses	71,400.00	71,400.00	71,400.00	-	-
(A) Public and Private Programs Off-Set by Revenues	122,160.00	122,160.00	121,569.28	590.72	0.00
Municipal Alliance Program					
Grant Share	5,500.00	5,500.00	5,500.00	-	-
Local Share	1,500.00	1,500.00	1,500.00	-	-
Clean Communities Program					
DeHirsch Ave Reconstruction		7,992.45	7,992.45	-	-
Heliprin and Summer Avenue Reconstruction		102,000.00	102,000.00	-	-
NJ Econ. Dev.-Hazardous Site Remediation - Airport Site		200,000.00	200,000.00	-	-
Municipal Alcohol Education/Rehabilitation Program		129,645.00	129,645.00	-	-
Recycling Tonnage Grant		579.06	579.06	-	-
Sustainable Jersey	2,948.40	2,948.40	2,948.40	-	-
Small Cities Public Facilities	30,000.00	30,000.00	30,000.00	-	-
Match - Small Cities Public Facilities	386,488.00	386,488.00	386,488.00	-	-
	20,000.00	20,000.00	20,000.00	-	-

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
USDA Firefighter Equipment		37,500.00	37,500.00		-
Homeland Security Assistance to Firefighters Grant		100,000.00	100,000.00		-
Total Public and Private Programs Off-Set by Revenues	<u>446,436.40</u>	<u>1,024,152.91</u>	<u>1,024,152.91</u>	<u>-</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	568,596.40	1,146,312.91	1,145,722.19	590.72	0.00
Detail:					
Other Expenses	568,596.40	1,146,312.91	1,145,722.19	590.72	0.00
(C) Capital Improvements					
Various Improvements and Infrastructure	20,000.00	20,000.00	11,000.00	3,200.00	5,800.00
Public Facilities Upgrade	35,000.00	35,000.00			35,000.00
Public and Private Programs Offset by Revenues:					
New Jersey DOT Trust Fund Authority Act	-	-			-
New Jersey DOT Trust Fund Authority Act	-	-			-
Total Capital Improvements	<u>55,000.00</u>	<u>55,000.00</u>	<u>11,000.00</u>	<u>3,200.00</u>	<u>40,800.00</u>
(D) Debt Service					
Payment of Bond Anticipation Notes					
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	6,448.00	6,448.00	6,447.74		0.26
Total Debt Service	<u>6,448.00</u>	<u>6,448.00</u>	<u>6,447.74</u>	<u>-</u>	<u>0.26</u>
(E) Deferred Charges					
Emergency Authorizations					
Special Emergency Authorizations - 5 years	-	-			-
Special Emergency Authorizations - 3 years	-	-			-
Total Deferred Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(N) Transferred to Board of Education for Use of Local Schools	7,656.00	7,656.00	7,656.00		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>637,700.40</u>	<u>1,215,416.91</u>	<u>1,170,825.93</u>	<u>3,200.00</u>	<u>41,390.72</u>

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Encumbered	Reserved	
SUBTOTAL GENERAL APPROPRIATIONS	2,027,450.40	2,353,351.67	32,361.46	219,453.52	0.26
(M) Reserve for Uncollected Taxes	118,287.00	118,287.00			-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 2,145,737.40</u>	<u>2,471,638.67</u>	<u>32,361.46</u>	<u>219,453.52</u>	<u>0.26</u>
Budget		2,145,737.40			0.26
Appropriations by 40A:4-87		577,716.51			-
Emergency		<u>2,723,453.91</u>			<u>0.26</u>
Reserve for Uncollected Taxes		118,287.00			
Federal and State Grants		1,024,152.91			
Deferred Charges		-			
Transfer to BOE		7,656.00			
Disbursements		<u>1,321,542.76</u>			
		<u>2,471,638.67</u>			
			Cancelled	Overexpended	

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EXHIBIT B - TRUST FUNDS

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TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Dog License Fund:		
Cash	\$ 2,916.86	2,170.46
	<u>2,916.86</u>	<u>2,170.46</u>
Other Funds:		
Cash - Treasurer	122,791.18	95,726.96
Cash - Collector	6,500.00	9,200.42
Small Cities Loans Receivable	413,683.00	413,683.00
Emergency Loans Receivable	65,432.00	65,432.00
	<u>608,406.18</u>	<u>584,042.38</u>
	<u>611,323.04</u>	<u>586,212.84</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Dog License Fund:		
Due to Current Fund	1,009.26	670.26
Due to State of New Jersey	6.60	1.20
Reserve for Dog Fund Expenditures	1,901.00	1,499.00
	<u>2,916.86</u>	<u>2,170.46</u>
Other Funds:		
Due to Current Fund	-	0.42
Reserve for Loans Receivable	479,115.00	479,115.00
Miscellaneous Reserves	129,291.18	104,926.96
	<u>608,406.18</u>	<u>584,042.38</u>
Total	\$ <u>611,323.04</u>	<u>586,212.84</u>

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

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EXHIBIT C - GENERAL CAPITAL FUND

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**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Cash	\$ -	-
Deferred Charges to Future Taxation - Funded	-	6,383.92
Interfunds and Receivables Due from Current Fund	346,546.68	346,546.68
	<u>346,546.68</u>	<u>352,930.60</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	-	-
Green Trust Loan Payable	-	6,383.92
Improvement Authorizations: Funded	61,039.39	61,039.39
Reserve for Debt Service Capital Improvement Fund	233,320.00	233,320.00
Fund Balance	52,187.29	52,187.29
	<u>\$ 346,546.68</u>	<u>352,930.60</u>

There were bonds and notes authorized but not issued at December 31 (C - 12)

2016	-
2017	-

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
Beginning Balance January 1	\$ 52,187.29	52,187.29
No current year activity		
Ending Balance December 31	<u>\$ 52,187.29</u>	<u>52,187.29</u>

EXHIBIT D - WATER SEWER UTILITY FUND

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**WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 1,025,577.07	-
	<u>1,025,577.07</u>	<u>-</u>
Receivables and Other Assets with Full Reserves:		
Water Sewer Accounts Receivable	51,321.23	-
	<u>51,321.23</u>	<u>-</u>
Total Operating Fund	<u>1,076,898.30</u>	<u>-</u>
Capital Fund:		
Cash - Treasurer	-	-
Fixed Capital - Complete	449,226.00	
Fixed Capital - Authorized and Uncomplete	3,090,730.00	
Total Capital Fund	<u>3,539,956.00</u>	<u>-</u>
	<u>\$ 4,616,854.30</u>	<u>-</u>

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

**WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	2017	2016
Operating Fund:		
Appropriation Reserves	\$ 164,644.53	
Reserve for Encumbrances	5,379.15	-
Overpaid Water Rents	1,291.15	
	171,314.83	-
Reserve for Receivables	51,321.23	-
Fund Balance	854,262.24	-
Total Operating Fund	1,076,898.30	-
Capital Fund:		
Due to Current Fund	81,795.25	-
Improvement Authorizations:		
Funded	-	-
Unfunded	3,008,934.75	-
Reserve for Amortization	449,226.00	
Capital Improvement Fund	-	
Fund Balance	-	-
Total Capital Fund	3,539,956.00	-
	\$ 4,616,854.30	-
There were bonds and notes authorized but not issued at December 31		
2016	-	
2017	3,090,730.00	

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

**WATER AND SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2017	Year 2016
	<u> </u>	<u> </u>
Revenue and Other Income Realized		
Fund Balance	\$ -	
Water & Sewer Rents	323,031.69	
Miscellaneous Revenue Anticipated	94,782.55	
Total Income	<u>417,814.24</u>	<u>-</u>
Expenditures		
Operations	398,451.00	
Deferred Charges and Statutory Expenditures	19,049.00	
Total Expenditures	<u>417,500.00</u>	<u>-</u>
Excess in Revenue	<u>314.24</u>	<u>-</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year		
Total Adjustments	<u>-</u>	<u>-</u>
Excess in Operations	<u>314.24</u>	<u>-</u>
Beginning Fund Balance	<u>-</u>	<u>-</u>
	314.24	-
Increased/Decreased by:		
Utilization as Anticipated Revenue	-	-
Transfer from Dissolution of Utility Authority	<u>853,948.00</u>	<u>-</u>
Fund Balance December 31	<u>\$ 854,262.24</u>	<u>-</u>

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

**WATER AND SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2017	Year 2016
Beginning Balance	\$ -	-
Increased by:		
No current year activity		
Decreased by:		
Ending Balance December 31	\$ -	-

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

**WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$	-	-
Rents	333,333.00	323,031.69	(10,301.31)
Miscellaneous Revenue	84,167.00	94,782.55	10,615.55
	<u>\$ 417,500.00</u>	<u>417,814.24</u>	<u>314.24</u>

Analysis of Realized Revenue:

Rents

Consumer Accounts Receivable:

Current Collections	323,031.69
Prepayments & Overpayments Applied	-
Liens Collected	-
	<u>323,031.69</u>

Miscellaneous Revenue Anticipated

Antennae	82,767.94
Miscellaneous	12,014.61
	<u>94,782.55</u>

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

**WATER AND SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 127,667.00	124,667.00	72,435.65		52,231.35	
Other Expenses	273,784.00	273,784.00	158,232.79	5,379.15	110,172.06	
	<u>401,451.00</u>	<u>398,451.00</u>	<u>230,668.44</u>	<u>5,379.15</u>	<u>162,403.41</u>	<u>-</u>
Deferred Charges and Statutory Expenditures:						
Cost of Improvements Authorized						
Public Employees' Retirement System	11,049.00	11,049.00	11,049.00		-	
Unemployment	-	1,000.00	552.44		447.56	
Social Security System	5,000.00	7,000.00	5,206.44		1,793.56	
Disability Insurance		-			-	
	<u>16,049.00</u>	<u>19,049.00</u>	<u>16,807.88</u>	<u>-</u>	<u>2,241.12</u>	<u>-</u>
	<u>\$ 417,500.00</u>	<u>417,500.00</u>	<u>247,476.32</u>	<u>5,379.15</u>	<u>164,644.53</u>	<u>-</u>

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

EXHIBIT E - AIRPORT UTILITY FUND

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**AIRPORT UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2017	2016
ASSETS		
Operating Fund:		
Cash	\$ 142,265.19	-
	142,265.19	-
Receivables and Other Assets with Full Reserves:		
Rent/Fuel Accounts Receivable	52,403.54	-
	52,403.54	-
Deferred Charges		
Overexpenditure of Appropriations	28,546.53	
Deficit in Operations	31,350.13	
	59,896.66	-
Total Operating Fund	254,565.39	-
Capital Fund:		
Cash - Treasurer	904.30	-
Fixed Capital - Complete	8,762,293.00	
Fixed Capital - Authorized and Uncomplete	482,593.14	
Grants Receivable	132,005.73	
Due from Utility Operating	66,667.52	
Total Capital Fund	9,444,463.69	-
	\$ 9,699,029.08	-

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

**AIRPORT UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2017</u>	<u>2016</u>
Operating Fund:		
Appropriation Reserves	\$ -	
Reserve for Encumbrances	3,108.05	-
Accounts Payable	-	
Security Deposits	18,745.00	
Accrued Interest on Bonds and Notes	838.75	-
Reserve for FAA	28,934.24	
Interfunds:		
Due to Airport Capital	66,667.52	-
	<u>118,293.56</u>	<u>-</u>
Reserve for Receivables	52,403.54	-
Fund Balance	83,868.29	-
Total Operating Fund	<u>254,565.39</u>	<u>-</u>
Capital Fund:		
Loans Payable	293,000.00	-
Due to Current Fund	1,260.79	
Improvement Authorizations:		
Funded	198,316.76	-
Unfunded	-	-
Reserve for Amortization	8,819,880.41	
Deferred Reserve for Amortization	-	
Reserve for DOT Grant	132,005.73	
Fund Balance	-	-
Total Capital Fund	<u>9,444,463.69</u>	<u>-</u>
	<u>\$ 9,699,029.08</u>	<u>-</u>

There were bonds and notes authorized but not issued at December 31:

2016	-
2017	-

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

**AIRPORT UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE PERIOD ENDED DECEMBER 31,**

	<u>Year 2017</u>	<u>Year 2016</u>
Revenue and Other Income Realized		
Fund Balance	\$ -	
Water & Sewer Rents	132,813.72	
Miscellaneous Revenue Anticipated	183,336.15	
Total Income	<u>316,149.87</u>	<u>-</u>
Expenditures		
Operations	223,154.21	
Capital Improvements	85,176.92	
Debt Service	63,813.75	
Deferred Charges and Statutory Expenditures	3,901.65	
Total Expenditures	<u>376,046.53</u>	<u>-</u>
Excess in Revenue	<u>(59,896.66)</u>	<u>-</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	28,546.53	
Total Adjustments	<u>28,546.53</u>	<u>-</u>
Operating Deficit to be raised in Succeeding Year	<u>(31,350.13)</u>	<u>-</u>
Beginning Fund Balance	<u>-</u>	<u>-</u>
Increased by:		
Transfer in from Dissolution of Port Authority	83,868.29	-
Fund Balance December 31	<u>\$ 83,868.29</u>	<u>-</u>

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

**AIRPORT UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2017	Year 2016
Beginning Balance	\$ -	
Increased by:		
No current year activity	-	
Decreased by:		
No current year activity		
Ending Balance December 31	\$ -	-

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

**AIRPORT UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$	-	-
Rents	150,000.00	132,813.72	(17,186.28)
Fuel Sales	187,500.00	164,016.34	(23,483.66)
Miscellaneous Revenue	10,000.00	19,319.81	9,319.81
	<u>\$ 347,500.00</u>	<u>316,149.87</u>	<u>(31,350.13)</u>

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

**AIRPORT UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 35,167.00	46,728.53	46,728.53	-	-	
Other Expenses	247,358.00	176,425.68	173,317.63	3,108.05	(0.00)	
	<u>282,525.00</u>	<u>223,154.21</u>	<u>220,046.16</u>	<u>3,108.05</u>	<u>(0.00)</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund		57,469.14	85,176.92			(27,707.78)
Grant Match	-	<u>57,469.14</u>	<u>85,176.92</u>	-	-	<u>(27,707.78)</u>
Debt Service:						
Payment of Bond Principal	52,000.00	52,000.00	52,000.00			-
Interest on Bonds	10,975.00	10,975.00	11,813.75			(838.75)
	<u>62,975.00</u>	<u>62,975.00</u>	<u>63,813.75</u>	-	-	<u>(838.75)</u>
Deferred Charges and Statutory Expenditures:						
Public Employees' Retirement System		-				
Social Security System	2,000.00	3,505.90	3,505.90			
Disability Insurance		-				
Unemployment		395.75	395.75			
	<u>2,000.00</u>	<u>3,901.65</u>	<u>3,901.65</u>	-	-	-
Surplus (General Budget)						
	<u>347,500.00</u>	<u>347,500.00</u>	<u>372,938.48</u>	<u>3,108.05</u>	<u>(0.00)</u>	<u>(28,546.53)</u>

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

EXHIBIT G - GENERAL FIXED ASSETS

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

	<u>Balance Dec. 31, 2017</u>	<u>Balance Dec. 31, 2016</u>
General Fixed Assets:		
Land and Buildings	\$ 9,262,543.00	\$ 9,262,543.00
Machinery and Equipment	<u>1,566,628.00</u>	<u>1,452,344.00</u>
Total General Fixed Assets	<u><u>10,829,171.00</u></u>	<u><u>10,714,887.00</u></u>
Investment in General Fixed Assets	\$ <u><u>10,829,171.00</u></u>	\$ <u><u>10,714,887.00</u></u>

See Accompanying Notes to Financial Statements

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**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

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.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the entity budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the entity's Current Fund. Other amounts that are due to the entity 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. 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. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

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 is not included on the various balance sheets.

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

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

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. Expenditures for long lived assets with an original cost in excess of \$1,000 are capitalized. No depreciation has been provided for in the financial statements.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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.

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 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.

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.

Interest on Delinquent Taxes – It is the policy of the Borough of Woodbine to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

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 generally accepted accounting principles or the statutory 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. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. 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 entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

F. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the Borough's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the Borough's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "Irrevocable Split-Interest Agreements". This statement, which is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the Borough's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73". This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the Borough's financial reporting.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83 "Certain Asset Retirement Obligations". This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the Borough's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities". This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the Borough's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85 "Omnibus 2017". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the Borough's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86 "Certain Debt Extinguishment Issues". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the Borough's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after December 15, 2019, may have an effect on the Borough's financial reporting.

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 2017 and 2016 statutory budgets included a reserve for uncollected taxes in the amount of \$118,287 and \$114,510. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2017 and 2016 statutory budgets was \$457,656 and \$525,000, respectively.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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 the Borough Council. There were no following significant budget transfers approved in the 2017 or 2016 calendar years.

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. During 2017 and 2016, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2017</u>	<u>2016</u>
NJ DOT DiHirsch Avenue	\$ 102,000.00	
NJ DOT Heilprin and Sumner	200,000.00	
Alcohol Education Rehab	579.06	
Assistance to Firefighters	100,000.00	
USDA Firefighter Equipment	37,500.00	
USDA Community Facilities		37,400.00
NJ Economic Dev - Hazardous Discharge	129,645.00	69,583.00
2016 Municipal Aid - DeHirsch Ave Reconstruction		120,000.00
AtlantiCare Foundation - Growing Green Grant		500.00
Clean Communities Program	7,992.45	9,408.00

The entity 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 budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The Borough did not approve any emergencies during 2017.

Note 3: INVESTMENTS

As of December 31, 2017 the municipality has no investments.

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.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

Note 4: CASH

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. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2017 and 2016, \$0 of the municipality’s bank balance of \$3,606,028.04 and \$2,578,097.11 was exposed to custodial credit risk.

Note 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2017 and 2016:

	Balance 12/31/2015	Additions	Retirements/ Adjustments	Balance 12/31/2016
Land, Buildings and Improvements	\$ 9,262,543.00			9,262,543.00
Equipment and Machinery	1,367,449.00	84,895.00		1,452,344.00
	<u>\$ 10,629,992.00</u>	<u>84,895.00</u>	<u>-</u>	<u>10,714,887.00</u>

	Balance 12/31/2016	Additions	Retirements	Balance 12/31/2017
Land, Building and Improvements	\$ 9,262,543.00			9,262,543.00
Equipment and Machinery	1,452,344.00	114,284.00		1,566,628.00
	<u>10,714,887.00</u>	<u>114,284.00</u>	<u>-</u>	<u>10,829,171.00</u>

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

Note 6: LONG TERM DEBT

Long-term debt as of December 31, 2017 and 2016 consisted of the following:

	Balance 12/31/15	Issued	Retired	Balance 12/31/16	Amounts Due Within One Year
General	\$ 18,963.55		12,579.63	6,383.92	6,383.92
Compensated Absences Payable	8,436.42	14,358.22	1,377.50	21,417.14	-
Total long-term liabilities	<u>\$ 27,399.97</u>	<u>14,358.22</u>	<u>13,957.13</u>	<u>27,801.06</u>	<u>6,383.92</u>

	Balance 12/31/16	Issued	Retired	Balance 12/31/17	Amounts Due Within One Year
General	\$ 6,383.92		6,383.92	-	
Airport Utility Compensated Absences Payable	21,417.14	345,000.00	52,000.00	293,000.00	55,000.00
Total long-term liabilities	<u>\$ 27,801.06</u>	<u>358,358.95</u>	<u>62,725.61</u>	<u>323,434.40</u>	<u>55,000.00</u>

Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the entity:

\$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, 2016 of \$6,383.92. The loan is payable semiannually on January 27 and July 27. Interest is calculated at 2%. The final payment was paid January 27, 2017.

\$535,000 loan was obtained by the Woodbine Port Authority December 2, 2012. Upon dissolution of the Port Authority and consolidation into the Borough Airport Utility Fund, the balance of \$345,000 was assumed by the Borough as of April 4, 2017. The loan is payable annually, with interest rates varying between 1.250% and 4.000%. The balance remaining at December 31, 2017 was \$293,000.

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**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 55,000.00	10,065.00
2019	55,000.00	8,827.50
2020	57,000.00	7,177.50
2021	60,000.00	5,040.00
2022	66,000.00	2,640.00
	<u>293,000.00</u>	<u>33,750.00</u>

<u>Summary of Municipal Debt</u>	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued:</u>			
Green Trust Loan Payable	\$ -	6,383.92	18,963.55
Total Issued	<u>-</u>	<u>6,383.92</u>	<u>18,963.55</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ -</u>	<u>6,383.92</u>	<u>18,963.55</u>

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 0.0%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 2,492,000.00	2,492,000.00	-
Utilities	3,383,730.00	3,383,730.00	-
General Debt	-	-	-
	<u>\$ 5,875,730.00</u>	<u>5,875,730.00</u>	<u>-</u>

Net Debt \$0 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$158,978,126 = 0.0%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 5,564,234.00
Net Debt	-
Remaining Borrowing Power	<u>\$ 5,564,234.00</u>

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

The Borough of Woodbine School District, as a K-8 school district, is permitted to borrow up to 3% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

Note 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017 and 2016, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Current Fund	\$ 532,000.00	457,656.00

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:

	<u>12/31/2017</u>	<u>12/31/2016</u>
Balance of Tax	\$ 1,013,706.46	932,371.98
Deferred	367,000.00	367,000.00
Tax Payable	<u>\$ 646,706.46</u>	<u>565,371.98</u>

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:

	<u>Balance 12/31/17</u>	<u>Balance 12/31/16</u>
Prepaid Taxes	<u>\$ 87,468.22</u>	<u>79,996.91</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 87,468.22</u>	<u>79,996.91</u>

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

Note 10: PENSION FUNDS

Description of Plans

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

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 PERS 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.

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 provided for employee contributions of 7.06%, through June 30, 2016 and 7.20% thereafter, of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 6.99% of covered payroll. The entity's contributions to PERS for the years ended December 31, 2017, 2016, and 2015 were \$33,296, \$31,271 and \$26,738.

The total payroll for the year ended December 31, 2017, 2016, and 2015 was \$486,053.87, \$345,683.11 and \$361,782.50. Payroll covered by PERS was \$286,635, \$234,800, and \$256,900.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 11: PENSION LIABILITIES

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

After assumption of the Woodbine Municipal Utilities Authority pension liabilities upon dissolution and assumption into the Borough Utility Fund, the following represents the municipality's pension liabilities as June 30, 2017,

Public Employees' Retirement System

The Municipality has a liability of \$1,291,880 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Municipality's proportion would be 0.00554969530%, which would be an increase of 48.614% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Municipality would have recognized pension expense of \$130,758. At December 31, 2017, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 30,419	
Changes of assumptions	260,270	259,315
Changes in proportion	241,042	73,210
Net difference between projected and actual earnings on pension plan investments	8,797	
Total	<u>\$ 540,528</u>	<u>332,525</u>

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

Year ended June 30,		
2018	\$	165,482
2019		240,420
2020		142,809
2021		(190,927)
2022		(149,781)
Total	\$	<u>208,003</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 5.00%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.00%) or 1-percentage point higher (6.00%) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Municipality's proportionate share of the net pension liability	\$ 1,549,944	1,291,880	\$ 1,077,159

Pension plan fiduciary net position.

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

Note 12: POST-RETIREMENT BENEFITS

Plan Description The Borough of Woodbine contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The 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.

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. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough of Woodbine on a monthly basis. The rates charged by the system for the year ended December 31, 2017 vary according to the type of coverage selected by the retiree.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

The Borough of Woodbine contributions to SHBP for post-retirement benefits for the year ended December 31, 2017 and 2016, were \$0.00 and \$0.00 respectively, which equaled the required contribution for the year.

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 ½ 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 \$30,434.40 and \$21,417.14 as of December 31, 2017 and 2016. 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, 2017.

Note 14: ECONOMIC DEPENDENCY

The Borough of Woodbine is not economically dependent on any one business or industry as a major source of tax revenue for the entity.

Note 15: RISK MANAGEMENT

The entity 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 entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2017 and 2016 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The entity is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The entity 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 entity has a general liability limit of \$100,000 under JIF, which increases to \$5,000,000 under MEL.

Note 16: DEFERRED COMPENSATION

Employees of the Borough of Woodbine may participate in a deferred compensation plan adopted under the provisions 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 entity. 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.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

An unrelated financial institution administers the deferred compensation plan. 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 held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the entity has an obligation of due care in selecting the third party administrator. In the opinion of the entity's legal counsel, the entity has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 17: CONTINGENT LIABILITIES

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

Note 18: INTERFUND BALANCES

During the most current calendar year ended December 31, 2017, the following interfunds were included on the balance sheets of the various funds of the Borough of Woodbine:

	Due From	Due To
	<u> </u>	<u> </u>
Current Fund:		
Small Cities	226,648.57	
Capital		346,546.68
Grant Fund	30,479.91	
Airport Capital	1,260.79	
Water Sewer Capital	81,795.25	
Dog Trust	1,009.26	
Grant Fund:		
Small Cities - Current Fund		226,648.57
Current Fund		30,479.91
Water Sewer Capital:		
Current Fund		81,795.25
Airport Capital:		
Current Fund		1,260.79
Trust Fund:		
Current - Dog Trust		1,009.26
General Capital Fund:		
Current Fund	346,546.68	
	<u>\$ 687,740.46</u>	<u>687,740.46</u>

The amounts due to the Grant fund from the Current 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 made through the Current Fund.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

Note 19: DISSOLUTION OF AUTHORITIES

During the current year, the Borough, with the approval of the Division of Local Government Services, dissolved the Municipal Utilities Authority and the Port Authority. The Borough created a Water and Sewer Utility Fund and an Airport Utility Fund and assumed the assets, liabilities and fund balances of the Authorities into the utility funds.

Note 20: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through June 11, 2018, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

SUPPLEMENTARY INFORMATION

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 11, 2018 which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Registered Municipal Accountant
No. 542

June 11, 2018

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		Current Fund
Balance December 31, 2016	\$	2,447,829.31
Increased by Receipts:		
Miscellaneous Revenue Anticipated		957,276.60
Miscellaneous Revenue Not Anticipated		180,089.55
Taxes Receivable		2,657,827.64
Tax Title Liens		6,572.51
Prepaid Taxes		87,468.22
Tax Overpayments		12,315.83
Due from State - Sr Citizens and Veterans		13,500.00
Federal and State Grant Receivables		420,482.14
Unappropriated Grants		5,107.72
Due to Water Operating Fund		262,093.73
Due to Airport Operating Fund		111,088.62
Due to Airport Capital Fund		291,951.17
Due to Dog		544.00
Due to Trust		17,400.09
		5,023,717.82
		7,471,547.13
Decreased by Disbursements:		
Current Year Appropriation		1,321,542.76
Prior Year Appropriations		66,455.44
County Taxes		412,972.67
County Added Taxes		734.84
Local District School Taxes		1,803,621.52
Transfer to BOE		7,656.00
Refund Tax Overpayments		10,664.01
Due from Federal and State Grants		872,804.57
Due from Dog		783.00
Due from Trust		17,399.67
Due from Water Operating Fund		262,093.73
Due from Water Capital Fund		81,795.25
Due from Airport Operating Fund		111,088.62
Due from Airport Capital Fund		293,211.96
Due from Woodbine MUA		13,710.25
		5,276,534.29
Balance December 31, 2017	\$	2,195,012.84

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

Year	Balance Dec. 31, 2016	Current Year Levy	Added Taxes	Collections by Cash 2016	2017	Overpayments Applied	Overpayments Created	Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2017
Arrears	\$ 6,186.57				18,888.16			(19,495.03)			6,793.44
2015	400.27				1,000.76			(921.36)			320.87
2016	31,463.11				21,395.20		23.58	(814.95)	10,146.39		760.05
	38,049.95	-	-	-	41,284.12	-	23.58	(21,231.34)	10,146.39	-	7,874.36
2017		2,711,795.80	21,579.61	79,996.91	2,630,543.52		28,876.76	1,398.57	16,102.24		34,210.93
\$	38,049.95	2,711,795.80	21,579.61	79,996.91	2,671,827.64	-	28,900.34	(19,832.77)	26,248.63	-	42,085.29

Cash Receipts
Senior Citizens and Veterans
2,671,827.64

Analysis of Current Year Tax Levy

Tax Yield:	
General Property Tax	2,711,795.80
Added Taxes (54-4-63.1 et. Seq.)	21,579.61
	<u>2,733,375.41</u>
Tax Levy:	
General County Taxes	345,015.81
County Library Taxes	52,158.43
County Open Space Taxes	15,798.43
County Added and Omitted Taxes	2,840.05
Total County Taxes	415,812.72
Local School District Tax	1,884,956.00
Local Tax for Municipal Purposes	412,608.00
Add: Additional Tax Levied	19,998.69
	<u>432,606.69</u>
	<u>2,733,375.41</u>

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2016		\$ 78,034.42
Increased by:		
Transfers from Taxes Receivable	26,248.63	
Interest and Costs Accrued by Sale of January 3, 2017	1,228.97	
	<hr/>	<hr/>
		27,477.60
		105,512.02
Decreased by:		
Collections	6,572.51	
	<hr/>	<hr/>
		6,572.51
Balance December 31, 2017		\$ <u><u>98,939.51</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2016	Accrued 2017	Collected by Treasurer	Cancelled	Balance Dec. 31, 2017
Miscellaneous Revenue Anticipated					
Licenses - Alcoholic Beverages	\$ -	10,250.00	10,250.00		-
Interest and Costs on Taxes	-	11,905.04	11,905.04		-
Energy Receipts Tax	-	223,939.00	223,939.00		-
Consolidated Municipal Property Tax Relief	-	65,598.00	65,598.00		-
Rental for State Police Lease	-	129,915.00	129,915.00		-
Due from Woodbine MUA	11,289.75	13,710.25	-	25,000.00	-
Host Community Benefits	285,212.75	508,634.12	515,669.56		278,177.31
Miscellaneous Revenue Not Anticipated					
	-	193,171.66	193,171.66	-	-
	<u>\$ 296,502.50</u>	<u>1,157,123.07</u>	<u>1,150,448.26</u>	<u>25,000.00</u>	<u>278,177.31</u>

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
Administrative and Executive					
Salaries and Wages	\$ 4,468.50	4,468.50	2,000.00	2,468.50	-
Other Expenses					
Other Professional Services	7,333.40	7,333.40	5,833.40	1,500.00	-
Mayor and Council					
Salaries and Wages	6,800.00	6,800.00	2,500.00	4,300.00	-
Municipal Clerk					
Salaries and Wages	1,450.00	1,450.00	875.00	575.00	-
Other Expenses	6,190.61	6,190.61	23.52	6,167.09	-
Financial Administration					
Salaries and Wages	8,552.20	8,552.20	1,500.00	7,052.20	-
Other Expenses	3,014.88	3,014.88	814.59	2,200.29	-
Assesment of Taxes					
Salaries and Wages	800.00	800.00	500.00	300.00	-
Other Expenses	561.65	561.65	306.00	255.65	-
Collection of Taxes					
Salaries and Wages	9,770.19	9,770.19	1,125.00	8,645.19	-
Other Expenses	2,847.16	2,847.16	1,020.60	1,826.56	-
Central Purchasing					
Other Expenses	2,238.63	2,238.63	322.63	1,916.00	-
Legal Services and Costs					
Other Expenses	26,821.75	26,821.75	10,920.60	15,901.15	-
Engineering Services and Costs					
Other Expenses	8,308.20	8,308.20	1,064.90	7,243.30	-
Public Buildings and Grounds					
Other Expenses	8,935.35	8,935.35	6,563.72	2,371.63	-
Planning and Zoning Board					
Other Expenses					
Miscellaneous Other Expenses	4,694.88	4,694.88	18.36	4,676.52	-
Emergency Management					
Salaries and Wages	4,400.00	4,400.00	3,666.67	733.33	-
STREETS AND ROADS:					
Roads Repairs and Maintenance					
Other Expenses	8,272.32	8,272.32	648.96	7,623.36	-
Garbage/Recycling Removal					
Other Expenses					
Contractual	6,500.00	6,500.00	6,500.00	-	-
Tipping Fee	17,033.42	17,033.42	9,286.05	7,747.37	-
UNCLASSIFIED:					
Utilities					
Telephones/Communications	3,729.83	3,729.83	567.42	3,162.41	-
Street Lighting	7,983.83	7,983.83	3,139.20	4,844.63	-
Heating & Fuel	17,113.56	17,113.56	2,538.46	14,575.10	-
CAPITAL IMPROVEMENTS:					
Various Improvements and Infrastructure	20,000.00	20,000.00	3,800.00	16,200.00	-
Public Facilities Upgrades	25,715.58	25,715.58	920.36	24,795.22	-
All Other Accounts - No Change	81,623.40	81,623.40		81,623.40	-
	<u>\$ 295,159.34</u>	<u>295,159.34</u>	<u>66,455.44</u>	<u>228,703.90</u>	<u>-</u>

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

Balance December 31, 2016			
School Tax Payable	\$	565,371.98	
School Tax Deferred		<u>367,000.00</u>	
			\$ 932,371.98
Increased by:			
Levy - School Year July 1, 2016 to June 30, 2017			<u>1,884,956.00</u>
			2,817,327.98
Decreased by:			
Payments			<u>1,803,621.52</u>
Balance December 31, 2017			
School Tax Payable		646,706.46	
School Tax Deferred		<u>367,000.00</u>	
			<u>1,013,706.46</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			1,803,621.52
Tax Payable Ending			<u>646,706.46</u>
			2,450,327.98
Less: Tax Payable Beginning			<u>565,371.98</u>
Amount charged to Current Year Operations			<u>\$ 1,884,956.00</u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2016	Transferred From 2017 Revenues	Received	Adjustments	Balance Dec. 31, 2017
FEDERAL GRANTS:					
FEMA - Stormwater Drainage	\$ -				-
FEMA - Generator	75,000.00				75,000.00
FEMA - Hazardous Site Remediation	29,450.77				29,450.77
Small Cities Block Grant:					
Public Facility - Fire Station	-	386,488.00	32,236.00		354,252.00
USDA Community Facilities Grant	37,400.00				37,400.00
USDA Firefighter Equipment	-	37,500.00			37,500.00
DEP Recycling Grant	-				-
Homeland Security	-	100,000.00	100,000.00		-
Total Federal	141,850.77	523,988.00	132,236.00	-	533,602.77
STATE GRANTS:					
Clean Communities	0.27	7,992.45	7,992.45		0.27
Recycling Tonnage Grant	-	2,948.40	2,948.40		-
NJTTF 2014	-				-
NJTTF Heilprin	-				-
NJTTF Dehirsch	175,000.00		175,000.00		-
NJTTF Dehirsch - 2016	120,000.00		46,250.00		73,750.00
NJTTF 2017		200,000.00			200,000.00
NJTTF - DOT		102,000.00			102,000.00
Pedestrian Safety	240,000.00				240,000.00
CSIP 2014 Tree Survey	8,390.00				-
USDA Predevelopment Planning Grant	30,000.00		6,366.92	2,023.08	-
Alcohol Education Rehabilitation	0.47	579.06	30,000.00		-
Green Communities	-		579.06		0.47
NJ Economic Dev. Hazardous Site Remediation	-	129,645.00			-
Sustainable Jersey Gardiner Grant: 2017	-	30,000.00	15,000.00		129,645.00
Total State	573,390.74	473,164.91	284,136.83	2,023.08	760,395.74

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2016	Transferred From 2017 Revenues	Received	Adjustments	Balance Dec. 31, 2017
LOCAL GRANTS:					
Municipal Alliance Program					
2017	-	5,500.00	4,109.31		1,390.69
2016	5,500.00			4,611.81	888.19
2015	888.19			888.19	-
2014	-				-
2013	-				-
Azeez Foundation					
Cape May County Open Space Park	-				-
AtlantiCare Foundation - Growing Green Grant	484,040.00				484,040.00
Comcast Technology Grant	-				-
	<u>490,428.19</u>	<u>5,500.00</u>	<u>4,109.31</u>	<u>5,500.00</u>	<u>486,318.88</u>
Total Local	<u>\$ 1,205,669.70</u>	<u>1,002,652.91</u>	<u>420,482.14</u>	<u>7,523.08</u>	<u>1,780,317.39</u>
		Cash	420,482.14		
		Unappropriated Reserves	-		
			<u>420,482.14</u>		

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2016		2017		Encumbrances	Canceled	Balance Dec. 31, 2017
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed			
FEDERAL GRANTS:							
FEMA - Stormwater Drainage	\$ -	-		56,158.79			-
FEMA - Generator	-	56,158.79		2,459.39			-
FEMA - Hazardous Site Remediation		95,120.71		100,000.00	92,661.32		-
Homeland Security Assistance to Firefighters Grant			100,000.00	5,000.00			-
Homeland Security Assistance to Firefighters Grant - Match							-
Small Cities							
Fire Station	499.97		386,488.00	278,884.57	84,423.64	499.97	23,179.79
Public Facilities			20,000.00		20,000.00		-
Public Facilities - Match							
USDA							
Community Facility - Food Bank Phase 2	37,400.00						37,400.00
Community Facility - Food Bank Match	12,600.00						12,600.00
Rural Business GSE	17.50	18,024.00		18,024.00		17.50	-
Predevelopment Planning Grant							-
Predevelopment Planning Grant Match			37,500.00	1,144.20			36,355.80
Firefighting Equipment			12,500.00	12,500.00			-
Firefighting Equipment - Match							-
Sustainable Jersey			30,000.00				30,000.00
Department of Environmental Protection							
Recycling Grant		8,551.00		8,551.00			-
Recycling Grant - Match							-
Total Federal	50,517.47	177,854.50	591,488.00	482,721.95	197,084.96	517.47	139,535.59
STATE GRANTS:							
Clean Communities	6,760.89	418.00	7,992.45	12,715.60	486.64		1,969.10
Recycling Tonnage Grant	13,822.62	8,551.00	2,948.40				25,322.02
Hazardous Site Remediation	-		129,645.00	12,505.60			117,139.40
Alcohol Education Rehabilitation Grant	413.00		579.06				579.06
Alcohol Education Rehabilitation Grant	211.10						413.00
Alcohol Education Rehabilitation Grant	161.80						211.10
Alcohol Education Rehabilitation Grant	621.64						161.80
Alcohol Education Rehabilitation Grant	696.09						621.64
Alcohol Education Rehabilitation Grant	1,106.01						696.09
Alcohol Education Rehabilitation Grant	2,406.00						1,106.01
All Hazards Emergency Operation Planning							2,406.00
NJ Transportation Trust Fund							
Dehirsch	150,989.41	815.90		86,834.51	64,970.80		-
Pedestrian Safety	226,713.00			492.00			226,221.00
2016 Dehirsch Ave.	120,000.00			120,000.00			-
2017			200,000.00				200,000.00
DOT			102,000.00	102,000.00			-
CSIP 2014 Tree Survey	2,023.08					2,023.08	-
NJ Economic Dev. Hazardous Site Remediation	0.28	37,206.14		34,782.14	2,424.00		0.28
Total State	525,924.92	46,991.04	443,164.91	369,329.85	67,881.44	2,023.08	576,846.50

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2016		2017		Encumbrances	Canceled	Balance Dec. 31, 2017
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed			
LOCAL GRANTS:							
2015 Municipal Alliance Local Share	1,742.90				1,742.90	-	-
2016 Municipal Alliance Local Share	560.72				560.72	-	780.51
2017 Municipal Alliance Local Share	780.51						320.11
	320.11		5,500.00	4,633.22			866.78
			1,500.00	1,158.31			341.69
Azeez Foundation	51,280.48	214.40		14,892.40			36,602.48
Mural Project	3,500.00						3,500.00
Comcast Technology Grant	10,000.00						10,000.00
Cape May County Open Space Park	484,040.00						484,040.00
AtlantiCare Foundation - Growing Green Grant	349.97			68.84			281.13
Total Local	<u>552,574.69</u>	<u>214.40</u>	<u>7,000.00</u>	<u>20,752.77</u>	<u>-</u>	<u>2,303.62</u>	<u>536,732.70</u>
	<u>1,129,017.08</u>	<u>225,059.94</u>	<u>1,041,652.91</u>	<u>872,804.57</u>	<u>264,966.40</u>	<u>4,844.17</u>	<u>1,253,114.79</u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

Purpose	Balance Dec. 31, 2016	Transferred To 2017 Appropriations	Received	Adjustments	Balance Dec. 31, 2017
STATE GRANTS:					
Recycling Tonnage Grant	\$ -		5,107.72		5,107.72
Total State	\$ -	-	5,107.72	-	5,107.72

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2016	\$ 2,170.46	95,726.96
Increased by Receipts:		
Dog License Fees 2017	1,238.00	
Due to State of New Jersey	307.80	
Miscellaneous Trust Reserves		56,627.49
	<u>1,545.80</u>	<u>56,627.49</u>
	3,716.26	152,354.45
Decreased by Disbursements		
Statutory Expenditures	497.00	
Due to State of New Jersey	302.40	
Miscellaneous Trust Reserves		29,563.27
	<u>799.40</u>	<u>29,563.27</u>
Balance December 31, 2017	\$ <u><u>2,916.86</u></u>	<u><u>122,791.18</u></u>

**TRUST FUND
SCHEDULE OF CASH - COLLECTOR**

		Tax Title Lien Redemption
Balance December 31, 2016	\$	9,200.42
Increased by Receipts:		
Deposits for Redemption of Tax Sale Certificates		66,015.37
		66,015.37
		75,215.79
Decreased by Disbursements:		
Refunds on Tax Sale Certificates		68,715.79
		68,715.79
Balance December 31, 2017	\$	6,500.00

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

Balance December 31, 2016		\$	1,499.00
Increased by:			
Dog License Fees Collected	1,208.00		
Cat License Fees Collected	30.00		
			1,238.00
			2,737.00
Decreased by:			
Statutory Excess	339.00		
Expenditures under N.J.S. 4:19-15:11	497.00		
			836.00
Balance December 31, 2017		\$	1,901.00

License Fees Collected:

Year	Amount
2016	\$ 1,217.00
2015	684.00
	\$ 1,901.00

TRUST FUND
SCHEDULE OF AMOUNT DUE TO CURRENT FUND - DOG LICENSE FUND

Balance December 31, 2016	\$	670.26
Increased by:		
Statutory Excess		339.00
		<u>339.00</u>
		<u>1,009.26</u>
Decreased by:		
Disbursements to Current Fund		
Balance December 31, 2017	\$	<u><u>1,009.26</u></u>

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

Balance December 31, 2016	\$	1.20
Increased by:		
2017 State License Fees		307.80
		<u>307.80</u>
		309.00
Decreased by:		
Disbursements to the State		302.40
		<u>302.40</u>
Balance December 31, 2017	\$	<u><u>6.60</u></u>

**TRUST - OTHER FUNDS
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Increased by Receipts	Decreased by Disbursements	Adjustments	Balance Dec 31, 2017
<u>Reserve</u>	\$ 0.42		0.42		-
Tax Title Lien	\$ 0.42	-	0.42	-	-

**TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Reserve</u>	<u>Balance Dec 31, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Adjustments</u>	<u>Balance Dec 31, 2017</u>
Deposits for Redemption of Tax Sale Certificates \$	-				-
Premiums Received at Tax Sale	9,200.00	66,015.37	68,715.37		6,500.00
Community Development Block Grant	59,939.18	5,600.00			65,539.18
Escrow Fees	27,392.29	19,590.29	27,244.05		19,738.53
Municipal Alliance	2,537.19				2,537.19
Section 125	35.25	10.00	10.00		35.25
Municipal Court Fees	2,546.37	2,843.59	2,309.22		3,080.74
Affordable Housing Trust	3,276.68	28,583.61			31,860.29
	<u>\$ 104,926.96</u>	<u>122,642.86</u>	<u>98,278.64</u>	<u>-</u>	<u>129,291.18</u>

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2016	\$	-
No current year activity		
Balance December 31, 2017	\$	<u>-</u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2016	Receipts		Disbursements		Transfers	Balance Dec. 31, 2017
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous		
Fund Balance	\$ 52,187.29						52,187.29
Capital Improvement Fund	233,320.00						233,320.00
Encumbrances Payable	-						-
Due from Current Fund	(346,546.68)						(346,546.68)
Improvement Authorizations:							
456-04 Lincoln Park Improvements	-						-
515-10 Various Improvements	20,380.18						20,380.18
516-10 Various Improvements	35,659.21						35,659.21
536-12 Various Improvements	5,000.00						5,000.00
	\$ (0.00)						(0.00)

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

Balance December 31, 2016	\$	233,320.00
No current year activity		<hr/>
Balance December 31, 2017	\$	<u><u>233,320.00</u></u>

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

Balance December 31, 2016	\$	6,383.92
Decreased by:		
Green Trust Payment		6,383.92
Balance December 31, 2017	\$	-

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

Ord #	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Raised in 2017 Budget	Debt Issued	Balance Dec. 31, 2017	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
	No deferred charges unfunded	\$ -				\$ -			

Improvement Authorizations Unfunded
 Less: Unexpended Proceeds of Bond
 Anticipation Notes Issued:
Ord. Number

-
\$ -

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations				Paid or Charged	Balance December 31, 2017		
				Balance December 31, 2016		Other Funding	Deferred Charges to Future Taxation		Canceled	Funded	Unfunded
				Funded	Unfunded						
456-04	Lincoln Park Improvements	7/15/2004	7,400	-	-	-	-	-	-	-	
515-10	Various Capital Improvements	5/5/2010	70,000	20,380.18	-	-	-	-	20,380.18	-	
516-10	Various Capital Improvements	5/5/2010	100,000	35,659.21	-	-	-	-	35,659.21	-	
536-12	Various Capital Improvements	10/4/2012	25,000	5,000.00	-	-	-	-	5,000.00	-	
			\$	61,039.39	-	-	-	-	61,039.39	-	

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Date	Amount					
Lincoln Park	6/1/2000	142,000			2.000%	6,383.92		6,383.92	-
						<u>6,383.92</u>		<u>6,383.92</u>	<u>-</u>
						\$		\$	

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
No current year activity						\$ -			-
						\$ -			-

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Debt Issued	Other	Balance Dec. 31, 2017
	No current year activity	\$				
		\$	-	-	-	-

**WATER AND SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER**

	Operating Fund	Capital Fund
Balance December 31, 2016	\$	
Increased by Receipts:		
Water Accounts Receivable	323,031.69	
Miscellaneous Revenue Anticipated	93,782.55	
Overpaid Water Rents	1,291.15	
Premium on Sale of Bonds	262,093.73	81,795.25
Due from Current Fund		
Due from Sewer Operating		
Transfer from Utility Authority Dissolution	878,948.00	
	<u>1,559,147.12</u>	<u>81,795.25</u>
	1,559,147.12	81,795.25
Decreased by Disbursements:		
Current Year Appropriation	247,476.32	
Accounts Payable	24,000.00	
Improvement Authorizations		81,795.25
Due to Current Fund	262,093.73	
	<u>533,570.05</u>	<u>81,795.25</u>
Balance December 31, 2017	\$ <u>1,025,577.07</u>	<u>-</u>

**WATER AND SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2016	Receipts		Disbursements		Transfers		Balance Dec. 31, 2017
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Due to Current Fund		81,795.25						81,795.25
<u>Improvement Authorizations:</u>								
561 Water System Improvements			81,795.25					(81,795.25)
		<u>81,795.25</u>		<u>-</u>	<u>81,795.25</u>	<u>-</u>	<u>-</u>	<u>-</u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2016		\$	-
Increased by:			
Consumer Accounts Charges and Levies	364,549.92		
Balance from Authority assumed by the Utility upon dissolution	9,803.00		
	<hr/>		<hr/>
			374,352.92
			374,352.92
Decreased by:			
Collections	323,031.69		
Prepayments & Overpayments Applied			
Transfers to Liens			
	<hr/>		<hr/>
			323,031.69
Balance December 31, 2017		\$	<u><u>51,321.23</u></u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY LIENS**

Balance December 31, 2016		\$	-
Increased by:			
No current year activity	-		
	<hr/>		<hr/>
			-
Decreased by:			
	-		
	<hr/>		<hr/>
			-
Balance December 31, 2017		\$	<u><u>-</u></u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$	-		-
Other Expenses		-		-
Capital Improvements:				
Capital Outlay		-		-
Statutory Expenditures				
Contribution to:				
Social Security System (O.A.S.I.)		-		-
Disability Insurance		-		-
	\$	-	-	-
			Cash Disbursed	
			Accounts Payable	
			\$	\$
			-	-

Note: Municipal Utilities Authority was dissolved during 2017, and a Municipal Utility Fund established. Therefore, there were no appropriation reserves relating to the 2016 year.

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

Balance December 31, 2016

Increased by:
No current year activity

-

-

-

Decreased By:
No current year activity

Balance December 31, 2017

=====

-

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2016		Other Funding	Authorizations Deferred Charges to Future Revenue	Paid or Charged	Cancelled	Balance December 31, 2017	
				Funded	Unfunded					Funded	Unfunded
561	Water System Improvements	2/16/2017	3,090,730	-	-	-	3,090,730.00	81,795.25	-	-	3,008,934.75
					\$ -		3,090,730.00	81,795.25			3,008,934.75

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Refunded	Balance Dec. 31, 2017
			Date	Amount	December 31, 2017						
No current year activity						\$					-
						\$	-	-	-	-	-

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS**

Purpose	Maturities of Bonds Outstanding December 31, 2017		Balance	Decreased	Balance
	Date	Amount	Dec. 31, 2016		Dec. 31, 2017
No current year activity			\$		-
			\$	-	-

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
No current year activity						-			-
						-			-
						-			-
						-			-
						-			-
						-			-
						-			-
						-			-
						-			-
						-			-
						-			-

\$

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Debt Issued	Other	Balance Dec. 31, 2017
561	Water System Improvements	\$ -	3,090,730.00	-	-	3,090,730.00
		\$ -	3,090,730.00	-	-	3,090,730.00

**AIRPORT UTILITY FUND
SCHEDULE OF CASH - TREASURER**

	Operating Fund	Capital Fund
Balance December 31, 2016	\$	
Increased by Receipts:		
Transfer from Port Authority dissolution	161,399.12	303.88
Rents Receivable	132,813.72	
Fuel Sales	164,016.34	
Miscellaneous Revenue Anticipated	7,745.63	
Grants Receivable	122.53	274,041.83
Reserve for FAA		18,509.40
Due from Airport Operating		1,260.79
Due to Current Fund	466,097.34	294,115.90
	466,097.34	294,115.90
Decreased by Disbursements:		
Current Year Appropriation	286,922.81	
Prior Year Appropriations	-	
Encumbrances	-	-
Accounts Payable	19,000.00	
Improvement Authorizations		293,211.60
Due to Airport Capital Fund	17,909.34	
Due from Airport Operating Fund		
Due from Current Fund		
Prior Year's Operating Surplus -		
Anticipated as Current Fund Revenue		
	323,832.15	293,211.60
Balance December 31, 2017	\$ 142,265.19	904.30

**AIRPORT UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2016	Receipts		Disbursements		Transfers	Balance Dec. 31, 2017
		Miscellaneous		Improvement Authorizations	Miscellaneous		
Fund Balance							
Due to Current Fund			1,260.79				1,260.79
Due from Airport Operating			18,509.40				18,509.40
Balance from Port Authority Dissolution	303.88						303.88
<u>Improvement Authorizations:</u>							
Airport Improvements			274,041.83	293,211.60			(19,169.77)
	<u>\$ 303.88</u>	<u>293,812.02</u>	<u>293,211.60</u>	<u>-</u>	<u>-</u>	<u>904.30</u>	

**AIRPORT UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2016		\$
Increased by:		
Consumer Accounts Charges and Levies	151,546.43	
Transfer from Port Authority upon dissolution	41,043.00	
		192,589.43
		192,589.43
Decreased by:		
Collections	132,813.72	
Cancellations	7,372.17	
		140,185.89
Balance December 31, 2017		\$ <u><u>52,403.54</u></u>

**AIRPORT UTILITY OPERATING FUND
SCHEDULE OF UTILITY LIENS**

Balance December 31, 2016		\$
Increased by:		
Transferred from Consumer Accounts Receivable	-	
Interest and Costs Added	-	
		-
Decreased by:		
Cancelled		
		-
Balance December 31, 2017		\$ <u><u>-</u></u>

**AIRPORT UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$	-		-
Other Expenses		-		-
Capital Improvements:				
Capital Outlay		-		-
Statutory Expenditures				
Contribution to:				
Social Security System (O.A.S.I.)		-		-
Disability Insurance		-		-
	\$	-	-	-
		Cash Disbursed	\$	
		Accounts Payable	\$	

Note: The Port Authority was dissolved during 2017, and an Airport Utility Fund established. Therefore, there were no appropriation reserves relating to the 2016 year.

**AIRPORT UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

Balance December 31, 2016		
Increased by:		
Budget Appropriations	11,813.75	
		11,813.75
		11,813.75
Decreased By:		
Payments of Debt Service Interest		10,975.00
		10,975.00
Balance December 31, 2017		838.75

Analysis of Accrued Interest December 31, 2017

Principal Outstanding December 31, 2017	Interest Rate	From	To	Days	Amount
293,000.00	1.75%	12/1/2017	12/31/2017	30	\$ 838.75

**AIRPORT UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Date	Amount	Balance December 31, 2016		Other Funding	Authorizations Deferred Charges to Future Revenue	Paid or Charged	Cancelled	Balance December 31, 2017	
			Funded	Unfunded					Funded	Unfunded
Airport Improvements	6/15/2017	500,502.48	\$ -	-	500,502.48	-	302,185.72	-	198,316.76	-
			\$ -	-	500,502.48	-	302,185.72	-	198,316.76	-

**AIRPORT UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Refunded	Balance Dec. 31, 2017
			Date	Amount						
Airport improvements	12/2/2012	535,000	12/1/2018	55,000.00	\$	-	52,000.00			293,000.00
			12/1/2019	55,000.00						
			12/1/2020	57,000.00						
			12/1/2021	60,000.00						
			12/1/2022	66,000.00						
						\$	\$ 345,000.00	52,000.00	-	293,000.00

Note: The Borough assumed the balance of the debt when the Port Authority was dissolved on April 4, 2017.

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BOROUGH OF WOODBINE

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

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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.

- Open Space Eco park
- Head Start renovations
- Food pantry
- Taxiway rehabilitation
- Pedestrian and bikeway safety improvements

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 12, 2017, 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, 2017."

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 January 3, 2017 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>
2017	37
2016	16
2015	13

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 2018 and 2017 Taxes	10
Delinquent Taxes	5

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>
2017	\$ 2,733,375	2,682,272	98.13%
2016	2,584,910	2,537,142	98.15%
2015	2,456,709	2,417,531	98.41%
2014	2,422,028	2,370,844	97.89%
2013	2,403,155	2,338,145	97.29%

Comparative Schedule of Tax Rate Information

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	\$ 1.540	1.446	1.367	1.350	1.359
Apportionment of Tax Rate:					
Municipal	0.235	0.235	0.235	0.235	0.236
County	0.235	0.223	0.229	0.227	0.265
Local School	1.070	0.988	0.903	0.888	0.858
Assessed Valuation	176,286,500	178,433,302	175,994,771	175,994,771	176,698,159

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>
2017	\$ 98,939	42,085	141,024	5.16%
2016	78,034	38,050	116,084	4.49%
2015	23,878	49,883	73,761	3.00%
2014	20,061	65,611	85,672	3.54%
2013	16,405	92,110	108,515	4.52%

FINDINGS AND RECOMMENDATIONS

Finding 17-1

Criteria

The Borough cannot overexpend budget line items or expend funds without an appropriation.

Condition

Current year budget overexpenditures and expenditures without appropriations were noted.

Cause

Grant matches were not accounted for in the adopted budgets.

Effect

The Borough has to raise the overexpenditures and expenditures without an appropriation in the next budget.

Recommendation

The encumbrance system should be fully utilized to ensure that funds are available for expenditures.

Management Response

The Borough will ensure that all funds are available and encumbered prior to expenditures being made.

STATUS OF PRIOR RECOMMENDATIONS

None

RECOMMENDATIONS

The encumbrance system should be fully utilized to ensure that funds are available for expenditures

In accordance with the Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations, and Division of Local Government Services Regulations, a corrective action plan must be prepared and filed by the City Council in response to my comments.

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

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Registered Municipal Accountant
No. 542

June 11, 2018