

BOROUGH OF WOODBINE

CAPE MAY COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

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BOROUGH OF WOODBINE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2019

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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, 2019 and 2018, 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, 2019, 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, 2019 and 2018, or changes in financial position for the years then ended.

Qualified 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, 2019 and 2018, 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, 2019 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 schedules of expenditures of federal and state financial assistance, as required by Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and *New Jersey OMB’s Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* 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 and the schedules of expenditures of federal and state financial assistance, as required by Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and *New Jersey OMB’s Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are the responsibility of management and were 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional

analysis and is not a required part of the financial statements. Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

The letter of comments and recommendations section has not been subjected 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 30, 2020 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 30, 2020

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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>2019</u>	<u>2018</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 2,265,589.35	2,502,439.79
Investments	-	-
Cash - Change	300.00	300.00
Total Cash	<u>2,265,889.35</u>	<u>2,502,739.79</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	1,494.10	2,494.10
Total Other Receivables	<u>1,494.10</u>	<u>2,494.10</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	65,785.55	46,941.25
Tax Title and Other Liens	122,859.83	110,191.89
Property Acquired for Taxes - at Assessed Valuation	570,400.00	570,400.00
Revenue Accounts Receivable	288,015.36	284,964.18
Interfund Receivable:		
Grant Fund	252,858.80	22,278.33
Small Cities	20,562.13	43,393.05
Water Operating	720.67	720.67
Water Capital	81,795.25	81,795.25
Airport Capital	111,353.15	111,353.15
Dog Trust Fund	770.26	770.26
Total Receivables and Other Assets	<u>1,515,121.00</u>	<u>1,272,808.03</u>
Total Regular Fund	<u>3,782,504.45</u>	<u>3,778,041.92</u>
Federal and State Grant Fund:		
Cash	-	-
Federal and State Grants Receivable	2,181,684.36	1,031,156.21
Due from Current Fund	-	-
Total Federal and State Grant Fund	<u>2,181,684.36</u>	<u>1,031,156.21</u>
Total Current Fund	<u>\$ 5,964,188.81</u>	<u>4,809,198.13</u>

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>2019</u>	<u>2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 204,926.12	218,369.59
Reserve for Encumbrances	58,666.09	30,594.93
Prepaid Taxes	82,232.18	91,020.25
Overpaid Taxes	29,599.92	27,532.22
Local School Tax Payable	633,293.94	657,049.94
County Added Tax Payable	2,165.26	2,138.77
Due to School - BBPT	-	-
Interfund Payable:		
Capital	336,856.68	346,546.68
Trust Fund	24,180.06	24,180.06
Grant Fund	-	-
Small Cities	-	-
Reserve for Property Sale Deposits	588.70	588.70
	<u>1,372,508.95</u>	<u>1,398,021.14</u>
Reserve for Receivables and Other Assets	1,515,121.00	1,272,808.03
Fund Balance	894,874.50	1,107,212.75
Total Regular Fund	<u>3,782,504.45</u>	<u>3,778,041.92</u>
Federal and State Grant Fund:		
Unappropriated Reserves	7,933.07	292.93
Appropriated Reserves	1,744,982.60	965,191.90
Encumbrances Payable	155,347.76	-
Due to Current Fund - Small Cities	20,562.13	43,393.05
Due to Current Fund	252,858.80	22,278.33
	<u>2,181,684.36</u>	<u>1,031,156.21</u>
Total Federal and State Grant Fund		
Total Current Fund	<u>\$ 5,964,188.81</u>	<u>4,809,198.13</u>

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

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized		
Fund Balance	\$ 598,000.00	532,000.00
Miscellaneous Revenue Anticipated	2,976,819.72	2,036,247.22
Receipts from Delinquent Taxes	32,536.45	27,637.90
Receipts from Current Taxes	2,775,621.40	2,735,137.33
Non Budget Revenue	128,116.46	250,459.06
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	214,143.36	218,663.01
Interfund Returned	-	130,321.82
Total Income	<u>6,725,237.39</u>	<u>5,930,466.34</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	424,500.00	420,900.00
Other Expenses	1,000,200.00	935,584.00
Deferred Charges & Statutory Expenditures	65,600.00	85,000.00
Appropriations Excluded from "CAPS"		
Operations:		
Other Expenses	1,980,504.41	1,074,092.13
Capital Improvements	255,000.00	230,000.00
Debt Service	-	-
Deferred Charges	-	-
Transferred to Board of Education	7,719.00	7,780.00
Local District School Tax	1,992,836.00	1,931,419.00
County Tax	428,685.28	452,318.13
County Share of Added Tax	2,165.26	2,138.77
Interfund Created	182,365.69	-
Cancelled Grants	-	-
Cancelled Receivables	-	-
Refund Prior Year Revenue	-	-
Total Expenditures	<u>6,339,575.64</u>	<u>5,139,232.03</u>
Excess/(Deficit) in Revenue	<u>385,661.75</u>	<u>791,234.31</u>

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,**

	<u>2019</u>	<u>2018</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year	\$ -	-
Emergency Appropriation	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	<u>385,661.75</u>	<u>791,234.31</u>
Fund Balance January 1	<u>1,107,212.75</u>	<u>847,978.44</u>
	1,492,874.50	1,639,212.75
Decreased by:		
Utilization as Anticipated Revenue	<u>598,000.00</u>	<u>532,000.00</u>
Fund Balance December 31	<u>\$ 894,874.50</u>	<u>1,107,212.75</u>

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, 2019

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 598,000.00		598,000.00	-
Total Fund Balance Anticipated	598,000.00	-	598,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	9,500.00		10,000.00	500.00
Interest and Costs on Taxes	14,500.00		16,685.89	2,185.89
Total Section A: Local Revenues	24,000.00	-	26,685.89	2,685.89
Section B: State Aid Without Offsetting Appropriations				
Consolidated Municipal Property Tax Relief	63,991.00		63,991.00	-
Energy Receipts Tax	225,546.00		225,546.00	-
Total Section B: State Aid Without Offsetting Appropriations	289,537.00	-	289,537.00	-
Section F: Special Items - Public and Private Programs				
Cape May County Open Space		1,173,000.00	1,173,000.00	-
Clean Communities		8,525.41	8,525.41	-
Recycling Tonnage Grant	2,619.00		2,619.00	-
Municipal Alliance on Alcoholism and Drug Abuse	5,500.00		5,500.00	-
Small Cities Public Facilities	400,000.00		400,000.00	-
NJ DOT Sumner Ave	200,000.00		200,000.00	-
NJ DOT Bikeway - Open Space Eco-park		175,000.00	175,000.00	-
USDA Food Pantry Phase III		25,100.00	25,100.00	-
USDA HeadStart Building		8,200.00	8,200.00	-
Green Communities	3,000.00		3,000.00	-

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, 2019

Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	611,119.00	1,389,825.41	2,000,944.41	-
Section G: Other Special Items				
Host Communities Benefits - Cape May County MUA	400,000.00		529,737.42	129,737.42
State Police Lease	125,000.00		129,915.00	4,915.00
Total Section G: Other Special Items	525,000.00	-	659,652.42	134,652.42
Total Miscellaneous Revenues:	1,449,656.00	1,389,825.41	2,976,819.72	137,338.31
Receipts from Delinquent Taxes	20,000.00		32,536.45	12,536.45
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	410,526.00		486,418.86	75,892.86
Total Amount to be Raised by Taxes for Support of Municipal Budget	410,526.00	-	486,418.86	75,892.86
Budget Totals	2,478,182.00	1,389,825.41	4,093,775.03	225,767.62
Non- Budget Revenues:				
Other Non- Budget Revenues:			128,116.46	128,116.46
\$	2,478,182.00	1,389,825.41	4,221,891.49	353,884.08

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 2,775,621.40
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Less: Reserve for Tax Appeals Pending	<u>-</u>
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Net Revenue from Collections	2,775,621.40
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Allocated to:

School, County and Other Taxes	<u>2,423,686.54</u>
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Balance for Support of Municipal Budget Appropriations	351,934.86
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Increased by:

Appropriation "Reserved for Uncollected Taxes"	<u>134,484.00</u>
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Amount for Support of Municipal Budget Appropriations	<u><u>486,418.86</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	30,747.89
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Tax Title Lien Collections	<u>1,788.56</u>
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Total Receipts from Delinquent Taxes	<u><u>32,536.45</u></u>
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Municipal Court	20,047.39
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Miscellaneous	15,179.39
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Senior & Vet Admin Fee	295.00
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Vacant Property Registration	19,622.29
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Interest on Investments	28,767.62
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Campground Permit Fees	7,487.34
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Rental Registration	18,320.00
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Payment in Lieu of Taxes	15,487.43
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Assessor List	10.00
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Planning/Zoning Fees	1,800.00
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Mercantile Licenses	<u>1,100.00</u>
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Total Miscellaneous Revenue Not Anticipated:	<u><u>\$ 128,116.46</u></u>
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Cash	\$ 122,531.01
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Non-Cash	<u>5,585.45</u>
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	<u><u>\$ 128,116.46</u></u>
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CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Administrative and Executive						
Salaries and Wages	\$ 42,000.00	42,000.00	36,771.93	1,433.07	3,795.00	-
Other Expenses						
Other Professional Services	40,000.00	40,000.00	32,966.68	5,833.32	1,200.00	-
Miscellaneous Other Expenses		-				-
Mayor and Council						
Salaries and Wages	80,000.00	80,000.00	71,656.58	5,143.60	3,199.82	-
Other Expenses	5,500.00	5,500.00	4,868.01		631.99	-
Municipal Clerk						
Salaries and Wages	30,000.00	30,000.00	26,903.84	1,076.16	2,020.00	-
Other Expenses	16,000.00	14,000.00	11,645.93	195.00	2,159.07	-
Central Purchasing						
Other Expenses	4,000.00	4,000.00	4,000.00		-	-
Financial Administration						
Salaries and Wages	69,000.00	69,000.00	64,408.16	624.57	3,967.27	-
Other Expenses	21,000.00	19,000.00	16,110.63	1,534.50	1,354.87	-
Audit Services						
Other Expenses	27,250.00	27,250.00	27,250.00		-	-
Assessment of Taxes						
Salaries and Wages	22,200.00	22,200.00	21,526.92	673.08	0.00	-
Other Expenses	8,000.00	8,000.00	4,265.97	1,965.05	1,768.98	-
Collection of Taxes						
Salaries and Wages	48,000.00	48,000.00	45,382.50	1,793.70	823.80	-
Other Expenses	4,000.00	4,000.00	1,853.00		2,147.00	-
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	75,000.00	74,000.00	65,999.53		8,000.47	-
Municipal Court						
Other Expenses	2,500.00	2,500.00	1,632.08		867.92	-
Engineering Services and Costs						
Other Expenses	21,250.00	29,050.00	26,203.30	600.00	2,246.70	-
Public Buildings and Grounds						
Other Expenses	37,500.00	37,500.00	25,423.53	245.00	11,831.47	-
Municipal Land Use Law (N.J.S.A. 40:55 D-1)						
Planning and Zoning Board						
Salaries and Wages	11,500.00	11,500.00	11,057.69	442.31	(0.00)	-
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, 2019

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Legal	5,500.00	5,500.00	2,250.00	2,250.00	1,000.00	-
Miscellaneous Other Expenses	10,000.00	12,200.00	11,881.31	175.00	143.69	-
Insurance N.J.S.A. 40A:4-45.3(00)						
Other Insurance Premiums	20,000.00	20,000.00	13,279.00		6,721.00	-
Workers Compensation	48,000.00	48,000.00	48,000.00		-	-
Employee Group Health	132,500.00	132,500.00	109,196.38		23,303.62	-
Small Business Development						
Other Expenses	100.00	100.00			100.00	-
Insurance						
Unemployment Compensation Insurance	4,000.00	4,000.00	2,222.56	36.49	1,740.95	-
PUBLIC SAFETY						
Volunteer Fire Company - Contribution	42,000.00	42,000.00	39,000.00		3,000.00	-
Interlocal Agreement with First Aid Organization	50,000.00	50,000.00	45,833.33	4,166.67	-	(0.00)
Sub-Code Officials						
Code Enforcement						
Salaries and Wages	4,500.00	4,500.00	3,208.33	291.67	1,000.00	-
Other Expenses	3,000.00	3,000.00			3,000.00	-
Zoning and Housing Inspector						
Salaries and Wages	8,800.00	8,800.00	8,304.48	495.52	0.00	-
Other Expenses	100.00	100.00			100.00	-
Emergency Management						
Salaries and Wages	4,000.00	4,000.00	3,846.16	153.84	-	0.00
Other Expenses	1,000.00	1,000.00			1,000.00	-
School Crossing Guard						
Salaries and Wages	13,000.00	13,000.00	10,048.00	600.00	2,352.00	-
Other Expenses	600.00	600.00	419.95		180.05	-
STREETS AND ROADS						
Road Repairs and Maintenance						
Salaries and Wages	89,000.00	89,000.00	83,806.02	3,274.77	1,919.21	-
Other Expenses	25,000.00	25,000.00	11,837.46		13,162.54	-
Solid Waste (P.L. 1987, Ch.74)						
Garbage/Recycling Removal						
Other Expenses	120,000.00	120,000.00				-
Contractual	62,000.00	62,000.00	92,219.98	18,268.20	9,511.82	-
Tipping Fee			59,705.80		2,294.20	-
Recycling						
Salaries and Wages	2,500.00	2,500.00	2,403.85	96.15	-	0.00
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, 2019

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
HEALTH AND WELFARE					
Board of Health					
Other Expenses	100.00	100.00			-
Dog Regulation					
Other Expenses		-			-
Contractual	9,000.00	9,000.00	8,988.00		-
County Shelter	26,600.00	26,600.00	26,594.00		-
County Shelter - Spay/Neuter	5,000.00	5,000.00	4,168.00		-
Misc.	1,000.00	1,000.00	130.00		-
RECREATION AND EDUCATION					
Parks and Playgrounds					
Salaries and Wages	20,000.00	20,000.00	17,000.00		-
Other Expenses					-
Public Relations/Community Events					
Other Expenses	1,500.00	1,500.00	412.99		-
UNCLASSIFIED					
Telephones/Communications	15,000.00	15,000.00	11,512.80		-
Electric	72,000.00	67,000.00	49,065.49	2,846.79	-
Water	100.00	100.00			-
Heating and Fuel	20,000.00	20,000.00	13,147.35		-
Postage	4,000.00	4,000.00	4,000.00		-
Street Lighting	38,000.00	38,000.00	34,847.03		-
TOTAL OPERATIONS WITHIN "CAPS"	<u>1,424,700.00</u>	<u>1,424,700.00</u>	<u>1,217,254.55</u>	<u>54,214.46</u>	<u>(0.00)</u>
Contingent					-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>1,424,700.00</u>	<u>1,424,700.00</u>	<u>1,217,254.55</u>	<u>54,214.46</u>	<u>(0.00)</u>
Detail:					
Salaries and Wages	424,500.00	424,500.00	389,324.46	16,098.44	0.00
Other Expenses	1,000,200.00	1,000,200.00	827,930.09	38,116.02	(0.00)
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, 2019**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
Deferred Charges					
Emergent Authorizations					
Anticipated Deficit in Airport Utility		-			-
Expenditure without an Appropriation		-			-
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	34,100.00	34,100.00	33,654.00		446.00
Social Security System (O.A.S.I.)	30,000.00	30,000.00	27,265.40	1,251.63	1,482.97
Defined Contribution Retirement Program	1,500.00	1,500.00			1,500.00
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	65,600.00	65,600.00	60,919.40	1,251.63	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	1,490,300.00	1,490,300.00	1,278,173.95	55,466.09	(0.00)
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
Municipal Stormwater					
Street Division OE	1,500.00	1,500.00	500.00		-
Shared Service Agreements					
Dispatcher					
Other Expenses	49,260.00	49,260.00	49,259.28		0.72
Municipal Court Services					
Other Expenses	74,300.00	74,300.00	74,284.56		15.44
	125,060.00	125,060.00	124,043.84	-	0.00
(A) Public and Private Programs Off-Set by Revenues					
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		8,525.41	8,525.41		-
County Open Space		1,173,000.00	1,173,000.00		-
DeHirsch Ave Reconstruction		-	-		-

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, 2019

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Helprin and Sumner Avenue Reconstruction		-	-			-
NJ Econ. Dev.-Hazardous Site Remediation - Airport Site		-	-			-
Municipal Alcohol Education/Rehabilitation Program		-	-			-
Recycling Tonnage Grant	2,619.00	2,619.00	2,619.00			-
Green Communities	3,000.00	3,000.00	3,000.00			-
Sustainable Jersey		-	-			-
Small Cities Public Facilities	400,000.00	400,000.00	400,000.00			-
Match - Small Cities Public Facilities	40,000.00	40,000.00	40,000.00			-
USDA Firefighter Equipment		-	-			-
USDA Food Pantry Phase III		25,100.00	25,100.00			-
USDA - HeadStart Building		8,200.00	8,200.00			-
NJDOT - Reconstruction of Sumner Ave		175,000.00	175,000.00		13,000.00	-
NJDOT - Bikeway Open Space Eco-park	13,000.00	13,000.00				-
Grant Match		-	-			-
Homeland Security Assistance to Firefighters Grant						
Total Public and Private Programs Off-Set by Revenues	465,619.00	1,855,444.41	1,842,444.41	-	13,000.00	-
Total Operations - Excluded from "CAPS"	590,679.00	1,980,504.41	1,966,488.25	-	14,016.16	0.00
Detail:						
Other Expenses	590,679.00	1,980,504.41	1,966,488.25	-	14,016.16	0.00
(C) Capital Improvements						
Various Improvements and Infrastructure	20,000.00	20,000.00	14,850.00	3,200.00	1,950.00	-
Public Facilities Upgrade	35,000.00	35,000.00	2,700.00		32,300.00	-
Public and Private Programs Offset by Revenues:						
New Jersey DOT Trust Fund Authority Act		-				-
New Jersey DOT Trust Fund Authority Act		-				-
New Jersey DOT Sumner Avenue	200,000.00	200,000.00	200,000.00			-
Total Capital Improvements	255,000.00	255,000.00	217,550.00	3,200.00	34,250.00	-
(D) Debt Service						
Payment of Bond Anticipation Notes		-				-
Green Trust Loan Program:						
Loan Repayments for Principal and Interest		-				-
Total Debt Service	-	-	-	-	-	-

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, 2019

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
(E) Deferred Charges					
Emergency Authorizations		-			-
Special Emergency Authorizations - 5 years	-	-			-
Special Emergency Authorizations - 3 years	-	-			-
Total Deferred Charges	-	-	-	-	-
(N) Transferred to Board of Education for Use of Local Schools	7,719.00	7,719.00	7,719.00		-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	853,398.00	2,243,223.41	2,191,757.25	48,266.16	0.00
SUBTOTAL GENERAL APPROPRIATIONS	2,343,698.00	3,733,523.41	3,469,931.20	58,666.09	0.00
(M) Reserve for Uncollected Taxes	134,484.00	134,484.00	134,484.00		-
TOTAL GENERAL APPROPRIATIONS	\$ 2,478,182.00	3,868,007.41	3,604,415.20	204,926.12	0.00
Budget		2,478,182.00		Cancelled	0.00
Appropriations by 40A:4-87		1,389,825.41		Overexpended	(0.00)
Emergency		3,868,007.41			0.00
Reserve for Uncollected Taxes			134,484.00		
Federal and State Grants			2,042,444.41		
Deferred Charges			-		
Transfer to BOE			7,719.00		
Disbursements			1,419,767.79		
			3,604,415.20		

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

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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>2019</u>	<u>2018</u>
Dog License Fund:		
Cash	\$ 2,518.71	2,679.06
	<u>2,518.71</u>	<u>2,679.06</u>
Other Funds:		
Cash - Treasurer	131,942.58	130,557.95
Cash - Collector	22,954.21	34,178.39
Due from Current Fund	24,180.06	24,180.06
Small Cities Loans Receivable	413,683.00	413,683.00
Emergency Loans Receivable	65,432.00	65,432.00
	<u>658,191.85</u>	<u>668,031.40</u>
	<u><u>660,710.56</u></u>	<u><u>670,710.46</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Dog License Fund:		
Due to Current Fund	770.26	770.26
Due to State of New Jersey	18.00	-
Reserve for Dog Fund Expenditures	<u>1,730.45</u>	<u>1,908.80</u>
	<u>2,518.71</u>	<u>2,679.06</u>
Other Funds:		
Due to Current Fund	-	-
Reserve for Loans Receivable	479,115.00	479,115.00
Miscellaneous Reserves	<u>179,076.85</u>	<u>188,916.40</u>
	<u>658,191.85</u>	<u>668,031.40</u>
Total	\$ <u><u>660,710.56</u></u>	<u><u>670,710.46</u></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>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash	\$ -	-
Deferred Charges to Future Taxation - Funded	-	-
Interfunds and Receivables Due from Current Fund	336,856.68	346,546.68
	<u>336,856.68</u>	<u>346,546.68</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Improvement Authorizations: Funded	51,349.39	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>\$ 336,856.68</u>	<u>346,546.68</u>

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

2018	-
2019	-

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

	<u>2019</u>	<u>2018</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>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 1,119,072.87	1,159,446.51
Due from Water Sewer Utility Capital Fund	123,441.80	58,147.89
	<u>1,242,514.67</u>	<u>1,217,594.40</u>
Receivables and Other Assets with Full Reserves:		
Water Sewer Accounts Receivable	178,060.11	69,386.57
	<u>178,060.11</u>	<u>69,386.57</u>
Total Operating Fund	<u>1,420,574.78</u>	<u>1,286,980.97</u>
Capital Fund:		
Cash - Treasurer	-	-
Fixed Capital - Complete	449,226.00	449,226.00
Fixed Capital - Authorized and Uncomplete	3,090,730.00	3,090,730.00
Total Capital Fund	<u>3,539,956.00</u>	<u>3,539,956.00</u>
	<u>\$ 4,960,530.78</u>	<u>4,826,936.97</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,**

	2019	2018
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 99,230.30	152,307.86
Reserve for Encumbrances	12,653.47	-
Overpaid Water Rents	10,867.08	1,291.15
Due to Current Fund	720.67	720.67
	<u>123,471.52</u>	<u>154,319.68</u>
 Reserve for Receivables	 178,060.11	 69,386.57
Fund Balance	1,119,043.15	1,063,274.72
 Total Operating Fund	 <u>1,420,574.78</u>	 <u>1,286,980.97</u>
Capital Fund:		
Due to Current Fund	81,795.25	81,795.25
Due to Water/Sewer Utility Operating Fund	123,441.80	58,147.89
Improvement Authorizations:		
Funded	2,885,492.95	-
Unfunded	-	2,950,786.86
Reserve for Amortization	449,226.00	449,226.00
Capital Improvement Fund	-	-
Fund Balance	-	-
 Total Capital Fund	 <u>3,539,956.00</u>	 <u>3,539,956.00</u>
	<u>\$ 4,960,530.78</u>	<u>4,826,936.97</u>
There were bonds and notes authorized but not issued at December 31		
2018	3,090,730.00	
2019	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 2019	Year 2018
Revenue and Other Income Realized		
Fund Balance	\$ 120,400.00	30,697.00
Water & Sewer Rents	332,073.33	380,903.69
Miscellaneous Revenue Anticipated	115,846.82	109,386.22
UEZ Debt Service Aid		
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	133,248.28	165,451.57
Total Income	<u>701,568.43</u>	<u>686,438.48</u>
Expenditures		
Operations	382,000.00	420,000.00
Deferred Charges and Statutory Expenditures	143,400.00	26,729.00
Total Expenditures	<u>525,400.00</u>	<u>446,729.00</u>
Excess in Revenue	<u>176,168.43</u>	<u>239,709.48</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>176,168.43</u>	<u>239,709.48</u>
Beginning Fund Balance	<u>1,063,274.72</u>	<u>854,262.24</u>
	1,239,443.15	1,093,971.72
Increased/Decreased by:		
Utilization as Anticipated Revenue	120,400.00	30,697.00
Transfer from Dissolution of Utility Authority		
Fund Balance December 31	<u>\$ 1,119,043.15</u>	<u>1,063,274.72</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 2019	Year 2018
	<u> </u>	<u> </u>
Beginning Balance	\$ -	-
Increased by:		
No current year activity		
Decreased by:		
Ending Balance December 31	\$ <u> </u> <u> </u>	<u> </u> <u> </u>

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, 2019**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 120,400.00	120,400.00	-
Rents	320,000.00	332,073.33	12,073.33
Miscellaneous Revenue	85,000.00	115,846.82	30,846.82
	<u>\$ 525,400.00</u>	<u>568,320.15</u>	<u>42,920.15</u>

Analysis of Realized Revenue:

Rents

Consumer Accounts Receivable:

Current Collections	341,649.26
Prepayments & Overpayments Applied	-
Overpayments Created	(9,575.93)
Liens Collected	-

332,073.33

Miscellaneous Revenue Anticipated

Antennae	97,003.84
Miscellaneous	18,842.98
	<u>115,846.82</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, 2019

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 132,000.00	132,000.00	86,078.20	3,514.55	42,407.25	
Other Expenses	250,000.00	250,000.00	184,703.86	8,955.95	56,340.19	
	<u>382,000.00</u>	<u>382,000.00</u>	<u>270,782.06</u>	<u>12,470.50</u>	<u>98,747.44</u>	<u>-</u>
Deferred Charges and Statutory Expenditures:						
Cost of Improvements Authorized						
Public Employees' Retirement System	400.00	400.00	394.00		6.00	
Unemployment	1,000.00	1,000.00	522.11	1.03	476.86	
Social Security System	7,000.00	7,000.00	6,818.06	181.94	(0.00)	
Disability Insurance		-			-	
Airport Utility	135,000.00	135,000.00	135,000.00		-	
	<u>143,400.00</u>	<u>143,400.00</u>	<u>142,734.17</u>	<u>182.97</u>	<u>482.86</u>	<u>-</u>
\$	<u>525,400.00</u>	<u>525,400.00</u>	<u>413,516.23</u>	<u>12,653.47</u>	<u>99,230.30</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,**

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 278,869.36	146,370.90
	<u>278,869.36</u>	<u>146,370.90</u>
Receivables and Other Assets with Full Reserves:		
Rent/Fuel Accounts Receivable	51,589.32	54,157.04
	<u>51,589.32</u>	<u>54,157.04</u>
Deferred Charges		
Overexpenditure of Appropriations	-	90,544.35
	<u>-</u>	<u>90,544.35</u>
 Total Operating Fund	 <u>330,458.68</u>	 <u>291,072.29</u>
Capital Fund:		
Cash - Treasurer	8,913.18	1,205.19
Fixed Capital - Complete	8,762,293.00	8,762,293.00
Fixed Capital - Authorized and Uncomplete	676,830.31	490,801.31
Grants Receivable	307,666.36	212,869.25
Due from Utility Operating	51,580.54	75,345.54
 Total Capital Fund	 <u>9,807,283.39</u>	 <u>9,542,514.29</u>
	<u>\$ 10,137,742.07</u>	<u>9,833,586.58</u>

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,**

	2019	2018
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 68,062.30	-
Reserve for Encumbrances	4,586.93	-
Accounts Payable	-	-
Security Deposits	19,720.00	19,720.00
Accrued Interest on Bonds and Notes	598.13	735.63
Reserve for FAA		28,934.24
Interfunds:		
Due to Airport Capital	51,580.54	75,345.54
	<u>144,547.90</u>	<u>124,735.41</u>
 Reserve for Receivables	 51,589.32	 54,157.04
Fund Balance	134,321.46	112,179.84
 Total Operating Fund	 <u>330,458.68</u>	 <u>291,072.29</u>
Capital Fund:		
Encumbrances Payable	2,967.65	-
Loans Payable	183,000.00	238,000.00
Due to Current Fund	111,353.15	111,353.15
Improvement Authorizations:		
Funded	262,171.91	196,524.81
Unfunded	-	-
Reserve for Amortization	8,929,880.41	8,874,880.41
Deferred Reserve for Amortization	-	-
Reserve for DOT Grant	306,242.90	120,213.90
Reserve for Grant Match	11,667.37	1,542.02
Fund Balance	-	-
 Total Capital Fund	 <u>9,807,283.39</u>	 <u>9,542,514.29</u>
	<u>\$ 10,137,742.07</u>	<u>9,833,586.58</u>

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

2018	20,000.00
2019	20,000.00

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,**

	Year 2019	Year 2018
	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized		
Fund Balance	\$ -	52,900.00
Water & Sewer Rents	201,365.09	181,088.50
Miscellaneous Revenue Anticipated	227,381.29	766,646.59
Reserve for FAA	28,934.24	-
Water Utility	135,000.00	-
Total Income	<u>592,680.62</u>	<u>1,000,635.09</u>
Expenditures		
Operations	326,928.00	233,701.92
Capital Improvements	84,239.00	556,241.00
Debt Service	63,828.00	64,961.88
Deferred Charges and Statutory Expenditures	95,544.00	64,518.74
Total Expenditures	<u>570,539.00</u>	<u>919,423.54</u>
Excess in Revenue	<u>22,141.62</u>	<u>81,211.55</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>
Operating Deficit to be raised in Succeeding Year	<u>22,141.62</u>	<u>81,211.55</u>
Beginning Fund Balance	<u>112,179.84</u>	<u>83,868.29</u>
Increased by:		
Transfer in from Dissolution of Port Authority		
Decreased by:		
Utilization as Anticipated Revenue	-	52,900.00
Fund Balance December 31	<u>\$ 134,321.46</u>	<u>112,179.84</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 2019	Year 2018
	<u> </u>	<u> </u>
Beginning Balance	\$ -	
Increased by:		
No current year activity	-	
Decreased by:		
No current year activity		
Ending Balance December 31	<u><u>\$ -</u></u>	<u><u>-</u></u>

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, 2019**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ -	-	-
Rents	178,000.00	201,365.09	23,365.09
Fuel Sales	222,000.00	225,600.48	3,600.48
Miscellaneous Revenue	6,300.00	1,780.81	(4,519.19)
Reserve for FAA	29,239.00	29,239.00	-
Water Utility	135,000.00	135,000.00	-
Current Fund			-
Airport Helicopter Apron Grant			-
	\$ <u>570,539.00</u>	<u>592,985.38</u>	<u>22,446.38</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, 2019

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
Operations:					
Salaries and Wages	\$ 63,950.00	63,950.00	49,543.37	1,606.54	12,800.09
Other Expenses	262,978.00	262,978.00	252,331.14	2,856.37	7,790.49
	<u>326,928.00</u>	<u>326,928.00</u>	<u>301,874.51</u>	<u>4,462.91</u>	<u>20,590.58</u>
					-
Capital Improvements:					
Capital Improvement Fund					
Capital Outlay	29,239.00	29,239.00	28,908.00		331.00
Helicopter Apron Grant		-			
Grant Match	55,000.00	55,000.00	10,125.35		44,874.65
	<u>84,239.00</u>	<u>84,239.00</u>	<u>39,033.35</u>	<u>-</u>	<u>45,205.65</u>
					-
Debt Service:					
Payment of Bond Principal	55,000.00	55,000.00	55,000.00		-
Interest on Bonds	8,828.00	8,828.00	8,690.00		138.00
	<u>63,828.00</u>	<u>63,828.00</u>	<u>63,690.00</u>	<u>-</u>	<u>138.00</u>
					-
Deferred Charges and Statutory Expenditures:					
Overexpenditure of Appropriations	90,544.00	90,544.00	90,544.00		-
Public Employees' Retirement System		-			-
Social Security System	4,500.00	4,500.00	2,573.59	119.99	1,806.42
Disability Insurance		-			-
Unemployment	500.00	500.00	174.32	4.03	321.65
Deficits in Operation in Prior Years		-			-
	<u>95,544.00</u>	<u>95,544.00</u>	<u>93,291.91</u>	<u>124.02</u>	<u>2,128.07</u>
					-
Surplus (General Budget)		-			-
	<u>570,539.00</u>	<u>570,539.00</u>	<u>497,889.77</u>	<u>4,586.93</u>	<u>68,062.30</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

	Balance <u>Dec. 31, 2019</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:		
Land and Buildings	\$ 9,262,543.00	\$ 9,262,543.00
Machinery and Equipment	<u>1,446,898.00</u>	<u>1,398,774.00</u>
Total General Fixed Assets	<u><u>10,709,441.00</u></u>	<u><u>10,661,317.00</u></u>
Investment in General Fixed Assets	\$ <u><u>10,709,441.00</u></u>	\$ <u><u>10,661,317.00</u></u>

See Accompanying Notes to Financial Statements

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**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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 entity has no component units.

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.

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

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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.

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

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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, 2019 AND 2018**

F. Recent Accounting Pronouncements Not Yet Effective

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, will not have any effect on the Borough's financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". This statement, which is effective for fiscal periods beginning after June 15, 2019, will not have any effect on the Borough's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the Borough's financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90 "Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61". 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 May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the Borough's financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020". This statement is effective for fiscal periods beginning after June 15, 2020, with the exception of the provisions affecting GASB 87 which is effective upon issuance, will not have any 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 2019 and 2018 statutory budgets included a reserve for uncollected taxes in the amount of \$134,484 and \$125,284. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2019 and 2018 statutory budgets was \$598,000 and \$532,000, respectively.

BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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 2019 or 2018 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 2019 and 2018, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2019</u>	<u>2018</u>
County Open Space	\$ 1,173,000.00	-
NJDOT - Bikeway Open Space Eco-Park	175,000.00	-
USDA Food Pantry Phase III	25,100.00	-
USDA FireTruck		44,800.00
USDA HeadStart Building	8,200.00	80,000.00
NJDOT Reconstruction of Sumner Ave		150,000.00
Clean Communities Program	8,525.41	7,637.41

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 2019.

Note 3: INVESTMENTS

As of December 31, 2019 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, 2019 AND 2018

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, 2019 and 2018, \$0 of the municipality's bank balance of \$3,833,062.47 and \$4,236,479.68 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, 2019 and 2018:

	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018
Land, Buildings and Improvements	\$ 9,262,543.00			9,262,543.00
Equipment and Machinery	1,566,628.00	32,146.00	(200,000.00)	1,398,774.00
	<u>\$ 10,829,171.00</u>	<u>32,146.00</u>	<u>(200,000.00)</u>	<u>10,661,317.00</u>

	Balance 12/31/2018	Additions	Retirements	Balance 12/31/2019
Land, Building and Improvements	\$ 9,262,543.00			9,262,543.00
Equipment and Machinery	1,398,774.00	48,124.00		1,446,898.00
	<u>10,661,317.00</u>	<u>48,124.00</u>	<u>-</u>	<u>10,709,441.00</u>

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 6: LONG TERM DEBT

Long-term debt as of December 31, 2019 and 2018 consisted of the following:

	Balance 12/31/17	Issued	Retired	Balance 12/31/18	Amounts Due Within One Year
General	\$ -			-	-
Airport Utility	\$ 293,000.00		55,000.00	238,000.00	55,000.00
PERS	850,758.00		184,581.00	666,177.00	
Compensated Absences	30,434.40	7,558.37	5,516.84	32,475.93	-
Total long-term liabilities	<u>\$ 1,174,192.40</u>	<u>7,558.37</u>	<u>245,097.84</u>	<u>936,652.93</u>	<u>55,000.00</u>

	Balance 12/31/18	Issued	Retired	Balance 12/31/19	Amounts Due Within One Year
General	\$ -			-	
Airport Utility	238,000.00		55,000.00	183,000.00	57,000.00
PERS	666,177.00	234,668.00		900,845.00	
Compensated Absences	32,475.93	11,726.50	13,342.08	30,860.35	
Total long-term liabilities	<u>\$ 936,652.93</u>	<u>246,394.50</u>	<u>68,342.08</u>	<u>1,114,705.35</u>	<u>57,000.00</u>

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

\$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, 2019 was \$183,000.

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BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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

<u>Year</u>	<u>Airport Utility Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 57,000.00	7,177.50
2021	60,000.00	5,040.00
2022	66,000.00	2,640.00
	<u>183,000.00</u>	<u>14,857.50</u>

<u>Summary of Municipal Debt</u>	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>Issued:</u>			
Airport Utility	\$ 183,000.00	238,000.00	293,000.00
Green Trust Loan Payable	-	-	-
Total Issued	<u>183,000.00</u>	<u>238,000.00</u>	<u>293,000.00</u>
<u>Authorized But Not Issued:</u>			
Airport Utility	20,000.00	20,000.00	20,000.00
Water and Sewer Utility	3,861,530.00	3,090,730.00	3,090,730.00
Total Authorized But Not Issued	<u>3,881,530.00</u>	<u>3,110,730.00</u>	<u>3,110,730.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 4,064,530.00</u>	<u>3,348,730.00</u>	<u>3,403,730.00</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	\$ 2,017,000.00	2,017,000.00	-
Utilities	4,064,530.00	4,064,530.00	-
General Debt	-	-	-
	<u>\$ 6,081,530.00</u>	<u>6,081,530.00</u>	<u>-</u>

Net Debt \$0 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$159,335,203.00 = 0.0%.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 5,576,732.00
Net Debt	-
Remaining Borrowing Power	<u>\$ 5,576,732.00</u>

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, 2019 and 2018, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Current Fund	\$ 576,072.00	598,000.00

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>12/31/2019</u>	<u>12/31/2018</u>
Balance of Tax	\$ 1,000,293.94	1,024,049.94
Deferred	367,000.00	367,000.00
Tax Payable	<u>\$ 633,293.94</u>	<u>657,049.94</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 12/31/19</u>	<u>Balance 12/31/18</u>
Prepaid Taxes	\$ 82,232.18	91,020.25
Cash Liability for Taxes Collected in Advance	<u>\$ 82,232.18</u>	<u>91,020.25</u>

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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 7.50% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 14.11% of covered payroll. The entity's contributions to PERS for the years ended December 31, 2019, 2018, and 2017 were \$34,048.00, \$52,838.74 and \$33,296.

The total payroll for the year ended December 31, 2019, 2018, and 2017 was \$541,165.21, \$523,844.32 and \$486,053.87, respectively. Payroll covered by PERS was \$356,513, \$355,284, and \$286,635, respectively.

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.

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- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- 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.

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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.

The following represents the municipality's pension liabilities as June 30, 2019:

Public Employees' Retirement System

The Municipality has a liability of \$900,845 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 that was rolled forward to June 30, 2019. 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, 2019, the Municipality's proportion would be .00499956080%, which would be an increase of 47.77% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Municipality would have recognized pension expense of \$105,869. At December 31, 2019, 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	\$ 16,169	\$ (3,980)
Changes of assumptions	89,953	(312,680)
Changes in proportion	310,798	(51,199)
Net difference between projected and actual earnings on pension plan investments		(14,220)
Total	<u>\$ 416,920</u>	<u>\$ (382,079)</u>

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:

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Year ended June 30,		
2020	\$	4,032
2021		13,081
2022		11,680
2023		5,485
2024		563
Total	\$	<u>34,841</u>

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate

Price 2.75%

Wage 3.25%

Salary increases:

Through 2026 2.00% – 6.00% (based on years of service)

Thereafter 3.00% - 7.00% (based on years of service)

Investment rate of return: 7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 200 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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

BOROUGH OF WOODBINE
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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 inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
US equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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 6.28%, 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 (5.28%) or 1-percentage point higher (7.28%) than the current rate:

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	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Municipality's proportionate share of the net pension liability	\$ 1,081,163	\$ 900,845	\$ 749,078

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

General Information about the Plan:

The Borough offers Other Post-Retirement Benefits (OPEB) to its employees through the State Health Benefit Local Government Retired Employees Plan (the Plan) a cost-sharing multiple employer defined benefit other postemployment benefit plan. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at:

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post retirement medical coverage for employees and their dependents who:

1) retired on a disability pension;

or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Allocation Methodology:

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the Borough these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation, where applicable, and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775 and \$8,182,092,807, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Net OPEB Liability:

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2019 is as follows:

	June 30, 2019	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 13,819,244,582	\$ 1,235,717
Plan Fiduciary Net Position	273,173,482	24,427
Net OPEB Liability	<u>\$ 13,546,071,100</u>	<u>\$ 1,211,290</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.98%

At June 30, 2019 the Borough's proportionate share of the Collective Net OPEB Liability was \$1,211,290. The Borough's proportion of the Collective Net OPEB Liability was 0.008942% which was an increase from the prior year of 2.90%.

**BOROUGH OF WOODBINE
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For the Year ended June 30, 2019 the Borough's Total OPEB Expense was \$31,521. The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases*:	
PERS Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
PFRS	
Rate for all future years	3.25% to 15.25%

* Salary increases are based on years of service within the respective plan.

Mortality:

PERS: Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

PFRS: Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

		1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Collective				
Net OPEB Liability	\$	15,662,704,137	\$ 13,546,071,100	\$ 11,826,026,995
Proportionate Share				
Net OPEB Liability	\$	1,400,559	\$ 1,211,290	\$ 1,057,484

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		1% Decrease	Healthcare Cost Trend Rate	1% Increase
Collective				
Net OPEB Liability	\$	11,431,214,644	\$ 13,546,071,100	\$ 16,243,926,531
Proportionate Share				
Net OPEB Liability	\$	1,022,179	\$ 1,211,290	\$ 1,452,532

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

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	Collective Totals		Proportionate Share	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ (3,961,399,180)	\$	\$ (354,228)
Changes of assumptions		(4,800,426,301)		(429,254)
Net difference between projected and actual earnings on OPEB plan investments	11,158,226		998	
Changes in proportion and differences between contributions and proportionate share of contributions			233,556	
Total	\$ 11,158,226	\$ (8,761,825,481)	\$ 234,554	\$ (783,482)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Collective Totals	Proportionate Share
2019	\$ (1,425,201,517)	\$ (89,403)
2020	(1,425,201,517)	(89,403)
2021	(1,426,076,187)	(89,458)
2022	(1,427,489,995)	(89,546)
2023	(1,428,781,861)	(89,627)
Thereafter	(1,617,916,178)	(101,492)
Total	\$ (8,750,667,255)	\$ (548,928)

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

Collective OPEB Expenses reported by the State of New Jersey

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2019 are as follows:

Service cost	\$ 666,574,660
Interest on Total OPEB Liability	636,082,461
Expected Investment Return	(11,286,267)
Administrative Expenses	9,478,435
Changes of Benefit Terms	(1,903,958)
Current Period Recognition (Amortization) of Deferred Inflow s/ Outflow s of Resources:	
Differences between Expected and Actual Experience	(619,405,071)
Changes in Assumptions	(809,376,790)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments	3,580,344
Total Collective OPEB Expense	\$ (126,256,186)

**BOROUGH OF WOODBINE
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Schedule of Borough's Share of Net OPEB Liability

	<u>2019</u>	<u>2018</u>
Borough's Proportionate Share of Net OPEB Liability	0.008942%	0.008690%
Borough's Share of Net OPEB Liability	\$ 1,211,290	1361429
Borough's Covered Payroll	365,513	355284
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	331.39%	383.19%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%

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 \$30,860.36 and \$32,475.94 as of December 31, 2019 and 2018. 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, 2019.

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, 2019 and 2018 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**BOROUGH OF WOODBINE
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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.

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.

BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 18: INTERFUND BALANCES

During the most current calendar year ended December 31, 2019, the following interfunds were included on the balance sheets of the various funds of the Borough of Woodbine:

	Due From	Due To
Current Fund:		
Small Cities	20,562.13	
Capital		336,856.68
Grant Fund	252,858.80	
Airport Capital	111,353.15	
Water Sewer Operating	720.67	
Water Sewer Capital	81,795.25	
Dog Trust	770.26	
Trust Other		24,180.06
Grant Fund:		
Small Cities - Current Fund		20,562.13
Current Fund		252,858.80
Water Sewer Operating:		
Current Fund		720.67
Water Sewer Capital	123,441.80	
Water Sewer Capital:		
Current Fund		81,795.25
Water Sewer Operating		123,441.80
Airport Operating:		
Airport Capital		51,580.54
Airport Capital:		
Current Fund		111,353.15
Airport Operating	51,580.54	
Trust Fund:		
Current - Dog Trust		770.26
Current - Trust Other	24,180.06	
General Capital Fund:		
Current Fund	336,856.68	
	<u>\$ 1,004,119.34</u>	<u>1,004,119.34</u>

**BOROUGH OF WOODBINE
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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.

Note 19: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through June 30, 2020 the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

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SUPPLEMENTARY INFORMATION

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Independent Auditor's Report

The Honorable Mayor and
Members of 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, 2019, 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 30, 2020, 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.

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 30, 2020



INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Woodbine's compliance with the types of compliance requirements described in the *OMB Uniform Guidance Compliance Supplement and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, that could have a direct and material effect on each of the Borough of Woodbine's major federal and state programs for the year ended December 31, 2019. The Borough of Woodbine's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Woodbine's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Uniform Guidance and NJ OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Woodbine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state and state program. However, our audit does not provide a legal determination of the Borough of Woodbine's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Woodbine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the Borough of Woodbine is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Woodbine's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance and NJ OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Woodbine's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Uniform Guidance and NJ OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by OMB Uniform Guidance and NJ OMB's Circular 15-08

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Borough of Woodbine, New Jersey, as of December 31, 2019 and 2018, the related statements 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, 2019, and have issued our report thereon dated June 30, 2020, which contained an adverse opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Uniform Guidance and NJ OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

Nancy Sbrolla

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

June 30, 2020

**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/18	Receipts or Revenue Recognized	Disbursements/ Expenditures	Prior Year Encumbrances	Cancelled	Balance 12/31/19	Cumulative Expenditures
STATE OF NEW JERSEY										
Department of Environmental Protection										
Clean Communities	4900-765-042-4900-004	01/01/19 12/31/19	\$ 8,525.41	-	8,525.41				8,525.41	-
Clean Communities	4900-765-042-4900-004	01/01/18 12/31/18	7,637.41	4,868.42		4,000.00			863.42	6,768.99
Recycling Tonnage	4900-752-042-4900-001	01/01/19 12/31/19	2,619.00		2,619.00				2,619.00	-
Recycling Tonnage	4900-752-042-4900-001	01/01/18 12/31/18	5,107.72	5,107.72					5,107.72	-
Recycling Tonnage	4900-752-042-4900-001	01/01/17 12/31/17	2,948.40	2,948.40					2,948.40	-
Recycling Tonnage	4900-752-042-4900-001	01/01/16 12/31/16	5,116.00	5,116.00		1,916.26			3,199.74	1,916.26
Recycling Tonnage	4900-752-042-4900-001	01/01/15 12/31/15	3,467.09	3,467.09		3,467.09			-	3,467.09
Recycling Tonnage	4900-752-042-4900-001		13,123.79	13,123.79		13,123.79			-	13,123.79
State of New Jersey State Police										
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/17 12/31/17	579.06	579.06				579.06	-	579.06
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/14 12/31/14	413.00	413.00				413.00	-	413.00
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/13 12/31/13	211.10	211.10				211.10	-	211.10
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/11 12/31/11	161.80	161.80				161.80	-	161.80
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/10 12/31/10	1,106.01	1,106.01				1,106.01	-	1,106.01
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/09 12/31/09	621.64	621.64				621.64	-	621.64
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/08 12/31/08	696.09	696.09				696.09	-	696.09
NJ Economic Dev Hazardous Site Remediation										
Hazardous Site Remediation		01/01/16 12/31/16	38,000.00	2,424.28		2,424.28			-	38,000.00
		01/01/17 12/31/17	129,645.00	117,139.40		117,076.12			63.28	129,581.72
NJ Transportation Trust Fund										
2017 Helprin and Summer	6320-480-601385-61		200,000.00	12,963.80		12,963.80			-	-
Dehirsch	6320-480-601385-61		175,000.00	115,877.00		44,438.26		71,438.74	-	200,000.00
Pedestrian Safety	6320-480-601385-61		240,000.00	55,104.56		37,719.80		17,384.76	-	175,000.00
Helprin and Summer	6320-480-601385-61		150,000.00	91,674.50		91,674.50			-	240,000.00
Summer	6320-480-601385-61		230,000.00	137,247.00		137,247.00			-	150,000.00
2018 Summer	6320-480-601385-61		175,000.00	175,000.00		175,000.00			-	230,000.00
2019 Summer	6320-480-601385-61		200,000.00		200,000.00				6,677.73	175,000.00
2019 Bikeway	6320-480-601385-61		175,000.00		175,000.00				175,000.00	193,322.27
Total State Assistance										
			\$	745,850.66	386,144.41	834,373.17	-	92,612.20	205,009.70	

**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/18	Receipts or Revenue Recognized	Disbursements/ Expenditures	Prior Year Encumbrances	Cancellation	Balance 12/31/19	Cumulative Expenditures
FEDERAL:										
Federal Emergency Management Agency Hazardous Site Remediation	97.039	01/01/17 12/31/17	175,319.00	25,172.50	-	25,172.50	-	-	-	175,319.00
Total Federal Emergency Management Agency				25,172.50	-	25,172.50	-	-	-	
Department of Agriculture Community Facility - Food Bank Phase 3	10.766	01/01/19 12/31/19	25,100.00	-	25,100.00				25,100.00	-
Community Facility - Food Bank Phase 2	10.766	01/01/16 12/31/16	37,400.00	37,400.00		36,400.00			1,000.00	36,400.00
Head Start - Roof	10.766	01/01/19 12/31/19	8,200.00		8,200.00	4,000.00			4,200.00	
Head Start	10.766	01/01/18 12/31/18	80,000.00	80,000.00		74,000.00			6,000.00	74,000.00
Total Department of Agriculture				117,400.00	33,300.00	114,400.00	-	-	36,300.00	
Housing and Urban Development Small Cities Community Development Block Grant Public Facility	14.218	01/01/16 12/31/16	150,000.00	29,552.95		28,358.60			1,194.35	148,805.65
Public Facility - 2019	14.218	01/01/19 12/31/19	400,000.00	-	400,000.00				400,000.00	-
Total Housing and Urban Development				29,552.95	400,000.00	28,358.60	-	-	401,194.35	
Total Federal Assistance				\$ 172,125.45	433,300.00	167,931.10	-	-	437,494.35	

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

**Notes to Schedule of Expenditures of Federal and State Awards
December 31, 2019**

Note 1: BASIS OF PRESENTATION

The accompanying schedule of federal and state awards includes the federal and state grant activity of the Borough of Woodbine, State of New Jersey and is presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining single audit threshold on major programs. The Borough has elected not to use the 10% de minimis indirect cost rate.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule do not agree with amounts reported in the Borough's financial statements. Receipts from Federal and State grants are realized as revenue when anticipated in the Borough's budget. Expenditures are recognized when they become payable. Following is a reconciliation of expenditures:

Expenditures per Schedule of Federal and State Awards	\$ 1,002,304.27
Plus: Local Grants and Local Match	161,215.58
Expenditures reported on Schedule A-12	<u>\$ 1,163,519.85</u>

**BOROUGH OF WOODBINE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Part I – Summary of Auditor's Results

Financial Statement Section

- A) Type of auditor's report issued: Adverse under GAAP/Unmodified under Regulatory
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? _____yes _____X_____no
- 2) Significant Deficiencies identified that are not considered to be material weaknesses? _____yes _____X_____no
- C) Noncompliance material to general-purpose financial statements noted? _____yes _____X_____no

Federal Awards Section – N/A

- D) Dollar threshold used to determine type A programs: _____
- E) Auditee qualified as low-risk auditee? _____yes _____no
- F) Type of auditor's report on compliance for major programs _____
- G) Internal control over major programs:
- 1) Material weakness(es) identified? _____yes _____no
- 2) Significant Deficiencies identified that are not considered to be material weaknesses? _____yes _____no
- H) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____yes _____no
- I) Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

**BOROUGH OF WOODBINE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Part I – Summary of Auditor's Results

State Awards Section

- J) Dollar threshold used to determine Type A programs: \$750,000
- K) Auditee qualified as low-risk auditee? X yes no
- L) Type of auditor's report issued on compliance
for major programs: Unmodified
- M) Internal Control over major programs:
- 1) Material weakness(es) identified? yes X no
- 2) Significant Deficiencies identified that are
 not considered to be material weaknesses? yes X no
- N) Any audit findings disclosed that are required to be
reported in accordance with NJOMB Circular
Letter 15-08? yes X no
- O) Identification of major programs:

GMIS Number(s)

6320-480-601385-61

Name of State Program

NJ Department of Transportation

Part 2 -- Schedule of Financial Statement Findings

NONE

Part 3 – Schedule of Federal Award Findings and Questioned Costs

NONE

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		<u>Current Fund</u>
Balance December 31, 2018	\$	2,502,439.79
Increased by Receipts:		
Miscellaneous Revenue Anticipated	975,875.31	
Miscellaneous Revenue Not Anticipated	122,531.01	
Taxes Receivable	2,709,252.19	
Tax Title Liens	1,788.56	
Prepaid Taxes	82,232.18	
Due from State - Sr Citizens and Veterans	14,750.00	
Federal and State Grant Receivables	776,666.26	
Unappropriated Grants	7,640.14	
		<u>4,690,735.65</u>
		7,193,175.44
Decreased by Disbursements:		
Current Year Appropriation	1,419,767.79	
Prior Year Appropriations	34,821.16	
County Taxes	428,685.28	
County Added Taxes	2,138.77	
Local District School Taxes	2,016,592.00	
Transfer to BOE	7,719.00	
Refund Tax Overpayments		
Due from Capital	9,690.00	
Due from Federal and State Grants	1,008,172.09	
		<u>4,927,586.09</u>
Balance December 31, 2019	\$	<u><u>2,265,589.35</u></u>

Analysis of Current Year Tax Levy

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

Balance December 31, 2018		\$	110,191.89
Increased by:			
Transfers from Taxes Receivable	28,556.39		
	<hr/>		<hr/>
			28,556.39
			138,748.28
Decreased by:			
Collections	1,788.56		
Cancellations	14,099.89		
	<hr/>		<hr/>
			15,888.45
Balance December 31, 2019		\$	<u><u>122,859.83</u></u>

-

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2018	Accrued 2019	Collected by Treasurer	Cancelled	Balance Dec. 31, 2019
Miscellaneous Revenue Anticipated					
Licenses - Alcoholic Beverages	\$ -	10,000.00	10,000.00		-
Interest and Costs on Taxes	-	16,685.89	16,685.89		-
Energy Receipts Tax	-	225,546.00	225,546.00		-
Consolidated Municipal Property Tax Relief	-	63,991.00	63,991.00		-
Rental for State Police Lease	-	129,915.00	129,915.00		-
Due from Woodbine MUA			-		-
Host Community Benefits	284,964.18	532,788.60	529,737.42		288,015.36
Miscellaneous Revenue Not Anticipated					
	-	128,116.46	128,116.46	-	-
	<u>284,964.18</u>	<u>1,107,042.95</u>	<u>1,103,991.77</u>	<u>-</u>	<u>288,015.36</u>

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
Administrative and Executive					
Other Expenses					
Other Professional Services	\$ 3,011.74	3,011.74	2,916.74	95.00	-
Municipal Clerk					
Other Expenses	7,925.40	7,925.40	6.72	7,918.68	-
Financial Administration					
Other Expenses	5,908.05	5,908.05	1,147.06	4,760.99	-
Assesment of Taxes					
Other Expenses	4,945.21	4,945.21	180.48	4,764.73	-
Collection of Taxes					
Other Expenses	2,420.60	2,420.60	787.32	1,633.28	-
Legal Services and Costs					
Other Expenses	16,805.75	16,805.75	6,101.82	10,703.93	-
Engineering Services and Costs					
Other Expenses	4,452.88	4,452.88	2,441.03	2,011.85	-
Public Buildings and Grounds					
Other Expenses	14,643.01	14,643.01	1,961.14	12,681.87	-
Planning and Zoning Board					
Other Expenses					
Legal	2,125.00	2,125.00	1,125.00	1,000.00	-
Miscellaneous Other Expenses	2,140.92	2,140.92	1,185.00	955.92	-
PUBLIC SAFETY					
Volunteer Fire Company - Contribution	1,350.00	1,350.00	1,350.00	-	-
STREETS AND ROADS:					
Roads Repairs and Maintenance					
Other Expenses	9,997.92	9,997.92	1,589.27	8,408.65	-
Garbage/Recycling Removal					
Other Expenses					
Tipping Fee	5,266.10	5,266.10	4,145.38	1,120.72	-
RECREATION AND EDUCATION					
Parks and Playgrounds					
Other Expenses	3,000.00	3,000.00	2,990.00	10.00	-
UNCLASSIFIED:					
Heating & Fuel	2,229.43	2,229.43	789.93	1,439.50	-
Telephones/Communications	1,825.68	1,825.68	292.50	1,533.18	-
Street Lighting	9,645.85	9,645.85	2,473.95	7,171.90	-
Electricity	16,655.06	16,655.06	137.82	16,517.24	-
CAPITAL IMPROVEMENTS:					
Various Improvements and Infrastructure	4,700.00	4,700.00	3,200.00	1,500.00	-
Other Accounts with no Change	129,915.92	129,915.92		129,915.92	-
	<u>\$ 248,964.52</u>	<u>248,964.52</u>	<u>34,821.16</u>	<u>214,143.36</u>	<u>-</u>

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

Balance December 31, 2018			
School Tax Payable	\$	657,049.94	
School Tax Deferred		<u>367,000.00</u>	
			\$ 1,024,049.94
Increased by:			
Levy - School Year July 1, 2018 to June 30, 2019			<u>1,992,836.00</u>
			3,016,885.94
Decreased by:			
Payments			<u>2,016,592.00</u>
Balance December 31, 2019			
School Tax Payable		633,293.94	
School Tax Deferred		<u>367,000.00</u>	
			<u>1,000,293.94</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			2,016,592.00
Tax Payable Ending			<u>633,293.94</u>
			2,649,885.94
Less: Tax Payable Beginning			<u>657,049.94</u>
Amount charged to Current Year Operations			<u>\$ 1,992,836.00</u>

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Purpose	Balance Dec. 31, 2018	Transferred From 2019 Revenues	Received	Adjustments	Balance Dec. 31, 2019
FEDERAL GRANTS:					
FEMA - Hazardous Site Remediation	\$ 29,450.77				29,450.77
Small Cities Block Grant:					
Public Facility - Fire Station	39,553.00		37,116.40		2,436.60
Small Cities 2018					-
Small Cities Public Facilities - 2019		400,000.00			400,000.00
USDA Community Facilities Grant			37,400.00		-
USDA Firefighter Equipment	-				-
USDA Headstart	80,000.00				80,000.00
USDA Fire Truck	44,800.00				44,800.00
USDA Food Pantry Phase III		25,100.00			25,100.00
USDA Headstart		8,200.00			8,200.00
Total Federal	231,203.77	433,300.00	74,516.40	-	589,987.37
STATE GRANTS:					
Clean Communities					
Recycling Tonnage Grant		8,525.41	8,252.41		273.27
NJTTF Dehirsch - 2016	0.27	2,619.00	2,619.00		-
NJTTF 2017	73,750.00			73,750.00	-
NJTTF - DOT	52,454.00		41,298.00		11,156.00
Pedestrian Safety	102,000.00		90,989.00		11,011.00
NJTTF 2018 Summer	240,000.00		173,427.70		66,572.30
NJTTF 2018	150,000.00		150,000.00		-
NJTTF 2018	175,000.00		130,385.63		44,614.37
NJTTF Summer		200,000.00	100,818.00		99,182.00
NJTTF Bikeway		175,000.00			175,000.00
Alcohol Education Rehabilitation	0.47				0.47
Total State	793,204.74	386,144.41	697,789.74	73,750.00	407,809.41

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Purpose	Balance Dec. 31, 2018	Transferred From 2019 Revenues	Received	Adjustments	Balance Dec. 31, 2019
LOCAL GRANTS:					
Municipal Alliance Program					
2018		5,500.00	4,360.12		1,139.88
2017	1,859.51				1,859.51
2016	888.19				888.19
Azeez Foundation	-				-
Cape May County Open Space Park	4,000.00				4,000.00
Cape May County Open Space		1,173,000.00			1,173,000.00
Green Communities		3,000.00			3,000.00
Total Local	6,747.70	1,181,500.00	4,360.12	-	1,183,887.58
	<u>\$ 1,031,156.21</u>	<u>2,000,944.41</u>	<u>776,666.26</u>	<u>73,750.00</u>	<u>2,181,684.36</u>
		Cash	776,666.26		
		Unappropriated Reserves	-		
			<u>776,666.26</u>		

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2018		2019	Disbursed	Encumbrances	Adjustments	Balance Dec. 31, 2019
	Appropriated	Reserve for Encumbrances					
FEDERAL GRANTS:							
FEHA - Hazardous Site Remediation	\$ 25,172.50			25,172.50			-
Small Cities							
Fire Truck	-						-
Fire Truck - Match	407.00						407.00
Public Facilities	29,552.95			26,583.48	1,775.12		1,194.35
Public Facilities - Match	11,000.00			11,000.00			-
Public Facilities - 2019		400,000.00					400,000.00
2019 Match		40,000.00		16,702.00	17,500.00		5,798.00
USDA							
Community Facility - Food Bank Phase 2	37,400.00			36,400.00			1,000.00
Community Facility - Food Bank Match	12,600.00			12,600.00			-
Community Facility - Food Bank Phase 3			25,100.00				25,100.00
Head Start	80,000.00			57,459.20	16,540.80		6,000.00
Head Start - Roof			8,200.00		4,000.00		4,200.00
Total Federal	196,132.45	-	473,300.00	185,917.18	39,815.92	-	443,699.35
STATE GRANTS:							
Clean Communities	4,868.42		8,525.41		4,000.00		9,393.83
Recycling Tonnage Grant	29,763.00		2,619.00	18,507.14			13,874.86
Hazardous Site Remediation	117,139.40			20,075.14	97,000.98		63.28
Alcohol Education Rehabilitation Grant	579.06					579.06	-
Alcohol Education Rehabilitation Grant	413.00					413.00	-
Alcohol Education Rehabilitation Grant	211.10					211.10	-
Alcohol Education Rehabilitation Grant	161.80					161.80	-
Alcohol Education Rehabilitation Grant	621.64					621.64	-
Alcohol Education Rehabilitation Grant	696.09					696.09	-
Alcohol Education Rehabilitation Grant	1,106.01					1,106.01	-
All Hazards Emergency Operation Planning	2,406.00						2,406.00
NJ Transportation Trust Fund							
Dehirsch	115,877.00			44,438.26		71,438.74	-
Pedestrian Safety	55,104.56			37,719.80		17,384.76	-
2016 Dehirsch Ave.	-						-
2017 Heilprin and Sumner	12,963.80			12,963.80			-
Heilprin and Sumner	91,674.50			86,900.77	4,773.73		(0.00)
Sumner	137,247.00			129,081.78	8,165.22		0.00
2018 Sumner	175,000.00			175,000.00			-
2019 Sumner		200,000.00		193,322.27			
2019 Bikeway		175,000.00					
NJ Economic Dev. Hazardous Site Remediation	2,424.28			832.37	1,591.91		6,677.73
2019 Bikeway							175,000.00
2019 Bikeway							0.00
Total State	748,256.66	-	386,144.41	718,841.33	115,531.84	92,612.20	207,415.70

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FERAL AND STATE GRANTS

	Balance December 31, 2018		2019	Disbursed	Encumbrances	Adjustments	Balance Dec. 31, 2019
	Appropriated	Reserve for Encumbrances	Appropriations				
LOCAL GRANTS:							
2016 Municipal Alliance Local Share	780.51					780.51	-
2017 Municipal Alliance Local Share	320.11					320.11	-
2018 Municipal Alliance Local Share	866.78					866.78	-
2019 Municipal Alliance Local Share	341.69					341.69	-
2019 Municipal Alliance Local Share	470.04					470.04	-
2019 Municipal Alliance Local Share	242.50					242.50	-
			5,500.00	4,751.24			748.76
			1,500.00	1,103.43			396.57
Azeez Foundation	0.03					0.03	-
Mural Project	3,500.00					3,500.00	-
Comcast Technology Grant	10,000.00			4,129.00			5,871.00
Cape May County Open Space Park	4,000.00						4,000.00
Cape May County Open Space			1,173,000.00	93,148.78			1,079,851.22
AtlantiCare Foundation - Growing Green Grant	281.13			281.13			-
Green Communities			3,000.00				3,000.00
Total Local	20,802.79	-	1,183,000.00	103,413.58	-	6,521.66	1,093,867.55
	965,191.90	-	2,042,444.41	1,008,172.09	155,347.76	99,133.86	1,744,982.60

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

<u>Purpose</u>	Balance Dec. 31, 2018	Transferred To 2019 Appropriations	Received	Adjustments	Balance Dec. 31, 2019
STATE GRANTS:					
Recycling Tonnage Grant	\$ -		2,640.14		2,640.14
Alcohol Education Rehabilitation	292.93				292.93
LOCAL GRANTS:					
SJ Radio	-		5,000.00		5,000.00
Total State	\$ 292.93	-	7,640.14	-	7,933.07

TRUST FUND
SCHEDULE OF CASH - TREASURER

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2018	\$ 2,679.06	130,557.95
Increased by Receipts:		
Dog License Fees 2019	959.65	
Due to State of New Jersey	247.20	
Miscellaneous Trust Reserves		31,816.25
	<u>1,206.85</u>	<u>31,816.25</u>
	3,885.91	162,374.20
Decreased by Disbursements		
Statutory Expenditures	1,138.00	
Due to State of New Jersey	229.20	
Miscellaneous Trust Reserves		30,431.62
	<u>1,367.20</u>	<u>30,431.62</u>
Balance December 31, 2019	\$ <u><u>2,518.71</u></u>	<u><u>131,942.58</u></u>

**TRUST FUND
SCHEDULE OF CASH - COLLECTOR**

	<u>Tax Title Lien Redemption</u>	
Balance December 31, 2018	\$	34,178.39
Increased by Receipts:		
Deposits for Redemption of		
Tax Sale Certificates	<u>68,418.52</u>	<u>68,418.52</u>
		102,596.91
Decreased by Disbursements:		
Refunds on Tax Sale Certificates	<u>79,642.70</u>	<u>79,642.70</u>
Balance December 31, 2019	\$	<u><u>22,954.21</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2018		\$	1,908.80
Increased by:			
License Fees Collected	959.65		
	<hr/>		<hr/>
			959.65
			2,868.45
Decreased by:			
Statutory Excess			
Expenditures under N.J.S. 4:19-15:11	1,138.00		
	<hr/>		<hr/>
			1,138.00
Balance December 31, 2019		\$	<u><u>1,730.45</u></u>

License Fees Collected:

Year		Amount
2018	\$	1,135.80
2017		1,028.00
	<hr/>	<hr/>
	\$	<u><u>2,163.80</u></u>

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

Balance December 31, 2018	\$	770.26
Increased by:		
Statutory Excess	_____	-
		<u>770.26</u>
Decreased by:		
Disbursements to Current Fund		
Balance December 31, 2019	\$	<u><u>770.26</u></u>

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

Balance December 31, 2018	\$	-
Increased by:		
2019 State License Fees	<u>247.20</u>	247.20
		<u>247.20</u>
Decreased by:		
Disbursements to the State		<u>229.20</u>
Balance December 31, 2019	\$	<u><u>18.00</u></u>

TRUST - OTHER FUNDS
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

		<u>Increased by</u> <u>Decreased by</u>		
	Balance Dec 31, 2018	Receipts	Disbursements	Adjustments
<u>Reserve</u>				Balance Dec 31, 2019
Deposits for Redemption of Tax Sale Certifi \$	(24,180.06)			(24,180.06)
\$	<u>(24,180.06)</u>	<u>-</u>	<u>-</u>	<u>(24,180.06)</u>

TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Reserve</u>	Balance Dec 31, 2018	Receipts	Disbursements	Adjustments	Balance Dec 31, 2019
Deposits for Redemption of Tax Sale Certificates \$	56,058.45	68,718.52	79,642.70		45,134.27
Premiums Received at Tax Sale	2,300.00		300.00		2,000.00
Community Development Block Grant	65,539.18				65,539.18
Escrow Fees	26,676.52	31,262.74	30,431.62		27,507.64
Municipal Alliance	2,537.19	142.22			2,679.41
Section 125	35.25				35.25
Municipal Court Fees	3,573.93	31.88			3,605.81
Affordable Housing Trust	32,195.88	379.41			32,575.29
	<u>\$ 188,916.40</u>	<u>100,534.77</u>	<u>110,374.32</u>	<u>-</u>	<u>179,076.85</u>

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

Balance December 31, 2018	\$ -
No current year activity	
Balance December 31, 2019	<u>\$ -</u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2018	Receipts		Disbursements		Transfers		Balance Dec. 31, 2019
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
\$								
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)						9,690.00	(336,856.68)
Improvement Authorizations:								
456-04 Lincoln Park Improvements	-							-
515-10 Various Improvements	20,380.18							20,380.18
516-10 Various Improvements	35,659.21					9,690.00		25,969.21
536-12 Various Improvements	5,000.00							5,000.00
\$	(0.00)	-	-	-	-	9,690.00	9,690.00	(0.00)

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

Balance December 31, 2018	\$ 233,320.00
No current year activity	<hr/>
Balance December 31, 2019	\$ <u>233,320.00</u>

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

Balance December 31, 2018	\$ -
No current year activity	
Balance December 31, 2019	<u>\$ -</u>

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GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Authorizations									
				Balance December 31, 2018		Other Funding	Deferred Charges to Future Taxation	Canceled	Paid or Charged	Balance December 31, 2019			
				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						9,690.00		25,969.21	
536-12	Various Capital Improvements	10/4/2012	25,000	5,000.00								5,000.00	
			\$	61,039.39	-	-	-	-	-	9,690.00		51,349.39	-

**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, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
No current year activity									
						\$ -			-
						-	-	-	-

**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, 2018	Increased	Decreased	Balance Dec. 31, 2019
No current year activity						\$ -			-
						\$ -			-

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Debt Issued	Other	Balance Dec. 31, 2019
		\$				
	No current year activity					
		\$	-	-	-	-

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

	Operating Fund	Capital Fund
Balance December 31, 2018	\$ 1,159,446.51	-
Increased by Receipts:		
Water Accounts Receivable	341,649.26	
Miscellaneous Revenue Anticipated	115,846.82	
Overpaid Water Rents		-
Premium on Sale of Bonds		
Due from Current Fund		
Due from Sewer Operating		65,293.91
Transfer from Utility Authority Dissolution	457,496.08	65,293.91
	<u>1,616,942.59</u>	<u>65,293.91</u>
Decreased by Disbursements:		
Current Year Appropriation	413,516.23	
Appropriation Reserves	19,059.58	
Due to Water/Sewer Capital	65,293.91	
Improvement Authorizations		
Due to Current Fund		65,293.91
	<u>497,869.72</u>	<u>65,293.91</u>
Balance December 31, 2019	<u>\$ 1,119,072.87</u>	<u>-</u>

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

	Balance Dec. 31, 2018	Receipts Miscellaneous	Disbursements		Transfers	Balance Dec. 31, 2019
			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)
	\$ -	-	-	-	-	-

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

Balance December 31, 2018		\$ 69,386.57
Increased by:		
Consumer Accounts Charges and Levies	443,948.14	
Overpayments Created	9,575.93	
	<hr/>	<hr/>
		453,524.07
		522,910.64
Decreased by:		
Collections	341,649.26	
Cancellations	3,201.27	
	<hr/>	<hr/>
		344,850.53
Balance December 31, 2019		\$ <u><u>178,060.11</u></u>

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

Balance December 31, 2018		\$ -
Increased by:		
No current year activity	-	
	<hr/>	<hr/>
		-
Decreased by:		
	-	
	<hr/>	<hr/>
		-
Balance December 31, 2019		\$ <u><u>-</u></u>

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

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 58,600.59	58,600.59	10,000.00	48,600.59
Other Expenses	92,434.01	92,434.01	9,059.58	83,374.43
Statutory Expenditures				
Contribution to:				
Public Employees' Retirement System	0.26	0.26	-	0.26
Unemployment	475.41	475.41	-	475.41
Social Security System (O.A.S.I.)	797.59	797.59	-	797.59
	<u>\$ 152,307.86</u>	<u>152,307.86</u>	<u>19,059.58</u>	<u>133,248.28</u>
		Cash Disbursed \$		
		Accounts Payable \$		
			<u>-</u>	

-

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

Balance December 31, 2018

Increased by:

No current year activity

-

-

-

Decreased By:

No current year activity

Balance December 31, 2019

-

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

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2018		Other Funding	Charges to Future Revenue	Paid or Charged	Cancelled	Balance December 31, 2019	
				Funded	Unfunded					Funded	Unfunded
561	Water System Improvements	2/16/2017	3,090,730	2,950,786.86				65,293.91		2,885,492.95	
				<u>\$ 2,950,786.86</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>65,293.91</u>	<u>-</u>	<u>2,885,492.95</u>	<u>-</u>

**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, 2018	Increased	Decreased	Refunded	Balance Dec. 31, 2019
			Date	Amount						
No current year activity					\$					-
					\$	-	-	-	-	-

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

Purpose	Maturities of Bonds Outstanding December 31, 2019		Balance Dec. 31, 2018	Decreased	Balance Dec. 31, 2019
	Date	Amount			
No current year activity			\$		-
			\$	-	-
				-	-

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, 2018	2019 Authorizations	Debt Issued	Other	Balance Dec. 31, 2019
561	Water System Improvements	\$ 3,090,730.00		-		3,090,730.00
		<u>\$ 3,090,730.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,090,730.00</u>

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

	Operating Fund	Capital Fund
Balance December 31, 2018	\$ 146,370.90	1,205.19
Increased by Receipts:		
Rents Receivable	201,365.09	
Fuel Sales	225,600.48	
Miscellaneous Revenue Anticipated	1,780.81	
Grants Receivable		91,231.89
Reserve for Grant Match		10,125.35
Due from Water Operating	135,000.00	
Due from Airport Operating		23,765.00
Due to Current Fund		-
	<u>563,746.38</u>	<u>125,122.24</u>
	710,117.28	126,327.43
Decreased by Disbursements:		
Current Year Appropriation	407,482.92	
Prior Year Appropriations	-	
Encumbrances	-	
Accounts Payable		-
Improvement Authorizations		
Due to Airport Capital Fund		117,414.25
Due from Airport Operating Fund	23,765.00	
Due from Current Fund		
Prior Year's Operating Surplus -		
Anticipated as Current Fund Revenue		
	<u>431,247.92</u>	<u>117,414.25</u>
Balance December 31, 2019	\$ <u>278,869.36</u>	<u>8,913.18</u>

**AIRPORT UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2018	Receipts Miscellaneous	Disbursements		Transfers	Balance Dec. 31, 2019
			Improvement Authorizations	Miscellaneous	From To	
Fund Balance						
Due to Current Fund	(302,020.73)					(302,020.73)
Due from Airport Operating	18,810.29	23,765.00				42,575.29
Balance from Port Authority Dissolution	303.88					303.88
Reserve for Grant Match		10,125.35				10,125.35
Encumbrances Payable	-				2,967.65	2,967.65
Due from NJEIT	-					-
Due to Water Operating Fund	-					-
Improvement Authorizations:	-					-
Airport Improvements	284,111.75	91,231.89	117,414.25		2,967.65	254,961.74
	<u>1,205.19</u>	<u>125,122.24</u>	<u>117,414.25</u>	<u>-</u>	<u>2,967.65</u>	<u>8,913.18</u>

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

Balance December 31, 2018		\$ 54,157.04
Increased by:		
Consumer Accounts Charges and Levies	198,797.37	
Transfer from Port Authority upon dissolution		
		198,797.37
		252,954.41
Decreased by:		
Collections	201,365.09	
Cancellations		
		201,365.09
Balance December 31, 2019		\$ 51,589.32

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

Balance December 31, 2018		\$ -
Increased by:		
Transferred from Consumer Accounts Receivable	-	
Interest and Costs Added	-	
		-
		-
Decreased by:		
Cancelled		
		-
Balance December 31, 2019		\$ -

AIRPORT UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Other Expenses	\$ -	-		-
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
		Cash Disbursed \$		
		Accounts Payable \$		
			-	

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

Balance December 31, 2018		735.63
Increased by:		
Budget Appropriations	8,690.00	
	<hr/>	<hr/> 8,690.00
		9,425.63
Decreased By:		
Payments of Debt Service Interest		<hr/> 8,827.50
Balance December 31, 2019		<hr/> <hr/> 598.13

Analysis of Accrued Interest December 31, 2019

Principal Outstanding December 31, 2019	Interest Rate	From	To	Days	Amount
183,000.00	1.75%	12/1/2019	12/31/2019	30	\$ 598.13

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

Improvement Description	Date	Amount	Balance December 31, 2018		Other Funding	Authorizations Deferred Charges to Future Revenue	Paid or Charged	Cancelled	Balance December 31, 2019	
			Funded	Unfunded					Funded	Unfunded
Airport Improvements	6/15/2017	500,502.48	\$ 196,524.81		186,029.00		120,381.90		262,171.91	
			<u>\$ 196,524.81</u>	<u>-</u>	<u>186,029.00</u>	<u>-</u>	<u>120,381.90</u>	<u>-</u>	<u>262,171.91</u>	<u>-</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds					Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Refunded	Balance Dec. 31, 2019	
			Outstanding December 31, 2019											
			Date	Amount										
Airport Improvements	12/2/2012	535,000	12/1/2020	57,000.00				\$	238,000.00		55,000.00		183,000.00	
			12/1/2021	60,000.00										
			12/1/2022	66,000.00										
								\$	238,000.00	\$	-	55,000.00	-	183,000.00

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

**AIRPORT 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, 2018	Increased	Decreased	Balance Dec. 31, 2019
No current year activity						-			-
						\$ -			-

AIRPORT UTILITY CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Debt Issued	Other	Balance Dec. 31, 2019
560	Airport Improvements	\$ 20,000.00				20,000.00
		<u>\$ 20,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000.00</u>

BOROUGH OF WOODBINE

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

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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 \$40,000 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 \$40,000 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.

Head Start roof project
Road reconstruction
Open Space Eco-park phase 2

Our examination of expenditures did not reveal payments in excess of \$40,000 "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 17, 2019, 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, 2019."

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 7, 2019 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>
2019	25
2018	24
2017	37

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 2019 and 2020 Taxes	5
Delinquent Taxes	3
Payment of 2019 and 2020 Water	5
Delinquent Water	3
Delinquent Airport	8

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>
2019	\$ 2,849,622	2,775,671	97.40%
2018	2,804,208	2,735,137	97.54%
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%

Comparative Schedule of Tax Rate Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	\$ 1.607	1.577	1.540	1.446	1.367
Apportionment of Tax Rate:					
Municipal	0.233	0.233	0.235	0.235	0.235
County	0.244	0.257	0.235	0.223	0.229
Local School	1.130	1.087	1.070	0.988	0.903
Assessed Valuation	158,380,949	169,257,668	176,286,500	178,433,302	175,994,771

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>
2019	\$ 122,860	65,786	188,646	6.62%
2018	110,192	46,941	157,133	5.60%
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%

FINDINGS AND RECOMMENDATIONS

None

STATUS OF PRIOR RECOMMENDATIONS

None

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 30, 2020