

**BOROUGH OF WOODBURY HEIGHTS
COUNTY OF GLOUCESTER
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2015**

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BOROUGH OF WOODBURY HEIGHTS
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Woodbury Heights
Woodbury Heights, New Jersey 08097

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Woodbury Heights, in the County of Gloucester, State of New Jersey, as of December 31, 2015 and 2014, and 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, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2015, 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 financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Borough'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 Borough'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.

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of 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 the State 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 Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” 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 the Borough of Woodbury Heights, in the County of Gloucester, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on General Fixed Assets Group of Accounts - Regulatory Basis

The financial statements referred to above do not include the general fixed assets account group, as required by N.J.A.C. 5:30-5.6, because a record of general fixed assets was not maintained by the Borough. The amount that should be recorded in the general fixed assets account group is not known.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, as a result of the effects of the matter described in the “*Basis for Qualified Opinion on General Fixed Assets Group of Accounts - Regulatory Basis*” paragraph, the general fixed assets group of accounts - regulatory basis is not presented fairly, in all material respects, for the Borough of Woodbury Heights, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously, except for the general fixed assets group of accounts - regulatory basis, present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Woodbury Heights, in the County of Gloucester, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2015, the Borough adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of these Statements only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2016 on our consideration of the Borough of Woodbury Heights', in the County of Gloucester, State of New Jersey, 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 Woodbury Heights' internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
July 21, 2016

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Woodbury Heights
Woodbury Heights, New Jersey 08097

We have audited, in accordance with the 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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Woodbury Heights, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated July 21, 2016. That report indicated that the Borough of Woodbury Heights' financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our report, our opinion was qualified because the financial statements did not include the general fixed assets account group as required by New Jersey Administrative Code. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Woodbury Heights' internal 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 of Woodbury Heights' internal control. Accordingly, we do not express an opinion on the effectiveness of Borough of Woodbury Heights' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings and Recommendations*, we identified one deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying *Schedule of Findings and Recommendations* to be a material weakness, finding no. 2015-001.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Woodbury Heights' 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Recommendations* as finding no.: 2015-001.

The Borough of Woodbury Heights' Response to Findings

The Borough of Woodbury Heights' response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
July 21, 2016

BOROUGH OF WOODBURY HEIGHTS**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

As of December 31, 2015 and 2014

Assets:	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Regular Fund:			
Cash:			
Chief Financial Officer	SA-1	\$ 1,548,063.84	\$ 1,223,096.43
Change Fund	SA-1	75.00	125.00
		<u>1,548,138.84</u>	<u>1,223,221.43</u>
Other Receivables			
Due from State of New Jersey	SA-4	4,523.98	4,000.00
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-2	145,590.19	164,113.89
Tax Title Liens Receivable	SA-3	66,504.47	57,118.20
Property Acquired for Taxes - Assessed Valuation	A	95,075.00	95,075.00
Revenue Accounts Receivable	SA-5	-	3,893.03
Due Animal Control Fund	SB-3	1.60	1.34
Due from Trust Other Fund	SB-6	454.64	-
Due General Capital	SC-6	-	84.14
		<u>307,625.90</u>	<u>320,285.60</u>
Deferred Charges:			
Special Emergency Appropriation	SA-6	-	41,000.00
		<u>1,860,288.72</u>	<u>1,588,507.03</u>
Federal and State Grant Fund:			
Due Current Fund	SA-15	32,844.16	23,471.62
Grants Receivable	SA-16	32,013.81	32,783.81
		<u>64,857.97</u>	<u>56,255.43</u>
		<u>\$ 1,925,146.69</u>	<u>\$ 1,644,762.46</u>

(Continued)

BOROUGH OF WOODBURY HEIGHTS

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

As of December 31, 2015 and 2014

	Ref.	2015	2014
Liabilities, Reserves and Fund Balance:			
Regular Fund:			
Appropriation Reserves	A-3;SA-8	\$ 378,585.09	\$ 419,339.31
Encumbrances Payable	A-3;SA-8	53,709.57	19,365.22
Accounts Payable	SA-1;SA-8	2,765.57	17,274.03
Prepaid Taxes	SA-9	27,826.91	28,897.89
Tax Overpayments	SA-10	2,716.53	30,394.25
Due County for Added and Omitted Taxes	SA-12	1,332.38	3,315.33
Local School District Taxes Payable	SA-13	167.00	-
Special Emergency Note	SA-7	-	41,000.00
Due Trust Other	SB-6	-	1,577.37
Due to General Capital Fund	SC-6	78,861.76	-
Due Federal and State Grant Fund	SA-15	32,844.16	23,471.62
Reserve for Tax Maps	A-1	-	1,105.81
Reserve for Master Plan	SA-1	1,840.74	1,840.74
Reserve for Insurance Proceeds	A-1;SA-1	90,156.73	28,641.50
		<u>670,806.44</u>	<u>616,223.07</u>
Reserves for Receivables	A	307,625.90	320,285.60
Fund Balance	A-1	<u>881,856.38</u>	<u>651,998.36</u>
		<u>1,860,288.72</u>	<u>1,588,507.03</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-17	1,089.36	7,238.55
Encumbrances Payable	SA-18	1,430.00	-
Appropriated Reserves	SA-18	62,338.61	49,016.88
		<u>64,857.97</u>	<u>56,255.43</u>
		<u>\$ 1,925,146.69</u>	<u>\$ 1,644,762.46</u>

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

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2015 and 2014

	2015	2014
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 400,000.00	\$ 400,000.00
Miscellaneous Revenues Anticipated	455,271.53	461,313.33
Receipts from Delinquent Taxes	180,590.00	219,022.70
Receipts from Current Taxes	10,114,145.95	9,726,923.08
Nonbudget Revenues	147,935.86	104,692.58
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	349,794.82	325,053.33
Interfund Returned	84.14	2,827.75
Tax Overpayments Cancelled	-	1,554.16
Reserve for Tax Maps Cancelled	1,105.81	-
Reserve for Insurance Proceeds Cancelled	1,384.00	-
	<u>11,650,312.11</u>	<u>11,241,386.93</u>
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	1,183,600.00	1,198,587.00
Other Expenses	1,427,007.00	1,490,598.00
Deferred Charges and Statutory Expenditures	332,538.00	334,561.00
Appropriations Excluded from "CAPS":		
Operations:		
Salaries and Wages	100,155.50	106,000.15
Other Expenses	168,789.42	79,649.20
Capital Improvements	40,000.00	45,000.00
Municipal Debt Service	244,891.08	242,155.93
Deferred Charges	41,000.00	49,000.00
County Taxes	1,826,345.04	1,724,478.48
Due County for Added and Omitted Taxes	1,332.38	3,315.33
Local School District Tax	2,514,289.00	2,424,739.00
Regional High School District Tax	3,138,986.02	3,053,008.50
Refund Prior Year Revenue	-	51,028.91
Interfund Created	454.90	-
Cancellation of Grants Receivable	-	18,767.00
Prior Year Senior Citizen Deduction Disallowed	1,065.75	-
	<u>11,020,454.09</u>	<u>10,820,888.50</u>
Statutory Excess to Fund Balance	629,858.02	420,498.43
Fund Balance January 1	<u>651,998.36</u>	<u>631,499.93</u>
Total	1,281,856.38	1,051,998.36
Decreased by:		
Utilization as Anticipated Revenue	<u>400,000.00</u>	<u>400,000.00</u>
Fund Balance December 31	<u>\$ 881,856.38</u>	<u>\$ 651,998.36</u>

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

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2015

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 400,000.00		\$ 400,000.00	
	<u>400,000.00</u>	<u>-</u>	<u>400,000.00</u>	<u>-</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	5,000.00		5,000.00	
Fees and Permits	1,100.00		5,282.97	\$ 4,182.97
Fines and Costs:				
Municipal Court	60,000.00		49,344.26	(10,655.74)
Interest and Costs on Taxes	34,000.00		40,441.45	6,441.45
Interest on Investments and Deposits	2,000.00		4,736.93	2,736.93
Consolidated Municipal Property Tax Relief Aid	10,637.00		10,637.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	289,453.00		289,453.00	
Public and Private Revenues Offset With Appropriations:				
Body Armor Fund	1,090.46		1,090.46	
Clean Communities Program		\$ 7,262.37	7,262.37	
Community Development Block Grant	1,430.00		1,430.00	
Drunk Driving Enforcement Fund	1,155.50		1,155.50	
Municipal Alliance on Alcoholism and Drug Abuse	10,097.00		10,097.00	
Recycling Tonnage Grant	4,992.59		4,992.59	
Safe and Secure Communities Program	24,348.00		24,348.00	
	<u>445,303.55</u>	<u>7,262.37</u>	<u>455,271.53</u>	<u>2,705.61</u>
Receipts from Delinquent Taxes	<u>158,000.00</u>		<u>180,590.00</u>	<u>22,590.00</u>
Subtotal General Revenues	1,003,303.55	7,262.37	1,035,861.53	25,295.61
Amount to be Raised by Taxes for				
Support to Municipal Budget -				
Local Tax for Municipal Purposes	<u>2,806,644.11</u>		<u>2,912,398.62</u>	<u>105,754.51</u>
Budget Totals	<u>3,809,947.66</u>	<u>7,262.37</u>	<u>3,948,260.15</u>	<u>131,050.12</u>
Nonbudget Revenues			<u>147,935.86</u>	<u>147,935.86</u>
	<u>\$ 3,809,947.66</u>	<u>\$ 7,262.37</u>	<u>\$ 4,096,196.01</u>	<u>\$ 278,985.98</u>

(Continued)

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2015

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$ 10,114,145.95
Allocated to:	
School, County and Special District Taxes	7,480,952.44
Balance for Support of Municipal Budget Revenues	2,633,193.51
Add:	
Appropriation: "Reserve for Uncollected Taxes"	279,205.11
Amount for Support of Municipal Budget Appropriations	<u>\$ 2,912,398.62</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 151,050.77
Tax Title Liens	29,539.23
Delinquent Tax Collections	<u>\$ 180,590.00</u>

Analysis of Non-Budget Revenue:

Appropriation Refunds		45,214.86	
Cable Television Franchise Fee	\$	45,214.86	
Clerk Licenses		18,506.00	
Community Center Rental Receipts		7,165.00	
FEMA		45,728.62	
JIF Dividends		18,870.00	
JIF Safety Awards		185.00	
Miscellaneous		1,500.34	
Motor Vehicle Inspection Fees		250.00	
Off-Duty Police Fees		8,332.54	
Police Clerk		915.85	
Senior and Veteran Deduction Administrative Fee		953.69	
Tax Collector - Miscellaneous		313.96	
		<u>313.96</u>	
			<u>\$ 147,935.86</u>

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

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS":						
GENERAL GOVERNMENT FUNCTIONS:						
Mayor and Council:						
Salaries and Wages	\$ 18,900.00	\$ 18,900.00	\$ 18,806.00		\$ 94.00	
Other Expenses	11,200.00	11,200.00	6,268.28	\$ 1,477.99	3,453.73	
Municipal Clerk:						
Salaries and Wages	88,500.00	88,500.00	86,300.05		2,199.95	
Other Expenses	26,500.00	26,500.00	13,749.35	1,283.14	11,467.51	
Financial Administration:						
Salaries and Wages	83,000.00	83,000.00	79,880.76		3,119.24	
Other Expenses	19,500.00	19,500.00	13,220.52	2,909.59	3,369.89	
Audit Services:						
Other Expenses	45,000.00	45,000.00	2,127.00		42,873.00	
Revenue Administration:						
Salaries and Wages	13,500.00	13,500.00	9,148.56		4,351.44	
Other Expenses	15,000.00	13,500.00	7,996.88	2,143.06	3,360.06	
Legal Services:						
Other Expenses	85,000.00	83,500.00	42,060.02		41,439.98	
Engineering Services:						
Other Expenses	11,000.00	11,000.00	8,935.48		2,064.52	
Municipal Court:						
Salaries and Wages	5,000.00	5,000.00	4,656.61		343.39	
Other Expenses	4,400.00	4,400.00	3,258.85		1,141.15	
Public Defender:						
Salaries and Wages	800.00	800.00	779.00		21.00	
LAND USE ADMINISTRATION:						
Planning Board:						
Salaries and Wages	4,300.00	4,300.00	4,247.36		52.64	
Other Expenses	5,600.00	7,100.00	6,515.45	320.88	263.67	
CODE ENFORCEMENT AND ADMINISTRATION:						
Housing and Lot Maintenance Code:						
Salaries and Wages	2,500.00	2,500.00	1,346.20		1,153.80	
INSURANCE:						
General Liability	80,000.00	80,000.00	77,521.00		2,479.00	
Workers Compensation	133,000.00	133,000.00	133,000.00			
Employee Group Health	350,107.00	350,107.00	277,457.77	6,088.10	66,561.13	
Unemployment Compensation Insurance	12,000.00	12,000.00	12,000.00			
Health Benefit Waiver	2,000.00	2,000.00	-		2,000.00	

(Continued)

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D):						
PUBLIC SAFETY FUNCTIONS:						
Police Department:						
Salaries and Wages	\$ 679,500.00	\$ 687,000.00	\$ 683,901.74		\$ 3,098.26	
Other Expenses	60,000.00	54,000.00	40,292.80	\$ 654.39	13,052.81	
Office of Emergency Management:						
Salaries and Wages	1,800.00	1,800.00	1,613.00		187.00	
Other Expenses	1,000.00	1,000.00	-		1,000.00	
Aid to Volunteer Fire Companies:						
Other Expenses	43,600.00	43,600.00	36,360.15	1,761.60	5,478.25	
Fire Department:						
Other Expenses	2,000.00	2,000.00	319.50		1,680.50	
Prosecutor's Office:						
Salaries and Wages	2,300.00	2,300.00	2,194.77		105.23	
PUBLIC WORKS FUNCTIONS:						
Street and Road Maintenance:						
Salaries and Wages	174,200.00	174,200.00	162,466.53		11,733.47	
Other Expenses	56,000.00	56,000.00	29,740.34	860.09	25,399.57	
Other Public Works Functions:						
Other Expenses	500.00	1,500.00	-	1,200.00	300.00	
Solid Waste Collection:						
Salaries and Wages	93,000.00	93,000.00	85,202.83		7,797.17	
Other Expenses	3,100.00	3,100.00	2,824.90		275.10	
Public Building and Grounds:						
Salaries and Wages	7,800.00	7,800.00	7,788.58		11.42	
Other Expenses	48,300.00	48,300.00	32,305.83	2,960.48	13,033.69	
Vehicle Maintenance:						
Other Expenses	80,000.00	80,000.00	52,417.13	773.66	26,809.21	
HEALTH AND HUMAN SERVICES FUNCTIONS:						
Public Health Services:						
Other Expenses	100.00	100.00	-		100.00	
PARK AND RECREATION FUNCTIONS:						
Recreation Services and Programs:						
Other Expenses	10,700.00	10,700.00	3,173.67	3,207.01	4,319.32	
OTHER COMMON OPERATING FUNCTIONS:						
Celebration of Public Events:						
Other Expenses	12,000.00	12,000.00	10,135.96		1,864.04	

(Continued)

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS" (CONT'D):</u>						
<u>OTHER COMMON OPERATING FUNCTIONS (CONT'D):</u>						
Senior Citizens Transportation:						
Salaries and Wages	\$ 1,000.00	\$ 1,000.00	\$ 789.12		\$ 210.88	
Other Expenses	5,200.00	5,200.00	5,000.00		200.00	
<u>UTILITY EXPENSES AND BULK PURCHASES:</u>						
Electricity	35,000.00	35,000.00	30,828.50	\$ 2,036.37	2,135.13	
Street Lighting	57,000.00	57,000.00	47,615.33	4,500.07	4,884.60	
Telephone	13,500.00	13,500.00	11,151.03		2,348.97	
Gas (Natural or Propane)	11,200.00	11,200.00	7,779.18	294.43	3,126.39	
Fuel Oil	7,500.00	7,500.00	3,111.18		4,388.82	
Diesel Oil	27,000.00	27,000.00	10,737.31		16,262.69	
Gasoline	25,000.00	24,000.00	13,011.67	731.83	10,256.50	
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS:</u>						
Sanitary Landfill:						
Other Expenses	135,500.00	135,500.00	105,393.93	20,506.88	9,599.19	
Total Operations Within "CAPS"	<u>2,610,607.00</u>	<u>2,610,607.00</u>	<u>2,195,430.12</u>	<u>53,709.57</u>	<u>361,467.31</u>	<u>-</u>
<u>Detail:</u>						
Salaries and Wages	1,176,100.00	1,183,600.00	1,149,121.11	-	34,478.89	-
Other Expenses	1,434,507.00	1,427,007.00	1,046,309.01	53,709.57	326,988.42	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>						
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Public Employees' Retirement System	90,580.00	90,580.00	90,580.00			
Social Security System (O.A.S.I.)	105,000.00	105,000.00	98,238.72		6,761.28	
Police and Fireman's Retirement System	136,458.00	136,458.00	136,458.00			
Defined Contribution Retirement Plan	500.00	500.00	-		500.00	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	<u>332,538.00</u>	<u>332,538.00</u>	<u>325,276.72</u>	<u>-</u>	<u>7,261.28</u>	<u>-</u>

(Continued)

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS -- EXCLUDED FROM "CAPS"						
INSURANCE						
Insurance (N.J.S.A. 40A:4-45.3(00))						
Employee Group Health	\$ 11,393.00	\$ 11,393.00	\$ 11,393.00			
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:						
Interlocal Service Agreement - N.J.S.A. 40A:4-45.3J(3):						
Township of Deptford, Uniform Construction Code Operations	55,000.00	55,000.00	45,893.50		\$ 9,106.50	
Mantua Township Municipal Court	75,000.00	75,000.00	74,250.00		750.00	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:						
Safe and Secure Communities Program - State	24,348.00	24,348.00	24,348.00			
Safe and Secure Communities Program - Local	74,652.00	74,652.00	74,652.00			
Drunk Driving Enforcement Fund	1,155.50	1,155.50	1,155.50			
Clean Communities Program Grant (N.J.S.A. 40A: 4-87)		7,262.37	7,262.37			
Municipal Alliance - State	10,097.00	10,097.00	10,097.00			
Municipal Alliance - Local	2,524.00	2,524.00	2,524.00			
Body Armor Grant	1,090.46	1,090.46	1,090.46			
Community Development Block Grant	1,430.00	1,430.00	1,430.00			
Recycling Tonnage Grant	4,992.59	4,992.59	4,992.59			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	261,682.55	268,944.92	259,088.42	-	9,856.50	-
Detail:						
Salaries and Wages	100,155.50	100,155.50	100,155.50	-	-	-
Other Expenses	161,527.05	168,789.42	158,932.92	-	9,856.50	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":						
Capital Improvement Fund	40,000.00	40,000.00	40,000.00			
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":						
Payment of Bond Principal	150,000.00	150,000.00	150,000.00			
Payment of BANS and Cap Notes	34,000.00	34,000.00	34,000.00			
Interest on Bonds	56,665.00	56,665.00	56,662.50			\$ 2.50
Interest on Notes	4,250.00	4,250.00	4,228.58			21.42
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	244,915.00	244,915.00	244,891.08	-	-	23.92
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS":						
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-55)	41,000.00	41,000.00	41,000.00			
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	587,597.55	594,859.92	584,979.50	-	9,856.50	23.92

(Continued)

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
SUBTOTAL GENERAL APPROPRIATIONS	\$ 3,530,742.55	\$ 3,538,004.92	\$ 3,105,686.34	\$ 53,709.57	\$ 378,585.09	\$ 23.92
RESERVE FOR UNCOLLECTED TAXES	279,205.11	279,205.11	279,205.11			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 3,809,947.66</u>	<u>\$ 3,817,210.03</u>	<u>\$ 3,384,891.45</u>	<u>\$ 53,709.57</u>	<u>\$ 378,585.09</u>	<u>\$ 23.92</u>
Original Budget		\$ 3,809,947.66				
N.J.S.A. 40A: 4-87		7,262.37				
Federal and State Grants			\$ 127,551.92			
Deferred Charges			41,000.00			
Reserve for Uncollected Taxes			279,205.11			
Disbursed			2,937,134.42			
		<u>\$ 3,817,210.03</u>	<u>\$ 3,384,891.45</u>			

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

BOROUGH OF WOODBURY HEIGHTS
TRUST FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Assets:			
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	\$ 9,128.79	\$ 7,599.72
Other Funds:			
Cash - Chief Financial Officer	SB-1	175,685.25	215,799.92
Due Current Fund	SB-6	-	1,577.37
		<u>175,685.25</u>	<u>217,377.29</u>
		<u>\$ 184,814.04</u>	<u>\$ 224,977.01</u>
Liabilities and Reserves:			
Animal Control Fund:			
Due Current Fund	SB-3	\$ 1.60	\$ 1.34
Reserve for Animal Control Expenditures	SB-5	9,127.19	7,598.38
		<u>9,128.79</u>	<u>7,599.72</u>
Other Funds:			
Due to Current Fund	SB-6	454.64	-
Due General Capital Fund	SB-7	-	60,000.00
Reserve for:			
Escrow Deposits	SB-7	44,861.74	33,382.18
Unemployment Compensation	SB-7	33,110.63	28,546.21
Off Duty Police Employment	SB-7	346.84	346.84
D.A.R.E.	SB-7	2,070.29	6,567.78
Payroll	SB-7	15,842.06	1,066.61
Tax Sale Premiums	SB-7	37,900.00	20,500.00
Redemption of Tax Sale Certificates	SB-7	-	26,213.51
Recycling Fees	SB-7	6,686.44	11,416.19
Forfeited Funds	SB-7	2,782.93	2,777.37
P.O.A.A.	SB-7	731.00	729.00
Public Defender	SB-7	2,251.00	1,701.00
Trust Donations	SB-7	17,977.20	13,815.04
West Jersey Avenue Park	SB-7	10,047.31	10,619.84
Flexible Spending Account	SB-7	623.17	(304.28)
		<u>175,685.25</u>	<u>217,377.29</u>
		<u>\$ 184,814.04</u>	<u>\$ 224,977.01</u>

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

BOROUGH OF WOODBURY HEIGHTS
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Assets:			
Cash - Chief Financial Officer	SC-1	\$ 275,208.58	\$ 494,857.74
Federal and State Aid Receivable	SC-5	15,614.45	53,847.90
Due From Current Fund	SC-6	78,861.76	-
Due Trust Other Fund	SC-1	-	60,000.00
Deferred Charges to Future Taxation:			
Funded	SC-3	1,440,000.00	1,590,000.00
Unfunded	SC-4	460,250.00	494,250.00
		<u>\$ 2,269,934.79</u>	<u>\$ 2,692,955.64</u>
Liabilities, Reserves and Fund Balance:			
Due Current Fund	SC-6	-	\$ 84.14
Capital Improvement Fund	SC-7	\$ 70,382.59	45,444.59
Encumbrances Payable	SC-8	1,500.00	1,500.00
Improvement Authorizations:			
Funded	SC-9	213,325.74	330,200.45
Unfunded	SC-9	84,476.46	231,476.46
Bond Anticipation Notes	SC-10	460,250.00	494,250.00
General Serial Bonds	SC-11	1,440,000.00	1,590,000.00
		<u>\$ 2,269,934.79</u>	<u>\$ 2,692,955.64</u>

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

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Assets:			
Operating Fund:			
Cash - Chief Financial Officer	SD-1	\$ 1,446,744.88	\$ 1,204,394.03
Change Fund	D	50.00	50.00
Due Utility Capital Fund	SD-9	144.65	64.56
		<u>1,446,939.53</u>	<u>1,204,508.59</u>
Receivables With Full Reserves:			
Consumer Rents Receivable - Water	SD-3	30,558.83	29,205.06
Consumer Rents Receivable - Sewer	SD-3	44,817.69	40,222.24
		<u>75,376.52</u>	<u>69,427.30</u>
Total Operating Fund		<u>1,522,316.05</u>	<u>1,273,935.89</u>
Capital Fund:			
Cash - Chief Financial Officer	SD-1	820,641.85	379,998.26
Fixed Capital	SD-4	3,721,610.04	3,484,997.47
Fixed Capital Authorized and Uncompleted	SD-5	1,004,439.81	566,052.38
Total Capital Fund		<u>5,546,691.70</u>	<u>4,431,048.11</u>
		<u>\$ 7,069,007.75</u>	<u>\$ 5,704,984.00</u>

(Continued)

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2015 and 2014

	Ref.	2015	2014
Liabilities, Reserves and Fund Balance:			
Operating Fund:			
Appropriation Reserves	D-3;SD-6	\$ 264,672.42	\$ 330,458.75
Encumbrances Payable	D-3;SD-6	66,780.68	73,143.91
Accrued Interest on Bonds and Notes	SD-7	6,689.23	5,921.35
Utility Rent Overpayments	SD-8	6,643.82	2,379.96
		<u>344,786.15</u>	<u>411,903.97</u>
Reserve for Receivables	D	75,376.52	69,427.30
Fund Balance	D-1	<u>1,102,153.38</u>	<u>792,604.62</u>
Total Operating Fund		<u>1,522,316.05</u>	<u>1,273,935.89</u>
Capital Fund:			
Due Utility Operating Fund	SD-9	144.65	64.56
Reserve for Amortization	SD-10	3,308,558.18	3,136,844.26
Capital Improvement Fund	D	23,538.89	23,538.89
Encumbrances Payable	SD-11	38,354.75	-
Improvement Authorizations:			
Funded	SD-11	210,290.73	210,290.73
Unfunded	SD-11	561,523.77	159,315.02
Bond Anticipation Notes	SD-12	847,000.00	225,000.00
Water and Sewer Serial Bonds	SD-13	490,000.00	550,000.00
New Jersey Wastewater Treatment Trust Loans Payable	SD-14	58,491.67	117,205.59
Reserve for Preliminary Expenses	D	8,349.25	8,349.25
Fund Balance	D	<u>439.81</u>	<u>439.81</u>
Total Capital Fund		<u>5,546,691.70</u>	<u>4,431,048.11</u>
		<u>\$ 7,069,007.75</u>	<u>\$ 5,704,984.00</u>

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

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 125,000.00	\$ 125,000.00
Water Rents	562,136.56	551,202.94
Sewer Rents	934,542.24	943,520.05
Miscellaneous Other	18,930.58	16,470.57
Mobile Antenna Rental	111,909.82	100,299.44
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>293,955.42</u>	<u>226,760.08</u>
Total Income	<u>2,046,474.62</u>	<u>1,963,253.08</u>
Expenditures:		
Operations:		
Salaries and Wages	269,000.00	275,000.00
Other Expenses	1,095,850.00	1,062,000.00
Capital Outlay	25,000.00	22,000.00
Debt Service	199,075.86	202,690.95
Deferred Charges and Statutory Expenditures	<u>23,000.00</u>	<u>21,900.00</u>
Total Expenditures	<u>1,611,925.86</u>	<u>1,583,590.95</u>
Statutory Excess to Fund Balance	434,548.76	379,662.13
Fund Balance January 1	<u>792,604.62</u>	<u>537,942.49</u>
Total	1,227,153.38	917,604.62
Decreased by:		
Utilization as Anticipated Revenue	<u>125,000.00</u>	<u>125,000.00</u>
Fund Balance December 31	<u><u>\$ 1,102,153.38</u></u>	<u><u>\$ 792,604.62</u></u>

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

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2015

	Anticipated Budget	Realized	Excess or (Deficit)
Operating Fund Balance Anticipated	\$ 125,000.00	\$ 125,000.00	
Water Rents	500,000.00	562,136.56	\$ 62,136.56
Sewer Rents	925,000.00	934,542.24	9,542.24
Mobile Antenna Rental	62,000.00	111,909.82	49,909.82
Miscellaneous Other	18,930.58	18,930.58	18,930.58
	\$ 1,612,000.00	\$ 1,752,519.20	\$ 140,519.20
Analysis of Realized Revenue:			
Miscellaneous Other:			
Interest on Investments			\$ 3,853.77
Miscellaneous Other			11,441.81
Connection Fees			3,635.00
			\$ 18,930.58
Cash Receipts			\$ 17,705.20
Interfunds			1,225.38
			\$ 18,930.58

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

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 269,000.00	\$ 269,000.00	\$ 212,134.28		\$ 56,865.72	
Other Expenses	1,097,000.00	1,095,850.00	846,507.73	\$ 66,600.64	182,741.63	
Total Operations	1,366,000.00	1,364,850.00	1,058,642.01	66,600.64	239,607.35	-
Capital Improvements:						
Capital Outlay	25,000.00	25,000.00	5,945.00		19,055.00	
Debt Service:						
Payment of Bond Principal	60,000.00	60,000.00	60,000.00			
Payment of Bond Anticipation Notes	53,000.00	53,000.00	53,000.00			
Interest on Bonds	21,400.00	21,400.00	21,330.84			\$ 69.16
Interest on Notes	1,900.00	4,025.00	4,022.97			2.03
New Jersey Wastewater Trust Fund: Loan Repayments - Principal and Interest	61,700.00	60,725.00	60,722.05			2.95
Total Debt Service	198,000.00	199,150.00	199,075.86	-	-	74.14
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures: Contribution to Social Security System	23,000.00	23,000.00	16,989.93		6,010.07	
	<u>\$ 1,612,000.00</u>	<u>\$ 1,612,000.00</u>	<u>\$ 1,280,652.80</u>	<u>\$ 66,600.64</u>	<u>\$ 264,672.42</u>	<u>\$ 74.14</u>
Accrued Interest on Bonds and Notes Disbursed			\$ 27,361.94			
			1,253,290.86			
			<u>\$ 1,280,652.80</u>			

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

BOROUGH OF WOODBURY HEIGHTS
Notes to Financial Statements
For the Year Ended December 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Woodbury Heights (hereafter referred to as the "Borough") was incorporated as a borough by an act of the New Jersey legislature on April 6, 1915. The Borough, located in Gloucester County, New Jersey, has a total area of approximately 1.2 miles, and is located approximately twenty miles southeast of the City of Philadelphia. The Borough borders Deptford Township, West Deptford Township and the City of Woodbury. According to the 2010 census, the population is 3,055.

The Borough is governed under the Mayor-Council form of government, with a Mayor and six-member Council. The Mayor and Council are elected directly by the voters in partisan elections, the Mayor to serve a four year term in office and the Council to serve three-year terms in office on a staggered basis, with two seats coming up for election each year. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Administrator/Clerk. Legislative responsibility is vested with the Council.

Component Units - The Borough had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the "Requirements", the Borough accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

Water and Sewer Utility Operating and Capital Funds - The water and sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer operations.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current and water and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to 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 costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

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

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

Fund Balance - Fund Balances included in the current fund and utility operating fund represent amounts available for anticipation as revenue in future year's budgets, with certain restrictions.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, Borough of Woodbury Heights School District, and the Gateway Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting and remitting school taxes for the Borough of Woodbury Heights School District and the Gateway Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school districts for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Gloucester. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2015, the Borough adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. As a result of the regulatory basis of accounting previously described in note 1, the implementation of these Statements only required financial statement disclosures. There exists no impact on the financial statements of the Borough.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected 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 agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2015, the Borough's bank balances of \$4,304,494.99 were fully insured.

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012R</u>	<u>2011</u>
Tax Rate	<u>\$ 4.045</u>	<u>\$ 3.871</u>	<u>\$ 3.746</u>	<u>\$ 3.600</u>	<u>\$ 4.790</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.103	\$ 1.065	\$ 1.021	\$.971	\$ 1.232
County	0.629	0.586	0.573	0.529	0.775
County Library	0.048	0.046	0.044	0.044	0.063
County Open Space					
Preservation Trust Fund	0.043	0.041	0.042	0.042	0.062
Local School	0.988	0.944	0.906	0.868	1.144
Regional High School	1.234	1.189	1.160	1.146	1.514

R = Revaluation Year

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2015	\$ 254,310,267.00
2014	256,757,277.00
2013	261,089,128.00
2012R	267,717,152.00
2011	197,453,576.00

R = Revaluation Year

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 10,295,521.67	\$ 10,114,145.95	98.24%
2014	9,960,010.20	9,726,923.08	97.66%
2013	9,786,904.54	9,569,120.26	97.77%
2012	9,657,581.14	9,185,089.69	95.11%
2011	9,474,046.88	9,142,522.46	96.50%

Note 3: PROPERTY TAXES (CONT'D)**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 66,504.47	\$ 145,590.19	\$ 212,094.66	2.06%
2014	57,118.20	164,113.89	221,232.09	2.22%
2013	98,678.94	170,163.86	268,842.80	2.75%
2012	72,193.09	383,073.05	455,266.14	4.71%
2011	24,392.85	318,145.95	342,538.80	3.62%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2015	12
2014	11
2013	13
2012	14
2011	7

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2015	\$ 95,075.00
2014	95,075.00
2013	95,075.00
2012	95,075.00
2011	95,075.00

Note 5: WATER AND SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2015	\$ 69,427.30	\$ -	\$ 1,502,629.86	\$ 1,572,057.16	\$ 1,496,678.80
2014	90,150.71	-	1,474,262.46	1,564,413.17	1,494,722.99
2013	123,232.17	-	1,455,750.61	1,578,982.78	1,488,832.07
2012	130,532.86	-	1,378,052.50	1,508,585.36	1,381,791.97
2011	71,447.86	-	1,393,554.53	1,465,002.39	1,329,644.97

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 881,856.38	\$ 475,000.00	53.86%
2014	651,998.36	400,000.00	61.35%
2013	631,499.93	400,000.00	63.34%
2012	405,802.80	305,000.00	75.16%
2011	530,771.99	400,000.00	75.36%

Water and Sewer Utility Operating Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 1,102,153.38	\$ 236,000.00	21.41%
2014	792,604.62	125,000.00	15.77%
2013	537,942.49	125,000.00	23.24%
2012	118,505.79	100,000.00	84.38%
2011	118,108.67	100,000.00	84.67%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 456.24	\$ 111,705.92
Federal and State Grant	32,844.16	
Trust - Animal Control		1.60
Trust - Other		454.64
General Capital	78,861.76	
Water and Sewer Utility Operating	144.65	
Water and Sewer Utility Capital		144.65
	<u>\$ 112,306.81</u>	<u>\$ 112,306.81</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2016, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, certain Borough employees may be eligible to participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.state.nj.us/treasury/pensions>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Note 8: PENSION PLANS**General Information about the Pension Plans (Cont'd)**

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2015 was 13.36% of the Borough's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$86,314.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$85,914.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$45,730.81.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2015 was 24.94% of the Borough's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$140,274.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$128,953.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$56,245.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2015 was 2.33% of the Borough's covered-employee payroll.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2015 is \$13,122.00, and is payable by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2014 was \$9,443.00, which was paid on April 1, 2015.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2015, there were no participating employees or Borough contributions. There were no forfeitures during the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System - At December 31, 2015, the Borough's proportionate share of the PERS net pension liability was \$2,253,699.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Borough's proportion was .0100396425%, which was a decrease of .0003819372% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$91,339.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Borough's contributions to PERS were \$85,914.00, and were paid on April 1, 2015.

Police and Firemen's Retirement System - At December 31, 2015, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 2,874,421.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>252,077.00</u>
	<u>\$ 3,126,498.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the Borough's proportion was .0172570406%, which was an increase of .0004677953% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Borough, was .0172570406%, which was an increase of .0004677953% from its proportion, on-behalf of the Borough, measured as of June 30, 2014.

At December 31, 2015, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$297,460.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Borough's contributions to PFRS were \$128,953.00, and were paid on April 1, 2015.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the plan as of the June 30, 2015 measurement date is \$31,443.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2015, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 53,765.00	\$ -	\$ 53,765.00	\$ -	\$ 24,793.00	\$ 24,793.00
Changes of Assumptions	242,029.00	530,690.00	772,719.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	36,235.00	50,027.00	86,262.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	-	210,211.00	210,211.00	257,605.00	-	257,605.00
Borough Contributions Subsequent to the Measurement Date	43,157.00	70,137.00	113,294.00	-	-	-
	<u>\$ 338,951.00</u>	<u>\$ 811,038.00</u>	<u>\$ 1,149,989.00</u>	<u>\$ 293,840.00</u>	<u>\$ 74,820.00</u>	<u>\$ 368,660.00</u>

\$43,157.00 and \$70,137.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Borough's year end of December 31, 2015.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2016	\$ (9,806.00)	\$ 135,958.00	\$ 126,152.00
2017	(9,806.00)	135,958.00	126,152.00
2018	(9,808.00)	135,959.00	126,151.00
2019	19,261.00	189,838.00	209,099.00
2020	12,113.00	68,368.00	80,481.00
	<u>\$ 1,954.00</u>	<u>\$ 666,081.00</u>	<u>\$ 668,035.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation	3.04%	3.04%
Salary Increases:		
2012-2021	2.15% - 4.40% Based on Age	2.60% - 9.48% Based on Age
Thereafter	3.15% - 5.40% Based on Age	3.60% - 10.48% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2008 - June 30, 2011	July 1, 2010 - June 30, 2013

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PFRS, mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS and 5.79% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS and through 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and through 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 2,801,072.00</u>	<u>\$ 2,253,699.00</u>	<u>\$ 1,794,785.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of June 30, 2015, the plans measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Borough's Proportionate Share of the Net Pension Liability	\$ 3,789,399.00	\$ 2,874,421.00	\$ 2,128,338.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>332,318.00</u>	<u>252,077.00</u>	<u>186,648.00</u>
	<u>\$ 4,121,717.00</u>	<u>\$ 3,126,498.00</u>	<u>\$ 2,314,986.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

Supplementary Pension Information

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Three Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0100396425%	0.0104215797%	0.0119161823%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,253,699.00	\$ 1,951,205.00	\$ 2,277,419.00
Borough's Covered-Employee Payroll	\$ 744,772.00	\$ 723,128.00	\$ 824,472.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	302.60%	269.83%	276.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Three Years)

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 86,314.00	\$ 85,914.00	\$ 89,786.00
Borough's Contribution in Relation to the Contractually Required Contribution	(86,314.00)	(85,914.00)	(89,786.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Borough's Covered-Employee Payroll	\$ 645,860.00	\$ 696,036.00	705,774.00
Borough's Contributions as a Percentage of it's Covered-Employee Payroll	13.36%	12.34%	12.72%

Note 8: **PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0172570406%	0.0167892453%	0.0150207432%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,874,421.00	\$ 2,111,931.00	\$ 1,996,872.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	<u>252,077.00</u>	<u>227,420.00</u>	<u>186,133.00</u>
Total	<u>\$ 3,126,498.00</u>	<u>\$ 2,339,351.00</u>	<u>\$ 2,183,005.00</u>
Borough's Covered-Employee Payroll	\$ 546,500.00	\$ 530,288.00	\$ 471,400.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	525.97%	398.26%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Three Years)

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 140,274.00	\$ 128,953.00	\$ 109,588.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(140,274.00)</u>	<u>(128,953.00)</u>	<u>(109,588.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered-Employee Payroll	\$ 562,453.00	\$ 549,318.00	\$ 531,661.00
Borough's Contributions as a Percentage of it's Covered-Employee Payroll	24.94%	23.48%	20.61%

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – New assumptions related to future increases on Social Security Wage Base and the 401(a)(17) compensation limit have been added as follows:

401(a)(17) Pay Limit – 3.00 per annum
Social Security Wage Base – 4.00 per annum

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 6.32% as of June 30, 2014, to 5.79% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – Demographic assumptions with respect to no-vested withdrawal, disability, service retirement, active death, salary increases rates and inactive mortality were revised in accordance with the results of the July1, 2010 – June 30, 2013 experience study and approved by the Board of Trustees of the PERS Pension Plan at its February 9, 2015 Board Meeting.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2003, the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number 100-2003. The policy of continued insurance coverage is detailed in the Code of the Borough of Woodbury Heights, Section 23-15 entitled Retirement which states that any full-time employee who retires with 25 years of service is eligible for continued benefits.

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Borough's contributions to SHBP for the years ended December 31, 2015, 2014, and 2013, were \$58,116.36, \$59,287.41, and \$52,914.00, respectively, which equaled the required contributions each year. There were approximately 4 retired participants eligible at December 31, 2015.

Note 10: COMPENSATED ABSENCES

Employees covered under the AFL/CIO agreement, office employees and public works employees, are granted sick and vacation time based on years of service. The employees can accumulate up to thirty sick days and the current policy provides one compensated day for every two days accumulated. Employees can carry over up to half of the current period's accumulation provided that the employee uses half of vacation granted. All compensation is computed using the rate in effect at termination or retirement.

Employees covered under the PBA agreement, police officers and related staff, are granted twelve (12) sick days per year and vacation is granted based on years of service. Employees can accumulate up to 120 sick days and can carryover up to sixty percent of the current period's vacation accrual provided that the employee utilizes forty percent during the year. All compensation is computed using the rate in effect at termination or retirement.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$141,984.70.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 12: LEASE OBLIGATIONS

At December 31, 2015, the Borough had lease agreements in effect for the following:

- Operating:
 - One (1) Ford Police Interceptor
 - Two (2) Lanier Copy Machines

Note 12: LEASE OBLIGATIONS (CONT'D)

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 5,637.79
2017	2,828.40
2018	2,828.40
2019	1,277.10
2020	-

Rental payments under operating leases for the year 2015 were \$11,259.24.

Note 13: CAPITAL DEBT**General Obligation Bonds**

General Obligation Bonds, Series 2002 - On July 17, 2002, the Borough issued \$1,655,000.00 of general obligation bonds, consisting of \$1,130,000.00 general improvement bonds and \$525,000.00 water and sewer utility bonds, with a net interest cost of 3.797%. The bonds were issued for the purpose of funding various capital acquisitions and improvements within the Borough. The final maturity of the water and sewer utility bonds is July 15, 2017.

General Obligation Bonds, Series 2009 - On December 14, 2009, the Borough issued \$2,485,000.00 of general obligation bonds, consisting of \$1,955,000.00 general improvement bonds and \$530,000.00 water and sewer utility bonds, with a net interest cost of 3.692%. The bonds were issued for the purpose of funding various capital acquisitions and improvements within the Borough. The final maturity of the general improvement bonds is December 1, 2024 and December 1, 2029 for the water and sewer utility bonds.

The following schedule represents the remaining debt service, through maturity, for the general obligation bonds:

<u>Year</u>	<u>General</u>		<u>Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$ 150,000.00	\$ 52,537.50	\$ 60,000.00	\$ 19,927.50	\$ 282,465.00
2017	155,000.00	48,037.50	60,000.00	17,627.50	280,665.00
2018	160,000.00	43,000.00	25,000.00	15,237.50	243,237.50
2019	160,000.00	37,400.00	25,000.00	14,362.50	236,762.50
2020	160,000.00	31,800.00	25,000.00	13,487.50	230,287.50
2021-2025	655,000.00	65,400.00	150,000.00	51,800.00	922,200.00
2026-2029			145,000.00	16,650.00	161,650.00
	<u>\$ 1,440,000.00</u>	<u>\$ 278,175.00</u>	<u>\$ 490,000.00</u>	<u>\$ 149,092.50</u>	<u>\$ 2,357,267.50</u>

Note 13: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Wastewater Treatment Loans**

On September 1, 1996, the Borough entered into a loan agreement with the New Jersey Wastewater Treatment Trust to provide \$471,910.00, at no interest, from the fund loan, and \$470,000.00 at an interest rate of 5.25% from the trust loan. The proceeds were used to fund various sanitary sewer system improvements. Semiannual debt payments are due February 1st and August 1st through 2016. The final principal payment for the fund loan for due in 2016 is \$23,491.67. The final payment for the trust loan due in 2016 is \$35,000.00 for principal and \$918.75 for interest.

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 1,900,250.00	\$ 2,084,250.00	\$ 2,114,250.00
Water and Sewer Utility:			
Bonds and Notes	<u>1,395,491.67</u>	<u>892,205.59</u>	<u>1,065,046.19</u>
Total Issued	<u>3,295,741.67</u>	<u>2,976,455.59</u>	<u>3,179,296.19</u>
<u>Authorized but not Issued</u>			
Water and Sewer Utility:			
Bonds and Notes	<u>22,000.00</u>	<u>22,000.00</u>	<u>22,000.00</u>
Total Issued and Authorized but not Issued	<u>3,317,741.67</u>	<u>2,998,455.59</u>	<u>3,201,296.19</u>
<u>Deductions</u>			
Sewer Utility:			
Water and Sewer Utility: Self-Liquidating	<u>1,417,491.67</u>	<u>914,205.59</u>	<u>1,087,046.19</u>
Total Deductions	<u>1,417,491.67</u>	<u>914,205.59</u>	<u>1,087,046.19</u>
Net Debt	<u>\$ 1,900,250.00</u>	<u>\$ 2,084,250.00</u>	<u>\$ 2,114,250.00</u>

Note 13: CAPITAL DEBT (CONT'D)**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 indicated a statutory net debt of .722%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 1,709,936.77	\$ 1,709,936.77	
Local School District	297,516.00	297,516.00	
Water and Sewer Utility	1,417,491.67	1,417,491.67	
General	1,900,250.00		\$ 1,900,250.00
	<u>\$ 5,325,194.44</u>	<u>\$ 3,424,944.44</u>	<u>\$ 1,900,250.00</u>

Net debt \$1,900,250.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$263,130,670.67 equals .722%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 9,209,573.47
Less: Net Debt	<u>1,900,250.00</u>
Remaining Borrowing Power	<u>\$ 7,309,323.47</u>

**Calculation of "Self-Liquidating Purpose."
Water and Sewer Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 1,752,519.20
Deductions:	
Operating and Maintenance Costs	\$ 1,387,850.00
Debt Service	<u>199,075.86</u>
Total Deductions	<u>1,586,925.86</u>
Excess in Revenue	<u>\$ 165,593.34</u>

Note 14: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 12,000.00	\$ 7,504.60	\$ 33,110.63
2014	27,000.00	7,232.05	28,546.21
2013	35,000.00	26,755.88	8,730.35

Joint Insurance Pool - The Borough of Woodbury Heights is a member of the Gloucester, Salem, Cumberland County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Borough with the following coverage:

Property - Blanket Building and Grounds
 General and Automobile Liability
 Casualty
 Business Automobile
 Worker's Compensation
 Environmental Legal Liability
 Public Officials and Employment Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

Gloucester Salem Cumberland County
 Municipal Joint Insurance Fund
 P.O. Box 442
 Hammonton, New Jersey 08037

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

Litigation - The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 16: CONCENTRATIONS

The Borough depends on financial resources flowing from, or associated with the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to State laws and appropriations.

Note 17: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Capital Improvements		
Ordinance 6-2016		
Reconstruction and/or Repaving of West Jersey Avenue	05/18/16	\$ 145,000.00
Reconstruction and/or Repaving of Various Borough Streets	05/18/16	950,000.00
Utility Capital Improvements		
Ordinance 7-2016		
Supplemental Funding for the Rehabilitation of Route 45		
Pumping Station	05/18/16	210,000.00
Construction of Well No. 2	05/18/16	1,395,000.00
Rehabilitation of Well No. 1	05/18/16	278,000.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Current Cash - Chief Financial Officer
For the Year Ended December 31, 2015

		Current Fund
Balance December 31, 2014		\$ 1,223,096.43
Increased by Receipts:		
Taxes Receivable	\$ 10,156,630.60	
Tax Title Liens Receivable	29,539.23	
Prepaid Taxes	27,826.91	
Tax Overpayments	13,829.27	
Due State of New Jersey - Senior Citizens and Veterans Deductions	47,684.25	
Revenue Accounts Receivable	404,838.33	
Miscellaneous Revenue Not Anticipated	147,935.86	
Federal & State Grants Receivable	44,996.73	
Reserve for Insurance Proceeds	85,949.23	
Due Animal Control Fund	1.34	
Due General Capital Fund	78,995.47	
Due Trust Other Fund	1,026.04	
Change Fund	50.00	
		11,039,303.26
		12,262,399.69
Decreased by Disbursements:		
2014 Appropriation Reserves	88,688.75	
2015 Appropriations	2,937,134.42	
County Taxes	1,826,345.04	
Due County for Added and Omitted Taxes	3,315.33	
Local District School Tax	2,514,122.00	
Regional High School Tax	3,138,986.02	
Refund Tax Overpayments	11,112.74	
Special Emergency Note	41,000.00	
Accounts Payable	14,729.42	
Reserve for Insurance Proceeds	23,050.00	
Federal & State Grant Expenditures	112,800.19	
Due Trust Other Fund	3,051.94	
		10,714,335.85
Balance December 31, 2015		\$ 1,548,063.84

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2015

Year	Balance	2015 Levy	Collections		Over-Payments Applied	Canceled	Transferred To Tax Title Liens	Balance
	Dec. 31, 2014		2014	2015				Dec. 31, 2015
2012	\$ 1,597.20							\$ 1,597.20
2014	162,516.69			\$ 151,050.77		\$ 4,329.80	\$ 7,136.12	0.00
	164,113.89	-	-	151,050.77	-	4,329.80	7,136.12	1,597.20
2015		\$ 10,295,521.67	\$ 28,897.89	10,054,853.81	\$ 30,394.25	16,377.90	21,004.83	143,992.99
	\$ 164,113.89	\$ 10,295,521.67	\$ 28,897.89	\$ 10,205,904.58	\$ 30,394.25	\$ 20,707.70	\$ 28,140.95	\$ 145,590.19
Taxes Receivable			\$ 10,156,630.60					
Senior Citizens and Veterans			49,273.98					
			\$ 10,205,904.58					
<u>Analysis of 2015 Property Tax Levy</u>								
<u>Tax Yield:</u>								
General Property Tax			\$ 10,288,035.60					
Added Taxes (54:4-63.1 et. seq.)			7,486.07					
					\$ 10,295,521.67			
<u>Tax Levy:</u>								
Local School District Tax (Abstract)			\$ 2,514,289.00					
Regional High School Tax (Abstract)			3,138,986.02					
County Taxes:								
County Tax (Abstract)			\$ 1,826,345.04					
Due County for Added Taxes			1,332.38					
Total County Taxes				1,827,677.42				
Local Tax for Municipal Purposes			2,806,644.11					
Add: Additional Tax Levied			7,925.12					
				2,814,569.23				
					\$ 10,295,521.67			

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 57,118.20
Increased by:		
Transfers from Taxes Receivable	\$ 28,140.95	
Prior Period Adjustment	9,667.47	
Interest and Costs on Sale	<u>1,117.08</u>	
		<u>38,925.50</u>
		96,043.70
Decreased by:		
Collections		<u>29,539.23</u>
Balance December 31, 2015		<u><u>\$ 66,504.47</u></u>

BOROUGH OF WOODBURY HEIGHTS

CURRENT FUND

Statement of Due State of New Jersey - Senior Citizen's and Veteran's Deductions
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	4,000.00
Increased by:			
Deductions per Tax Billing:			
Senior Citizens	\$	11,250.00	
Veterans		38,750.00	
Deductions Allowed by Collector - 2015 Taxes		<u>750.00</u>	
			<u>50,750.00</u>
			54,750.00
Decreased by:			
Received from State of New Jersey		47,684.25	
Deductions Disallowed by Collector - 2014 Taxes		1,065.75	
Deductions Disallowed by Collector - 2015 Taxes		<u>1,476.02</u>	
			<u>50,226.02</u>
Balance December 31, 2015		\$	<u><u>4,523.98</u></u>
<u>Analysis of Amount Realized:</u>			
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$	50,000.00	
Senior Citizens' and Veterans' Deductions Allowed - 2015		<u>750.00</u>	
			\$ 50,750.00
Less:			
Senior Citizens' and Veterans' Deductions Disallowed - 2015			<u>1,476.02</u>
			\$ <u><u>49,273.98</u></u>

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2015

	<u>Balance Dec. 31, 2014</u>	<u>Accrued In 2015</u>	<u>Collected</u>	<u>Balance Dec. 31, 2015</u>
Miscellaneous Revenue Anticipated:				
Licenses:				
Alcoholic Beverages		\$ 5,000.00	\$ 5,000.00	
Fees and Permits		5,282.97	5,282.97	
Fines and Costs:				
Municipal Court	\$ 3,893.03	45,451.23	49,344.26	
Interest on Taxes		40,441.45	40,441.45	
Interest on Investments		4,736.93	4,736.93	
Consolidated Municipal Property Tax Relief Aid		10,637.00	10,637.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167		289,453.00	289,453.00	
	<u>\$ 3,893.03</u>	<u>\$ 401,002.58</u>	<u>\$ 404,895.61</u>	<u>\$ -</u>
		Cash Received	\$ 404,838.33	
		Interfunds	57.28	
			<u>\$ 404,895.61</u>	

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
 Statement of Deferred Charges - Special Emergency Authorizations
 For the Year Ended December 31, 2015

Date	Purpose	Amount Authorized	Annual Budget Requirement	Balance Dec. 31, 2014	Raised in 2015 Budget
8/18/10	Revision to Master Plan	\$ 80,000.00	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00
12/21/10	Revision to Master Plan	125,000.00	25,000.00	<u>25,000.00</u>	<u>25,000.00</u>
				<u>\$ 41,000.00</u>	<u>\$ 41,000.00</u>

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Special Emergency Notes
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Decreased
17-2010	Revision to Master Plan	5/1/14	4/28/15	1.30%	\$ 16,000.00	\$ 16,000.00
22-2010	Revision to Master Plan	5/1/14	4/28/15	1.30%	<u>25,000.00</u>	<u>25,000.00</u>
					<u>\$ 41,000.00</u>	<u>\$ 41,000.00</u>

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2015

	Balance December 31, 2014		Balance After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
Operations Within "CAPS":					
Mayor and Council:					
Salaries and Wages		\$ 134.00	\$ 134.00		\$ 134.00
Other Expenses	\$ 29.00	6,228.82	6,257.82	\$ 175.53	6,082.29
Municipal Clerk:					
Salaries and Wages		4,466.90	4,466.90		4,466.90
Other Expenses	2.70	13,251.29	13,253.99	1,110.75	12,143.24
Financial Administration:					
Salaries and Wages		6,350.34	6,350.34		6,350.34
Other Expenses	225.11	9,177.91	9,403.02	2,786.68	6,616.34
Audit Services:					
Other Expenses		36,221.36	36,221.36	33,612.00	2,609.36
Revenue Administration:					
Salaries and Wages		1,350.52	1,350.52		1,350.52
Other Expenses	10.77	11,125.09	11,135.86	10.77	11,125.09
Legal Services:					
Other Expenses		19,981.53	19,981.53	0.04	19,981.49
Engineering Services:					
Other Expenses		8,294.62	8,294.62	408.69	7,885.93
Municipal Court:					
Salaries and Wages		15,842.80	15,842.80		15,842.80
Other Expenses		2,890.26	2,890.26	2,890.26	-
Public Defender:					
Salaries and Wages		1,045.00	1,045.00		1,045.00
Planning Board:					
Salaries and Wages		121.40	121.40		121.40
Other Expenses		2,064.99	2,064.99		2,064.99
Housing and Lot Maintenance Code:					
Salaries and Wages		2,000.00	2,000.00		2,000.00
Other Expenses		200.00	200.00		200.00
Insurance:					
General Liability		2,816.00	2,816.00		2,816.00
Employee Group Insurance		31,363.31	31,363.31		31,363.31
Health Benefit Waiver		2,475.46	2,475.46		2,475.46
Police Department:					
Salaries and Wages		18,586.18	18,586.18		18,586.18
Other Expenses	207.99	5,326.99	5,534.98	5,194.50	340.48
Office of Emergency Management:					
Salaries and Wages		219.00	219.00		219.00
Other Expenses		611.68	611.68		611.68
Aid to Volunteer Fire Companies:					
Other Expenses	3,341.50	619.22	3,960.72	3,206.30	754.42
Fire Department:					
Other Expenses		494.00	494.00		494.00
Prosecutor's Office:					
Salaries and Wages		608.12	608.12		608.12
Street and Road Maintenance:					
Salaries and Wages		14,962.09	14,962.09		14,962.09
Other Expenses	1,043.23	34,714.20	35,757.43	3,959.84	31,797.59
Other Public Works Functions:					
Other Expenses		500.00	500.00		500.00

(Continued)

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2015

	Balance December 31, 2014		Balance After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Operations Within "CAPS" (CONT'D):</u>					
Solid Waste Collection					
Salaries and Wages		\$ 359.71	\$ 359.71		\$ 359.71
Other Expenses	\$ 55.00	2,712.20	2,767.20	\$ 55.00	2,712.20
Public Building and Grounds:					
Salaries and Wages		97.92	97.92		97.92
Other Expenses	453.53	13,748.16	14,201.69	1,981.85	12,219.84
Vehicle Maintenance:					
Other Expenses	4,488.12	32,055.35	36,543.47	5,489.65	31,053.82
Public Health Services:					
Salaries and Wages		100.00	100.00		100.00
Other Expenses		100.00	100.00		100.00
Recreation Services and Programs:					
Other Expenses	1,750.00	6,888.08	8,638.08	2,949.98	5,688.10
Celebration of Public Events:					
Other Expenses		3,995.60	3,995.60		3,995.60
Senior Citizens Transportation:					
Salaries and Wages		480.96	480.96		480.96
Other Expenses		2,987.17	2,987.17		2,987.17
Utilities:					
Electricity		8,650.77	8,650.77	1,994.13	6,656.64
Street Lighting		6,227.49	6,227.49	4,653.57	1,573.92
Telephone		1,060.91	1,060.91		1,060.91
Gas (Natural or Propane)	888.35	3,055.19	3,943.54	3,943.54	-
Fuel Oil		2,272.12	2,272.12	530.62	1,741.50
Diesel Oil		13,501.98	13,501.98	661.50	12,840.48
Gasoline		10,886.44	10,886.44	1,024.92	9,861.52
Sanitary Landfill:					
Other Expenses	6,869.92	28,803.21	35,673.13	11,564.52	24,108.61
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		10,192.00	10,192.00	705.07	9,486.93
Social Security System (O.A.S.I.)		6,273.48	6,273.48		6,273.48
Police & Fireman's Retirement System		6,954.99	6,954.99		6,954.99
Defined Contribution Retirement Plan		500.00	500.00		500.00
Total General Appropriations for Municipal Purposes Within "CAPS"	19,365.22	415,946.81	435,312.03	88,909.71	346,402.32
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>					
N.J.S.A. 40A:4-45.3J(3):					
Township of Deptford, UCC Operations		3,392.50	3,392.50		3,392.50
Total General Appropriations for Municipal Purposes Excluded from "CAP"	-	3,392.50	3,392.50	-	3,392.50
	\$ 19,365.22	\$ 419,339.31	\$ 438,704.53	\$ 88,909.71	\$ 349,794.82
				\$ 88,688.75	
				220.96	
				\$ 88,909.71	

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
 Statement of Prepaid Taxes
 For the Year Ended December 31, 2015

Balance December 31, 2014 (2015 Taxes)		\$ 28,897.89
Increased by:		
Collection (2016 Taxes)		27,826.91
		56,724.80
Decreased by:		
Application to 2015 Taxes		28,897.89
Balance December 31, 2015 (2016 Taxes)		\$ 27,826.91

Exhibit SA-10

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
 Statement of Tax Overpayments
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 30,394.25
Increased by:		
Overpayments Received		13,829.27
		44,223.52
Decreased by:		
Refunded	\$ 11,112.74	
Applied	30,394.25	
		41,506.99
Balance December 31, 2015		\$ 2,716.53

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
 Statement of County Taxes Payable
 For the Year Ended December 31, 2015

2015 Levy:		
County General	\$ 1,598,254.15	
County Library	120,447.68	
County Open Space	<u>107,643.21</u>	
		\$ 1,826,345.04
Decreased by:		
Disbursements		<u>\$ 1,826,345.04</u>

Exhibit SA-12

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
 Statement of Amount Due to County for Added and Omitted Taxes
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 3,315.33
Increased by:	
County Share of 2015 Levy	<u>1,332.38</u>
	4,647.71
Decreased by:	
Disbursements	<u>3,315.33</u>
Balance December 31, 2015	<u>\$ 1,332.38</u>

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
 Statement of Local School District Tax
 For the Year Ended December 31, 2015

2015 Levy-Calendar Year	\$	2,514,289.00
Decreased by:		
Disbursements		<u>2,514,122.00</u>
Balance December 31, 2015	\$	<u><u>167.00</u></u>

BOROUGH OF WOODBURY HEIGHTS
CURRENT FUND
 Statement of Regional High School District Tax
 For the Year Ended December 31, 2015

Increased by:		
2015 Levy-Calendar Year	\$	3,138,986.02
Decreased by:		
Disbursements	\$	<u><u>3,138,986.02</u></u>

BOROUGH OF WOODBURY HEIGHTS
FEDERAL AND STATE GRANT FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 23,471.62
Increased by:		
Grant Revenues Deposited to Current Fund	\$ 44,996.73	
Local Match due from Current Fund	<u>77,176.00</u>	
		<u>122,172.73</u>
		145,644.35
Decreased by:		
Grant Expenditures Paid by Current Fund		<u>112,800.19</u>
Balance December 31, 2015		<u><u>\$ 32,844.16</u></u>

BOROUGH OF WOODBURY HEIGHTS
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2015

<u>Program</u>	<u>Balance Dec. 31, 2014</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2015</u>
Federal Grants:				
Bulletproof Vests	\$ 1,432.22			\$ 1,432.22
Community Development Block Grant		\$ 1,430.00		1,430.00
Drive Sober or Get Pulled Over	<u>2,200.00</u>		<u>\$ 2,200.00</u>	
Total Federal Grants	<u>3,632.22</u>	<u>1,430.00</u>	<u>2,200.00</u>	<u>2,862.22</u>
State Grants:				
Alcohol, Education, Rehabilitation and Enforcement Grant	160.78			160.78
Body Armor Grant		1,089.36	1,089.36	
Clean Communities Program	112.31	7,262.37	7,262.37	112.31
Municipal Alliance Grant:				
2015 Award		10,097.00	5,393.30	4,703.70
2014 Award	5,548.50		4,703.70	844.80
2013 Award	182.00			182.00
Safe and Secure Communities Program	<u>23,148.00</u>	<u>24,348.00</u>	<u>24,348.00</u>	<u>23,148.00</u>
Total State Grants	<u>29,151.59</u>	<u>42,796.73</u>	<u>42,796.73</u>	<u>29,151.59</u>
	<u>\$ 32,783.81</u>	<u>\$ 44,226.73</u>	<u>\$ 44,996.73</u>	<u>\$ 32,013.81</u>

BOROUGH OF WOODBURY HEIGHTS
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2015

<u>Program</u>	<u>Balance Dec. 31, 2014</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2015 Budget</u>	<u>Balance Dec. 31, 2015</u>
Federal Grants:				
Community Development Block Grant		\$ 1,430.00	\$ 1,430.00	
Total Federal Grants	-	1,430.00	1,430.00	-
State Grants:				
Body Armor Grant	\$ 1,090.46	1,089.36	1,090.46	\$ 1,089.36
Clean Communities Program		7,262.37	7,262.37	
Drunk Driving Enforcement Fund	1,155.50	-	1,155.50	
Municipal Alliance Grant		10,097.00	10,097.00	
Recycling Tonnage Grant	4,992.59	-	4,992.59	
Safe and Secure Communities Program		24,348.00	24,348.00	
Total State Grants	7,238.55	42,796.73	48,945.92	1,089.36
	\$ 7,238.55	\$ 44,226.73	\$ 50,375.92	\$ 1,089.36

BOROUGH OF WOODBURY HEIGHTS
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2015

<u>Program</u>	Balance Dec. 31, 2014 Appropriated	Transferred from 2015 Budget Appropriation	Disbursed	Encumbered	Balance Dec. 31, 2015
Federal Grants:					
Bulletproof Vests	\$ 851.97				\$ 851.97
Community Development Block Grant		\$ 1,430.00		\$ 1,430.00	
Drive Sober or Get Pulled Over	2,200.00		\$ 2,200.00		
Total Federal Grants	<u>3,051.97</u>	<u>1,430.00</u>	<u>2,200.00</u>	<u>1,430.00</u>	<u>851.97</u>
State Grants:					
Alcohol, Education, Rehabilitation and Enforcement Grant	17.09				17.09
Body Armor Grant - 2015		1,090.46	1,077.03		13.43
Body Armor Grant - 2012	436.73				436.73
Body Armor Grant - 2010	1,051.73				1,051.73
Body Armor Grant - 2009	543.15				543.15
Clean Communities Program	3,976.62	7,262.37	946.95		10,292.04
Drunk Driving Enforcement Fund	629.23	1,155.50	1,527.59		257.14
Municipal Alliance Grant	924.93	12,621.00	8,825.38		4,720.55
Recycling Tonnage Grant	18,513.61	4,992.59			23,506.20
Safe and Secure Communities Program	19,871.82	99,000.00	98,223.24		20,648.58
Total State Grants	<u>45,964.91</u>	<u>126,121.92</u>	<u>110,600.19</u>	<u>-</u>	<u>61,486.64</u>
	<u>\$ 49,016.88</u>	<u>\$ 127,551.92</u>	<u>\$ 112,800.19</u>	<u>\$ 1,430.00</u>	<u>\$ 62,338.61</u>
Realized as Revenue in Budget		\$ 50,375.92			
Local Match - Due from Current Fund		<u>77,176.00</u>			
		<u>\$ 127,551.92</u>			

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF WOODBURY HEIGHTS
TRUST FUND
Statement of Trust Cash - Chief Financial Officer
For the Year Ended December 31, 2015

	<u>Animal Control</u>	<u>Trust Other</u>
Balance December 31, 2014	\$ 7,599.72	\$ 215,799.92
Increased by Receipts:		
Animal Control Collector	\$ 3,502.30	
Due Current Fund	18.34	\$ 3,291.13
Miscellaneous Trust Reserves		1,896,460.18
	<u>3,520.64</u>	<u>1,899,751.31</u>
	11,120.36	2,115,551.23
Decreased by Disbursements:		
Animal Control Expenses	1,973.49	
Due Current Fund	18.08	1,259.12
Due Capital Fund		60,000.00
Miscellaneous Trust Reserves		1,878,606.86
	<u>1,991.57</u>	<u>1,939,865.98</u>
Balance December 31, 2015	<u>\$ 9,128.79</u>	<u>\$ 175,685.25</u>

BOROUGH OF WOODBURY HEIGHTS
TRUST -- ANIMAL CONTROL FUND
Statement of Trust Cash - Animal Control Collector
For the Year Ended December 31, 2015

Increased by Receipts:			
Animal Control Fees	\$	3,502.30	
State Dog License Fees		511.80	
			\$ 4,014.10
Decreased by Disbursements:			
Due to State of New Jersey		511.80	
Payment to Treasurer		3,502.30	
			\$ 4,014.10

Exhibit SB-3

BOROUGH OF WOODBURY HEIGHTS
TRUST -- ANIMAL CONTROL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	1.34
Increased by:		
Interest Earned		18.34
		19.68
Decreased by:		
Disbursements		18.08
Balance December 31, 2015	\$	1.60

BOROUGH OF WOODBURY HEIGHTS
TRUST -- ANIMAL CONTROL FUND
Statement of Amount Due to State of New Jersey - Department of Health
For the Year Ended December 31, 2015

Increased by:			
State License Fees	\$		511.80
Decreased by:			
Disbursements to the State	\$		<u>511.80</u>

Exhibit SB-5

BOROUGH OF WOODBURY HEIGHTS
TRUST -- ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	7,598.38
Increased by:			
Dog License Fees	\$	2,376.00	
Cat License Fees		406.00	
Late Fees Collected		<u>720.30</u>	
			<u>3,502.30</u>
			11,100.68
Decreased by:			
Animal Control Expenses			<u>1,973.49</u>
Balance December 31, 2015		\$	<u>9,127.19</u>

Animal License Fees Collected	
Year	Amount
2013	\$ 5,367.00
2014	<u>3,846.00</u>
	<u>\$ 9,213.00</u>

BOROUGH OF WOODBURY HEIGHTS
TRUST -- OTHER FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2015

<hr/>			
Balance December 31, 2014 (Due from)		\$	1,577.37
Increased by:			
Disbursements			1,259.12
			2,836.49
Decreased by:			
Interest Earned	\$	224.83	
Prior Year Interfund - Trust Other		3,066.30	
			3,291.13
Balance December 31, 2015 (Due to)		\$	454.64

BOROUGH OF WOODBURY HEIGHTS
TRUST -- OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Receipts	Disbursements	Balance Dec. 31, 2015
Escrow Deposits	\$ 33,382.18	\$ 47,155.79	\$ 35,676.23	\$ 44,861.74
Unemployment Compensation	28,546.21	12,069.02	7,504.60	33,110.63
Off Duty Police Employment	346.84	34,328.90	34,328.90	346.84
D.A.R.E.	6,567.78	74.78	4,572.27	2,070.29
Payroll	1,066.61	1,605,256.02	1,590,480.57	15,842.06
Tax Sale Premiums	20,500.00	53,500.00	36,100.00	37,900.00
Redemption of Tax Sale Certificates	26,213.51	120,582.37	146,795.88	
Recycling Fees	11,416.19	574.66	5,304.41	6,686.44
Forfeited Funds	2,777.37	5.56		2,782.93
P.O.A.A.	729.00	2.00		731.00
Public Defender	1,701.00	550.00		2,251.00
Trust Donations	13,815.04	16,846.89	12,684.73	17,977.20
West Jersey Avenue Park	10,619.84	1,645.58	2,218.11	10,047.31
Flexible Spending Account	(304.28)	3,868.61	2,941.16	623.17
	<u>\$ 157,377.29</u>	<u>\$ 1,896,460.18</u>	<u>\$ 1,878,606.86</u>	<u>\$ 175,230.61</u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

BOROUGH OF WOODBURY HEIGHTS
GENERAL CAPITAL FUND
Statement of General Capital Cash - Chief Financial Officer
For the Year Ended December 31, 2015

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Balance December 31, 2014	\$ 494,857.74
Increased by Receipts:	
Federal and State Aid Receivable	\$ 34,760.12
Capital Improvement Fund	40,000.00
Due from Trust Other	60,000.00
Due Current Fund	49.57
	134,809.69
	629,667.43
Decreased by Disbursements:	
Improvement Authorizations	354,374.71
Due Current Fund	84.14
	354,458.85
Balance December 31, 2015	\$ 275,208.58

BOROUGH OF WOODBURY HEIGHTS
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Receipts		Disbursements		Transfers		Balance Dec. 31, 2015
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 45,444.59	\$ 40,000.00			\$ 15,062.00		\$ 70,382.59	
Encumbrances Payable	1,500.00						1,500.00	
Due Trust Other Fund	(60,000.00)	60,000.00						
Due Current Fund	84.14	49.57		\$ 84.14	78,911.33		(78,861.76)	
<u>Improvement Authorizations:</u>								
<u>Ordinance Number</u>								
11-06 Various Capital Improvements (e) Overlay & Repair of Various Streets	80,000.00						80,000.00	
10-07 Various Capital Improvements								
(a) Lincoln Avenue Storm Drains	15,000.00						15,000.00	
(b) Fordham Avenue Storm Drains	15,000.00						15,000.00	
(c) Public Works Garage Roof Replacement	469.18						469.18	
(d) Acquisition of Fire Department Equipment	6,001.00		\$ 3,964.14				2,036.86	
12-09b Recreation Building	17,258.91		1,990.00				15,268.91	
07-10a Improvements to Fire House Facilities	36,939.15						36,939.15	
07-10c Reconstruction of West Jersey Ave.	11,973.14						11,973.14	
03-12 Improvements to Borough Hall	7,529.28						7,529.28	
05-12 Fairview Ave Restoration Project	18,645.80						18,645.80	
15-12a Reconstruction of Lake Ave	10,424.59						10,424.59	
15-12b Reconstruction of Helen Ave	20,450.58						20,450.58	
07-13 Site Remediation Phase I	4,689.00						4,689.00	
08-13 Lake Avenue Phase II	(30,644.80)		1,420.57			\$ 38,233.45	6,168.08	
10-13a Site Remediation Phase II	10,578.05						10,578.05	
10-13c Backhoe	42,250.00		41,500.00				750.00	
10-13d License Plate Reader	542.82						542.82	
10-13e Utility Truck	1,653.01						1,653.01	
10-13f Annex Stop Modification	11,960.59						11,960.59	
13-13 Acquisition of Land	12,108.71						12,108.71	
03-14 Acquisition of Trash Truck	215,000.00		215,000.00					
05-15a Acquisition of Pickup Truck - Fire Department		27,000.00	31,500.00			4,500.00		
05-15b Oak Avenue and Fourth Street Reconstruction		7,760.12	59,000.00			51,239.88		
	<u>\$ 494,857.74</u>	<u>\$ 134,809.69</u>	<u>\$ 354,374.71</u>	<u>\$ 84.14</u>	<u>\$ 93,973.33</u>	<u>\$ 93,973.33</u>	<u>\$ 275,208.58</u>	

BOROUGH OF WOODBURY HEIGHTS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 1,590,000.00
Decreased by:	
General Serial Bonds	<u>150,000.00</u>
Balance December 31, 2015	<u><u>\$ 1,440,000.00</u></u>

BOROUGH OF WOODBURY HEIGHTS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Unfunded
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	Raised in 2015 Budget	Balance Dec. 31, 2015	Analysis of Balance December 31, 2015
					Financed by Bond Anticipation Notes
7-10a	Firehouse Restroom Renovations	\$ 98,750.00	\$ 14,062.50	\$ 84,687.50	\$ 84,687.50
7-10b	Acquisition of Equipment for Police	67,150.00	9,562.50	57,587.50	57,587.50
7-10c	Reconstruction of West Jersey Avenue	23,700.00	3,375.00	20,325.00	20,325.00
15-12a	Firehouse Restroom Renovations	33,250.00	1,800.00	31,450.00	31,450.00
15-12b	Acquisition of Equipment for Police	95,900.00	5,200.00	90,700.00	90,700.00
07-13	Site Remediation Phase I	28,500.00		28,500.00	28,500.00
03-14	Acquisition of Trash Truck	147,000.00		147,000.00	147,000.00
		<u>\$ 494,250.00</u>	<u>\$ 34,000.00</u>	<u>\$ 460,250.00</u>	<u>\$ 460,250.00</u>

BOROUGH OF WOODBURY HEIGHTS
GENERAL CAPITAL FUND
Statement of Federal and State Aid Receivable
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 53,847.90
Increased by:		
Community Development Block Grant	\$ 48,438.00	
Local Grants	27,000.00	
		75,438.00
		129,285.90
Decreased by:		
Cash Receipts	34,760.12	
Cash Received in Current Fund	78,911.33	
		113,671.45
Balance December 31, 2015		\$ 15,614.45
Analysis:		
NJ Department of Transportation - Lake Avenue Phase II		\$ 15,614.45

Exhibit SC-6

BOROUGH OF WOODBURY HEIGHTS
GENERAL CAPITAL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014 (Due to)		\$ 84.14
Increased by:		
Interest Earned		49.57
		133.71
Decreased by:		
Disbursements	\$ 84.14	
Community Development Block Grant Received in Current Fund	40,677.88	
State Road Aid Received in Current Fund	38,233.45	
		78,995.47
Balance December 31, 2015 (Due from)		\$ 78,861.76

BOROUGH OF WOODBURY HEIGHTS
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	45,444.59
Increased by:		
Budget Appropriation		40,000.00
		85,444.59
Decreased by:		
Appropriated to Finance Improvement Authorizations		15,062.00
Balance December 31, 2015	\$	70,382.59

Exhibit SC-8

BOROUGH OF WOODBURY HEIGHTS
GENERAL CAPITAL FUND
Schedule of Encumbrances Payable
As of December 31, 2015

Balance December 31, 2015 and 2014	\$	1,500.00
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BOROUGH OF WOODBURY HEIGHTS
 GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2014		2015 Authorizations	Paid or Charged	Balance December 31, 2015	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
11-06	Various Capital Improvements (e) Overlay & Repair of Various Streets	07/19/06	\$ 80,000.00	\$ 80,000.00				\$ 80,000.00	
10-07	Various Capital Improvements (a) Lincoln Avenue Storm Drains (b) Fordham Avenue Storm Drains (c) Public Works Garage Roof (d) Acquisition of Fire Dept. Equipment	11/21/07 11/21/07 11/21/07 11/21/07	15,000.00 15,000.00 6,000.00 18,000.00	15,000.00 15,000.00 469.18 6,001.00			\$ 3,964.14	15,000.00 15,000.00 469.18 2,036.86	
12-09b	Construction of Recreation Building	10/21/09	699,000.00	17,258.91			1,990.00	15,268.91	
07-10a	Improvements to Fire House Facilities	04/01/10	200,000.00		\$ 36,939.15				\$ 36,939.15
07-10c	Reconstruction of West Jersey Ave.	04/01/10	200,000.00		11,973.14				11,973.14
03-12	Improvements to Borough Hall	01/18/12	20,000.00	7,529.28				7,529.28	
05-12	Fairview Ave Restoration Project	04/18/12	41,674.62	18,645.80				18,645.80	
15-12a	Reconstruction of Lake Ave	05/16/12	210,000.00		10,424.59				10,424.59
15-12b	Reconstruction of Helen Ave	05/16/12	101,000.00		20,450.58				20,450.58
07-13	Site Remediation Phase I	04/17/13	30,000.00		4,689.00				4,689.00
08-13	Lake Avenue Phase II	06/19/13	240,450.00	23,203.10			1,420.57	21,782.53	
10-13a	Site Remediation Phase II	09/18/13	31,625.00	10,578.05				10,578.05	
10-13c	Backhoe	09/18/13	42,500.00	42,250.00			41,500.00	750.00	
10-13d	License Plate Reader	09/18/13	16,500.00	542.82				542.82	
10-13e	Utility Truck	09/18/13	22,716.93	1,653.01				1,653.01	
10-13f	Annex Stop Modification	09/18/13	30,000.00	11,960.59				11,960.59	
13-13	Acquisition of Land	10/09/13	50,000.00	12,108.71				12,108.71	
03-14	Acquisition of Trash Truck	06/18/14	215,000.00	68,000.00	147,000.00		215,000.00		
05-15a	Acquisition of Pickup Truck - Fire Department	03/03/15	31,500.00			\$ 31,500.00	31,500.00		
05-15b	Oak Avenue and Fourth Street Reconstruction	03/03/15	59,000.00			59,000.00	59,000.00		
				\$ 330,200.45	\$ 231,476.46	\$ 90,500.00	\$ 354,374.71	\$ 213,325.74	\$ 84,476.46
	Capital Improvement					\$ 15,062.00			
	Federal and State Aid Receivable					75,438.00			
	Cash Disbursements						\$ 354,374.71		
						\$ 90,500.00	\$ 354,374.71		

BOROUGH OF WOODBURY HEIGHTS
 GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2015</u>
07-10	Various Capital Improvements	12/14/10	8/13/14 8/11/15	8/12/15 8/10/16	0.750% 0.936%	\$ 189,600.00	\$ 162,600.00	\$ 189,600.00	\$ 162,600.00
15-12	Various Capital Improvements	8/17/12	8/13/14 8/11/15	8/12/15 8/10/16	0.750% 0.936%	129,150.00	122,150.00	129,150.00	122,150.00
07-13	Site Remediation Phase I	10/17/13	8/13/14 8/11/15	8/12/15 8/10/16	0.750% 0.936%	28,500.00	28,500.00	28,500.00	28,500.00
03-14	Acquisition of Trash Truck	8/13/14 8/13/14	8/13/14 8/11/15	8/12/15 8/10/16	0.750% 0.936%	147,000.00	147,000.00	147,000.00	147,000.00
						<u>\$ 494,250.00</u>	<u>\$ 460,250.00</u>	<u>\$ 494,250.00</u>	<u>\$ 460,250.00</u>
								\$ 34,000.00	
							<u>\$ 460,250.00</u>	<u>460,250.00</u>	
							<u>\$ 460,250.00</u>	<u>\$ 494,250.00</u>	

Paid by Budget Appropriation
 Rollover

BOROUGH OF WOODBURY HEIGHTS
 GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2015

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
General Improvement Bonds	12/14/09	\$ 1,955,000.00	12/1/16	\$ 150,000.00	3.000%			
			12/1/17	155,000.00	3.250%			
			12/1/18	160,000.00	3.500%			
			12/1/19	160,000.00	3.500%			
			12/1/20	160,000.00	3.750%			
			12/1/21	160,000.00	3.750%			
			12/1/22	165,000.00	4.000%			
			12/1/23	165,000.00	4.000%			
			12/1/24	165,000.00	4.000%			

SUPPLEMENTAL EXHIBITS
WATER AND SEWER UTILITY FUND

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY FUND
Statement of Water and Sewer Utility Cash - Chief Financial Officer
For the Year Ended December 31, 2015

	Operating	Capital
Balance December 31, 2014	\$ 1,204,394.03	\$ 379,998.26
Increased by Receipts:		
Water Rents Collected	\$ 560,886.55	
Sewer Rents Collected	933,412.29	
Interest on Investments		\$ 1,225.38
Mobile Antenna Rental	111,909.82	
Miscellaneous Revenues	17,705.20	
Utility Rent Overpayments	6,643.82	
Bond Anticipation Notes		675,000.00
Due Utility Capital Fund	1,145.29	
	1,631,702.97	676,225.38
	2,836,097.00	1,056,223.64
Decreased by Disbursements:		
2015 Appropriations	1,253,290.86	
2014 Appropriation Reserves	109,467.20	
Accrued Interest on Bonds and Notes	26,594.06	
Due Utility Operating Fund		1,145.29
Improvement Authorizations		234,436.50
	1,389,352.12	235,581.79
Balance December 31, 2015	\$ 1,446,744.88	\$ 820,641.85

BOROUGH OF WOODBURY HEIGHTS
 WATER AND SEWER UTILITY CAPITAL FUND
 Analysis of Water and Sewer Utility Capital Cash
 For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Receipts		Disbursements		Transfers		Balance Dec. 31, 2015
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 439.81							\$ 439.81
Capital Improvement Fund	23,538.89							23,538.89
Reserve for Preliminary Expenses	8,349.25							8,349.25
Encumbrances Payable						\$ 38,354.75		38,354.75
Due Utility Operating Fund	64.56		\$ 1,225.38		\$ 1,145.29			144.65
Improvement Authorizations:								
<u>Ordinance Number</u>								
08-06 Sewer Infiltration Evaluation and Remediation Program	3,830.96							3,830.96
6-07 (a) Sanitary Sewer Infiltration Repairs	157,182.79							157,182.79
(b) Video Equipment	8,613.00							8,613.00
4-09 Redevelopment of Well #1 - Helen Avenue	37,593.30							37,593.30
14-12 Repairs to Route 45 Pump Station	3,070.68							3,070.68
16-12 Acquisition & Installation of Well No.1 Diesel Generator	58,818.93			\$ 165.94				58,652.99
11-13a Site Remediation Phase II	34,783.07							34,783.07
11-13b Acquisition of Backhoe	42,155.00			40,000.00				2,155.00
11-13c Acquisition of Utility Truck	1,558.02							1,558.02
8-15 Redevelopment of Sewer Pump Stations		\$ 675,000.00		194,270.56		\$ 38,354.75		442,374.69
	<u>\$ 379,998.26</u>	<u>\$ 675,000.00</u>	<u>\$ 1,225.38</u>	<u>\$ 234,436.50</u>	<u>\$ 1,145.29</u>	<u>\$ 38,354.75</u>	<u>\$ 38,354.75</u>	<u>\$ 820,641.85</u>

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2015

Water Rents:

Balance December 31, 2014		\$	29,205.06
Increased by:			
Water Rents Levied			563,492.17
			592,697.23
Decreased by:			
Collections	\$ 560,886.55		
Overpayments Applied	1,250.01		
		\$ 562,136.56	
Cancelled		1.84	
			562,138.40
Balance December 31, 2015		\$	30,558.83

Sewer Rents:

Balance December 31, 2014		\$	40,222.24
Increased by:			
Sewer Rents Levied			939,137.69
			979,359.93
Decreased by:			
Collections	\$ 933,412.29		
Overpayments Applied	1,129.95		
		\$ 934,542.24	
Cancelled		-	
			934,542.24
Balance December 31, 2015		\$	44,817.69

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Transfer from Authorized and Uncompleted	Balance Dec. 31, 2015
Water System:			
Water Tower and Accessories	\$ 473,840.30		\$ 473,840.30
Pumping Station Structures	14,798.51		14,798.51
Distribution Mains and Accessories	653,114.71		653,114.71
Water Meters and Hydrants	31,645.90		31,645.90
General:			
Equipment	188,569.23	\$ 42,022.35	230,591.58
Building	2,315.69		2,315.69
Legal and Engineering	8,770.00		8,770.00
Interest During Construction	8,018.63		8,018.63
Office and Computer Equipment	34,500.00		34,500.00
Total Water System	1,415,572.97	42,022.35	1,457,595.32
Sewer System:			
Sewer Disposal System	147,807.75	136,703.22	284,510.97
Mains and Extensions	1,766,621.53		1,766,621.53
General:			
Equipment	105,740.65	57,887.00	163,627.65
Building	2,315.68		2,315.68
Office and Computer Equipment	14,500.00		14,500.00
Prior Years - Unallocated	32,438.89		32,438.89
Total Sewer System	2,069,424.50	194,590.22	2,264,014.72
Total Fixed Capital	\$ 3,484,997.47	\$ 236,612.57	\$ 3,721,610.04

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2015

Ord. No.	Improvement Description	Date	Amount	Balance Dec. 31, 2014	Additions by Ordinance	Transfer to Fixed Capital	Balance Dec. 31, 2015
8-06	Sewer Infiltration Evaluation and Remediation Program	6/21/06	\$ 44,216.97	\$ 44,216.97		\$ 40,386.01	\$ 3,830.96
6-07	(a) Sanitary Sewer Infiltration Repairs	5/16/07	253,500.00	253,500.00		96,317.21	157,182.79
	(b) Video Equipment	5/16/07	66,500.00	66,500.00		57,887.00	8,613.00
4-09	Redevelopment of Well #1 - Helen Avenue	2/3/09	220,000.00	59,593.30			59,593.30
14-12	Repairs to Route 45 Pump Station	5/16/12	28,000.00	3,070.68			3,070.68
16-12	Acquisition & Installation of Well No.1 Diesel Generator	9/19/12	150,000.00	58,818.93		165.94	58,652.99
11-13a	Site Remediation Phase II	9/18/13	34,783.07	34,783.07			34,783.07
11-13b	Acquisition of Backhoe	9/18/13	42,500.00	42,500.00		40,345.00	2,155.00
11-13c	Acquisition of Utility Truck	9/18/13	22,716.93	3,069.43		1,511.41	1,558.02
8-15	Redevelopment of Sewer Pump Stations	6/1/15	675,000.00		\$ 675,000.00		675,000.00
				\$ 566,052.38	\$ 675,000.00	\$ 236,612.57	\$ 1,004,439.81

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2015

	<u>Balance December 31, 2014</u>		<u>Balance After</u> <u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salaries and Wages		\$ 68,224.36	\$ 68,224.36		\$ 68,224.36
Other Expenses	\$ 73,143.91	234,437.95	307,581.86	\$ 109,647.24	197,934.62
Capital Improvements					
Capital Outlay		22,000.00	22,000.00		22,000.00
Statutory Expenditures:					
Contribution to:					
Social Security System		5,796.44	5,796.44		5,796.44
	<u>\$ 73,143.91</u>	<u>\$ 330,458.75</u>	<u>\$ 403,602.66</u>	<u>\$ 109,647.24</u>	<u>\$ 293,955.42</u>
				Cash Disbursements \$ 109,467.20	
				Encumbrances Payable 180.04	
				<u>\$ 109,647.24</u>	

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY FUND
Statement of Accrued Interest on Bonds, Notes and Analysis of Balance
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	5,921.35
Increased by:			
Budget Appropriation:			
Interest on Bonds		\$	21,330.84
Interest on Loans			2,008.13
Interest on Notes			4,022.97
			27,361.94
			33,283.29
Decreased by:			
Interest Paid on Bonds			22,137.50
Interest Paid on Loans			2,773.75
Interest Paid on Notes			1,682.81
			26,594.06
Balance December 31, 2015		\$	6,689.23

Analysis of Accrued Interest December 31, 2015:

Principal Outstanding Dec. 31, 2015	Interest Rate	From	To	Period	Amount
<u>Serial Bonds:</u>					
\$ 80,000.00	4.250%	07/15/15	12/31/15	5.5 months	\$ 1,576.67
410,000.00	3.000%	12/01/15	12/31/15	1 month	1,373.96
<u>Loans:</u>					
35,000.00	various	08/01/15	12/31/15	5 months	765.63
<u>Notes:</u>					
92,000.00	0.936%	08/10/15	12/31/15	4.5 months	322.92
80,000.00	0.936%	08/10/15	12/31/15	4.5 months	280.80
675,000.00	0.936%	08/10/15	12/31/15	4.5 months	2,369.25
					\$ 6,689.23

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY OPERATING FUND
 Statement of Utility Rent Overpayments
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 2,379.96
Increased by:		
Overpayments Created		<u>6,643.82</u>
		9,023.78
Decreased by:		
Overpayments Applied - Water Rents	\$ 1,250.01	
Overpayments Applied - Sewer Rents	<u>1,129.95</u>	
		<u>2,379.96</u>
Balance December 31, 2015		<u><u>\$ 6,643.82</u></u>

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY CAPITAL FUND
 Statement of Due Utility Operating Fund
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$	64.56
Increased by:		
Interest Earned		1,225.38
		1,289.94
Decreased by:		
Disbursements		1,145.29
Balance December 31, 2015	\$	144.65

Exhibit SD-10

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY CAPITAL FUND
 Statement of Reserve for Amortization
 For the Year Ended December 31, 2015

Balance December 31, 2014	\$	3,136,844.26
Increased by:		
2015 Budget Appropriation to Pay:		
Bond Anticipation Notes	\$	53,000.00
Water and Sewer Serial Bonds		60,000.00
New Jersey Wastewater Treatment Trust Loans		58,713.92
		171,713.92
Balance December 31, 2015	\$	3,308,558.18

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2015

Ord. No.	Improvement Description	Date	Amount	Balance December 31, 2014		2015 Authorizations	Paid or Charged	Balance December 31, 2015	
				Funded	Unfunded			Funded	Unfunded
8-06	Sewer Infiltration Evaluation and Remediation Program	6/21/06	\$ 44,216.97	\$ 3,830.96				\$ 3,830.96	
6-07	(a) Sanitary Sewer Infiltration Repairs	5/16/07	253,500.00	157,182.79				157,182.79	
	(b) Video Equipment	5/16/07	66,500.00	8,613.00				8,613.00	
4-09	Redevelopment of Well #1 - Helen Ave	2/3/09	220,000.00	37,593.30	\$ 22,000.00			37,593.30	\$ 22,000.00
14-12	Repairs to Route 45 Pump Station	5/16/12	28,000.00	3,070.68				3,070.68	
16-12	Acquisition & Installation of Well No.1 Diesel Generator	9/19/12	150,000.00		58,818.93		\$ 165.94		58,652.99
11-13a	Site Remediation Phase II	9/18/13	34,783.07		34,783.07				34,783.07
11-13b	Acquisition of Backhoe	9/18/13	42,500.00		42,155.00		40,000.00		2,155.00
11-13c	Acquisition of Utility Truck	9/18/13	22,716.93		1,558.02				1,558.02
8-15	Redevelopment of Sewer Pump Stations	6/1/15	675,000.00			\$ 675,000.00	232,625.31		442,374.69
				\$ 210,290.73	\$ 159,315.02	\$ 675,000.00	\$ 272,791.25	\$ 210,290.73	\$ 561,523.77
						\$ 675,000.00			
							\$ 234,436.50		
							38,354.75		
						\$ 675,000.00	\$ 272,791.25		

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
16-12	Acquisition & Installation of Well No.1 Diesel Generator	12/10/12	8/13/14 8/11/15	8/12/15 8/10/16	0.750% 0.936%	\$ 135,000.00	\$ 92,000.00	\$ 135,000.00	\$ 92,000.00
11-13	Various Capital Improvements	10/17/13	8/13/14 8/11/15	8/12/15 8/10/16	0.750% 0.936%	90,000.00	80,000.00	90,000.00	80,000.00
08-15	Redevelopment of Sewer Pump Stations	8/11/15	8/11/15	8/10/16	0.936%		675,000.00		675,000.00
						<u>\$ 225,000.00</u>	<u>\$ 847,000.00</u>	<u>\$ 225,000.00</u>	<u>\$ 847,000.00</u>
					Cash		\$ 675,000.00		
					Paid by Budget Appropriation			\$ 53,000.00	
					Rollover		<u>172,000.00</u>	<u>172,000.00</u>	
							<u>\$ 847,000.00</u>	<u>\$ 225,000.00</u>	

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY CAPITAL FUND
Statement of Water and Sewer Serial Bonds
For the Year Ended December 31, 2015

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
Water and Sewer Bonds	7/15/02	\$ 525,000.00	7/15/16	\$ 40,000.00	4.250%	\$ 120,000.00	\$ 40,000.00	\$ 80,000.00
			7/15/17	40,000.00	4.350%			
Water and Sewer Bonds	12/14/09	530,000.00	12/1/16	20,000.00	3.000%			
			12/1/17	20,000.00	3.250%			
			12/1/18	25,000.00	3.500%			
			12/1/19	25,000.00	3.500%			
			12/1/20	25,000.00	3.750%			
			12/1/21	25,000.00	3.750%			
			12/1/22	30,000.00	4.000%			
			12/1/23	30,000.00	4.000%			
			12/1/24	30,000.00	4.000%			
			12/1/25	35,000.00	4.250%			
			12/1/26	35,000.00	4.500%			
			12/1/27	35,000.00	4.500%			
			12/1/28	35,000.00	4.500%			
			12/1/29	40,000.00	4.500%			
					<u>430,000.00</u>	<u>20,000.00</u>	<u>410,000.00</u>	
					<u>\$ 550,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 490,000.00</u>	

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY CAPITAL FUND
Statement of New Jersey Wastewater Treatment Trust Loan Payable
For the Year Ended December 31, 2015

Improvement Description	Date of Issue	Original Issue	Maturities Outstanding December 31, 2015		Interest Rate	Balance		Balance Dec. 31, 2015
			Date	Amount		Dec. 31, 2014	Decreased	
Sewer System Improvements:								
Trust Loan Agreement	9/1/96	\$ 470,000.00	9/1/2016	\$ 35,000.00	5.25%	\$ 70,000.00	\$ 35,000.00	\$ 35,000.00
Fund Loan Agreement	9/1/96	471,910.00	2016	23,491.67	NIL	<u>47,205.59</u>	<u>23,713.92</u>	<u>23,491.67</u>
						<u>\$ 117,205.59</u>	<u>\$ 58,713.92</u>	<u>\$ 58,491.67</u>

BOROUGH OF WOODBURY HEIGHTS
WATER AND SEWER UTILITY CAPITAL FUND
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Issued	Balance Dec. 31, 2015
04-09	Redevelopment of Well #1 - Helen Avenue	\$ 22,000.00			\$ 22,000.00
08-15	Redevelopment of Sewer Pump Stations		\$ 675,000.00	\$ 675,000.00	
		<u>\$ 22,000.00</u>	<u>\$ 675,000.00</u>	<u>\$ 675,000.00</u>	<u>\$ 22,000.00</u>

PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

BOROUGH OF WOODBURY HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2015

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding No. 2015-001

Criteria or Specific Requirement

N.J.A.C. 5:30-5.6 requires that municipalities maintain a fixed asset accounting system that shall include asset descriptions, estimated or historical costs and other such information as shall be required by the governing body and updated each year with any additions or deletions. Proper internal control practices also dictate that complete and accurate records should be maintained to ensure adequate control over the preparation of the financial statements including the related footnotes.

Condition

The Borough does not maintain an accurate fixed asset accounting ledger as required by State Administrative Code.

Context

The Township does not maintain a fixed asset accounting system as required by State Administrative Code.

Effect

As a result of the lack of controls over the Borough's fixed asset records, the General Fixed Asset Account Statements could not be prepared and audited resulting in a qualified opinion being issued on the General Fixed Asset Account Group.

Cause

Internal control policies and procedures are not in place to properly maintain the fixed asset accounting system.

Recommendation

That internal control policies and procedures are developed to properly maintain the general fixed asset accounting system in accordance with N.J.A.C. 5:30-5.6.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF WOODBURY HEIGHTS
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001

Condition

The fixed asset ledger has not been properly updated since 2009.

Current Status

A similar condition still exists and is current year finding 2015-001.

Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF WOODBURY HEIGHTS
 Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Robert J. Conley	Mayor	
Harold "Hap" Pye	Council President	
William Packer	Councilperson	
C. Duane Pheasant	Councilperson	
Cara Witasick	Councilperson	
Eshia "Jake" Jacob	Councilperson	
Richard J. Gambale	Councilperson	
Vikki Holmstrom	Chief Financial Officer, Tax Collector	(1)
Janet Pizzi	Borough Administrator, Clerk, Deputy Treasurer	(1)
Thomas Heim	Municipal Court Judge	(1)
Trisha Schneider	Court Administrator (through 3/31/15)	(1)
Barry Lozuke, Esq.	Solicitor (to June 30, 2015)	
Brian D. Lozuke, Esq.	Solicitor (from July 1, 2015)	
Mark Brunermer	Engineer	

(1) \$1,000,000.00 per loss is covered by the Gloucester County Municipal Joint Insurance Fund Excess Crime Policy, Public Employee Bond Declarations, and Excess Public Officials Bonds for all public officials.

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "Michael J. Welding", is written over a light gray rectangular background.

Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant