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**BOROUGH OF WOOD-RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2008**

10/21/09 - copy to F. Crulli

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BOROUGH OF WOOD-RIDGE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2008

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Wood-Ridge
Wood-Ridge, New Jersey

We have audited the accompanying balance sheets - statutory basis of the various funds and account group of the Borough of Wood-Ridge as of December 31, 2008 and 2007 and the related statements of operations and changes in fund balance - statutory basis for the years then ended and the related statement of revenues - statutory basis and statement of expenditures - statutory basis of the Current Fund for the year ended December 31, 2008. These financial statements are the responsibility of the Borough of Wood-Ridge's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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


As described more fully in Note 1, the Borough has prepared these financial statements using accounting practices that demonstrate compliance with the statutory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Awards Program Fund (LOSAP) have not been audited, and we were not required by the Division of Local Government Services to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 43 and 73 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2008 and 2007.


In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Wood-Ridge as of December 31, 2008 and 2007, the changes in its financial position and for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements - statutory basis referred to above present fairly, in all material respects, the financial position - statutory basis of the various funds and account group of the Borough of Wood-Ridge as of December 31, 2008 and 2007 and the results of operations and changes in fund balance - statutory basis of such funds for the years then ended and the statement of revenues - statutory basis and the statement of expenditures - statutory basis of the Current Fund for the year ended December 31, 2008 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated April 22, 2009 on our consideration of the Borough of Wood-Ridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Wood-Ridge. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Wood-Ridge. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, except for the effects of such adjustments, if any, as might have been necessary had the LOSAP Fund financial statements been audited, is fairly stated, in all material respects, in relation to the financial statements taken as a whole on the basis of accounting described in Note 1.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
April 22, 2009

**BOROUGH OF WOOD-RIDGE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2008 AND 2007**

ASSETS	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Cash	A-4	\$ 413,659	\$ 2,454,519
Cash - Change Funds	A-5	325	325
Grants Receivable	A-12	<u>-</u>	<u>6,000</u>
		<u>413,984</u>	<u>2,460,844</u>
 Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-8	194,120	212,639
Tax Title Liens	A-9	1,770	1,691
Property Acquired for Taxes - Assessed Value	A-10	82,300	82,300
Revenue Accounts Receivable	A-11	573,989	
Other Accounts Receivable	A-24	26,190	57,142
Prepaid School Taxes	A-29	156,302	
Due from Other Trust Fund	B-10	97,897	59,865
Due from Unemployment Insurance Fund	B-11	6,050	6,050
Due from Public Assistance Fund	D-5	9,900	9,900
Due from General Capital Fund	C-15	<u>-</u>	<u>157,986</u>
		<u>1,148,518</u>	<u>587,573</u>
 Deferred Charges			
Emergency Appropriation	A-25	157,250	413,000
Overexpenditure of Appropriations	A-25		13,558
Operating Deficit	A-25	<u>461,791</u>	<u>-</u>
		<u>619,041</u>	<u>426,558</u>
 Total Assets		<u>\$ 2,181,543</u>	<u>\$ 3,474,975</u>

**BOROUGH OF WOOD-RIDGE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-13	\$ 175,326	\$ 105,473
Encumbrances Payable	A-14	115,125	68,904
Accounts Payable	A-27		3,212
Tax Anticipation Note	A-18		1,800,000
Prepaid Taxes	A-15	54,399	43,995
Tax Overpayment	A-26	106	3,117
School Tax Payable	A-17		1,907
County Taxes Payable	A-16	3,442	4,297
Due to State of New Jersey			
Building Surcharge Fees	A-19	3,669	3,626
Department of Health - Division of Youth and Family Services	A-20	168	398
Senior Citizens and Veterans	A-7	10,734	15,672
Appropriated Reserves for Grants	A-22	16,725	17,043
Unappropriated Reserves for Grants	A-21	7,465	5,801
Miscellaneous Reserves	A-23	4,900	4,900
Reserve for Tax Appeal	A-28	237,201	94,930
Due To General Capital Fund	C-15	75,106	
Due To Animal Control Fund	B-4	70	70
		<u>704,436</u>	<u>2,173,345</u>
Reserve for Receivables	A	1,148,518	587,573
Fund Balance	A-1	<u>328,589</u>	<u>714,057</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 2,181,543</u>	 <u>\$ 3,474,975</u>

BOROUGH OF WOOD-RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
STATUTORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Anticipated	A-2	\$ 385,468	
Miscellaneous Revenue Anticipated	A-2	2,163,308	\$ 2,434,915
Receipts from Delinquent Taxes	A-2	207,428	150,620
Receipts from Current Taxes	A-2	23,564,834	22,143,435
Non-Budget Revenue	A-2	37,569	75,159
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-13	25,468	18,849
Prior Year Other Accounts Receivable	A-22,A-24	45,707	69,636
Cancellation of Prior Year Accounts Payable	A-17,A-27	5,119	
Cancellation of Prior Year Appropriated Grant Reserve	A-22	3,167	
Prior Year Prepaid Expense	A		17,867
Prior Year Senior Citizen Allowed	A-7	250	250
		<u>26,438,318</u>	<u>24,910,731</u>
Total Income			
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	4,521,285	4,539,070
Other Expenses	A-3	4,778,957	4,301,754
Capital Improvements	A-3	150,000	120,000
Municipal Debt Service	A-3	1,211,927	1,269,204
Deferred Charges and Statutory Expenditures	A-3	1,316,677	898,003
County Taxes	A-16	2,357,457	2,133,350
County Open Space	A-16	134,878	124,413
Amount Due County for Added and Omitted Taxes	A-16	3,442	4,297
Local District School Tax	A-17	12,328,415	11,502,776
Other Debits			
Establish Reserve For Accounts Receivable	A	26,190	57,142
Interfund Advances	A	38,032	168,106
Establish Reserve For Prepaid Items	A-29	156,302	
Prior Year Senior Citizen and Veterans Disallowed	A-1		4,273
Overexpenditure of Appropriation Reserves	A-1		11,170
Refund of Prior Year Revenues	A-4	23,351	21,216
Senior Citizen/Veteran Disallowed - Prior Year	A-7	4,446	250
Cancellation of Prior Year Receivables	A-12	6,000	-
		<u>27,057,359</u>	<u>25,155,024</u>
Total Expenditures			
Deficit in Revenue		(619,041)	(244,293)
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-25	157,250	424,170
			179,877
Operating Deficit	A-25	<u>\$ (461,791)</u>	
Fund Balance, January 1	A	714,057	534,180
Less: Fund Balance Utilized		<u>385,468</u>	<u>-</u>
Fund Balance, December 31	A	<u>\$ 328,589</u>	<u>\$ 714,057</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WOOD-RIDGE
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Reference</u>	<u>2008 Budget</u>	<u>Added by N.J.S.A.</u>	<u>Realized in 2008</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 385,468	-	\$ 385,468	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-11	13,792		13,755	\$ (37)
Other	A-2,A-11	4,000		4,287	287
Fees and Permits	A-2,A-11	39,500		52,043	12,543
Municipal Court	A-11	124,000		136,497	12,497
Interest and Cost on Taxes	A-11	31,400		40,336	8,936
Interest on Investments & Deposits	A-11	113,000		60,497	(52,503)
Cable TV Fees	A-11	23,535		24,283	748
Uniform Construction Code Fees	A-11	87,000		109,234	22,234
Uniform Fire Safety Act	A-11	24,432		43,900	19,468
Payment in Lieu of Taxes	A-11	538,670			(538,670)
Due from General Capital Fund	C-15	157,986		157,986	
General Capital Fund Surplus	C-1	17,000		17,000	
STATE AND FEDERAL AID					
Extraordinary Aid	A-11	250,000		250,000	
Consolidated Municipal Property Tax Relief Aid	A-11	409,986		409,986	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-11	601,759		601,759	
Clean Communities Program	A-12		\$ 8,460	8,460	
Municipal Recycling Assistance Program	A-21	3,451		3,451	
Police Body Armor Grant Replacement	A-21	2,350		2,350	
Solid Waste Adm. - Recycling Grant	A-12		3,529	3,529	
Hazardous Discharge	A-12		189,982	189,982	
Drunk Driving Enforcement Fund	A-12	-	33,973	33,973	-
Total Miscellaneous Revenues	A-1	<u>2,441,861</u>	<u>235,944</u>	<u>2,163,308</u>	<u>(514,497)</u>
Receipts from Delinquent Taxes	A-1,A-8	<u>200,000</u>	-	<u>207,428</u>	<u>7,428</u>
Amount to be Raised by Taxes for Municipal Purposes	A-2,A-8	<u>8,921,306</u>	-	<u>9,101,174</u>	<u>179,868</u>
		<u>\$11,948,635</u>	<u>\$ 235,944</u>	11,857,378	<u>\$ (327,201)</u>
Non-Budget Revenue	A-2,A-4			<u>37,569</u>	
				<u>\$ 11,894,947</u>	

**BOROUGH OF WOOD-RIDGE
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Reference</u>	
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 23,564,834
Allocated to School and County Taxes	A-16,A-17	<u>14,824,192</u>
Balance for Support of Municipal Budget Appropriations		8,740,642
Add Reserve for Uncollected Taxes	A-3	<u>360,532</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 9,101,174</u>
Licenses - Other		
Borough Clerk	A-11	\$ 3,500
Police	A-11	700
Board of Health	A-11	<u>87</u>
	A-2	<u>\$ 4,287</u>
Fees and Permits		
Borough Clerk	A-11	\$ 10,907
Tax Collector	A-11	20
Police	A-11	358
Board of Health	A-11	18,642
Zoning Board	A-11	13,316
Planning Board	A-11	<u>8,800</u>
	A-2	<u>\$ 52,043</u>
Interest on Investments and Deposits		
Cash Receipts	A-11	\$ 57,169
Due From Other Trust Fund	B-10	<u>3,328</u>
	A-2	<u>\$ 60,497</u>
Non-Budget Revenue		
Sale of Maps, Codes and Copies		\$ 822
Police - Accident Report Copies and Photos		1,338
6% Tax Penalty		2,467
Rental of Borough Property		600
Returned Check Fees		140
Soil Moving - Wood-Ridge Development, LLC		22,163
Cancelled Trust Fund Reserves		5,738
Miscellaneous		<u>4,301</u>
	A-2	<u>\$ 37,569</u>
Cash Receipts		\$ 31,831
Due from Other Trust Fund		<u>5,738</u>
		<u>\$ 37,569</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WOOD-RIDGE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS					
General Administration					
Salaries and Wages	\$ 62,400	\$ 62,250	\$ 62,250		
Other Expenses	17,000	17,000	15,191	\$ 1,809	
Mayor and Council					
Salaries and Wages	26,700	26,316	26,316		
Other Expenses	4,000	5,753	5,753		
Municipal Clerk					
Salaries and Wages	215,000	218,300	218,243	57	
Other Expenses	41,000	34,729	34,546	183	
Financial Administration					
Salaries and Wages	74,900	78,821	78,810	11	
Other Expenses	53,000	39,000	38,204	796	
Audit Services	65,000	68,300	61,754	6,546	
Revenue Administration					
Salaries and Wages	62,000	62,741	62,671	70	
Other Expenses	15,000	14,423	14,423		
Tax Assessment Administration					
Salaries and Wages	16,400	16,400	16,400		
Other Expenses	1,000	1,340	1,340		
Legal Services					
Other Expenses	120,000	110,100	108,392	1,708	
Engineering Services					
Other Expenses	35,000	18,000	17,974	26	
Historical Sites Office					
Other Expenses	1,500	1,500	1,294	206	
Land Use Administration					
Planning Board					
Salaries and Wages	5,125	5,125	5,125		
Other Expenses	12,000	12,655	12,655		
Zoning Board of Adjustment					
Salaries and Wages	5,125	5,125	5,125		
Other Expenses	6,000	6,817	6,817		
Insurance					
Liability Insurance	160,200	145,836	145,768	68	
Insurance - Other	23,000	23,000	23,000		
Workers Compensation Insurance	181,750	181,739	181,739		
Group Insurance Plan for Employees	955,000	1,045,000	1,044,737	263	
MUNICIPAL COURT					
Salaries and Wages	82,000	81,814	81,814		
Other Expenses	12,000	14,223	13,950	273	
Public Defender					
Salaries and Wages	2,000	2,000	2,000		
PUBLIC SAFETY FUNCTIONS					
Police Department					
Salaries and Wages	2,368,670	2,438,670	2,400,300	38,370	
Other Expenses	105,000	87,307	86,960	347	
ADAC Program	2,500	2,500	2,447	53	
Police Auxiliary					
Other Expenses	3,500	3,126	3,126		

**BOROUGH OF WOOD-RIDGE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		Unexpended Balances <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY FUNCTIONS					
Office of Emergency Management					
Other Expenses	\$ 1,800	\$ 29,050	\$ 29,048	\$ 2	
Aid to Volunteer Ambulance Co.					
Other Expenses	13,000	12,781	12,780	1	
Fire Department					
Clothing Allowance	82,000	77,420	77,274	146	
Right to Know					
Miscellaneous	42,000	38,204	38,204		
Fire Hydrant Service	62,000	67,000	60,332	6,668	
Uniform Fire Safety Act (Ch. 383 P.L. 1983)					
Fire Official					
Salaries and Wages	10,000	10,334	10,334		
Other Expenses	16,500	16,817	16,817		
Municipal Prosecutor					
Salaries and Wages	9,000	9,000	9,000		
PUBLIC WORKS FUNCTIONS					
Streets and Roads Maintenance					
Salaries and Wages	758,000	793,500	789,719	3,781	
Other Expenses	25,000	27,723	27,722	1	
Other Public Works Functions					
Shade Trees - Other Expenses	5,000	823	823		
Solid Waste Collection					
Recycling Program					
Salaries and Wages	7,500	5,799	5,798	1	
Other Expenses	25,000	27,000	25,834	1,166	
Garbage and Trash Removal	703,000	669,000	668,074	926	
Buildings and Grounds					
Other Expenses	50,000	47,000	46,988	12	
Vehicle Maintenance					
Salaries and Wages	148,000	153,656	152,744	912	
Other Expenses	70,000	67,000	63,680	3,320	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Public Health Services					
Salaries and Wages	30,000	27,448	27,424	24	
Other Expenses	37,000	43,483	43,482	1	
PEOSHA	12,000	1,976	1,976		
Welfare/Administration of Public Assistance					
Salaries and Wages	6,000	5,985	5,984	1	
Other Expenses	700	217	217		
PARK AND RECREATION FUNCTIONS					
Recreation and Services and Programs					
Salaries and Wages	45,000	44,409	44,223	186	
Other Expenses	48,000	48,000	47,750	250	
Senior Citizen Organizations	4,500	4,549	4,509	40	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	20,000	12,000	9,523	2,477	

BOROUGH OF WOOD-RIDGE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
CODE ENFORCEMENT AND ADMINISTRATION					
Construction Official					
Salaries and Wages	\$ 70,000	\$ 101,400	\$ 101,351	\$ 49	
Other Expenses	15,000	11,539	11,518	21	
Other Code Enforcement Functions					
Sub-Code Officials					
Building Inspector					
Salaries and Wages	5,000	193	192	1	
Plumbing Inspector					
Salaries and Wages	10,000	445	445		
Electrical Inspector					
Salaries and Wages	10,000	10,031	10,030	1	
State Uniform Safety Code Act					
Fire Protection Official					
Salaries and Wages	5,000	193	192	1	
Other Expenses	1,000				
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	83,000	100,000	89,529	10,471	
Street Lighting	86,000	93,000	87,425	5,575	
Telephone	58,000	58,000	55,236	2,764	
Water	5,000	7,000	5,724	1,276	
Natural Gas	45,000	48,000	44,667	3,333	
Sewerage Processing and Disposal	6,000	6,135	6,134	1	
Gasoline	60,000	75,000	63,862	11,138	-
Total Operations Within "CAPS"	<u>7,423,770</u>	<u>7,581,020</u>	<u>7,475,688</u>	<u>105,332</u>	<u>-</u>
Total Operations Including Contingent - Within "CAPS"	<u>7,423,770</u>	<u>7,581,020</u>	<u>7,475,688</u>	<u>105,332</u>	<u>-</u>
Detail:					
Salaries & Wages	4,033,820	4,159,955	4,116,490	43,465	
Other Expenses (Including Contingent)	3,389,950	3,421,065	3,359,198	61,867	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Overexpenditure of Appropriations Reserves	13,558	13,558	13,558		
Deficit in Unemployment Fund	1,891	1,891	1,891		
Deficit in Animal Control Fund	1,269	1,269	1,269		
Statutory Charges					
Social Security System (O.A.S.I.)	198,000	198,000	194,321	3,679	
Contribution to PERS-Early Ret. Incentive Prog.	25,470	25,470	25,470	-	-
Police & Fireman's Retirement System of NJ	469,955	469,955	469,955	-	-
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	<u>710,143</u>	<u>710,143</u>	<u>706,464</u>	<u>3,679</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>8,133,913</u>	<u>8,291,163</u>	<u>8,182,152</u>	<u>109,011</u>	<u>-</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS"					
Contribution to Public Employees Retirement System	\$ 117,820	\$ 117,820	\$ 117,820		
Reserve for Tax Appeals	148,424	148,424	148,424		
PUBLIC SAFETY FUNCTIONS					
Length of Service Award Program (LOSAP)	51,000	51,000	3,211	\$ 47,789	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library (Chapter 273, P.L. 1985)	441,823	441,823	441,823		
UTILITY EXPENSES AND BULK PURCHASES					
BCUA - Sewer Charges	474,900	474,900	474,871	29	
SURPLUS APPROPRIATION					
Police Department					
Salaries and Wages	361,330	361,330	361,330		
Early Retirement Incentive Program	24,138	24,138	24,138	-	-
Total Other Operations Excluded from "CAPS"	<u>1,619,435</u>	<u>1,619,435</u>	<u>1,571,617</u>	<u>47,818</u>	<u>-</u>
Public and Private Programs Offset by Revenues					
Clean Communities Grant		8,460	8,460		
Municipal Recycling Assistance Program	3,451	3,451	3,451		
Solid Waste Administration Recycling Grant		3,529	276	3,253	
Drunk Driving Enforcement Fund		33,973	18,729	15,244	
Hazardous Discharge Site Remediation		189,982	189,982		
Police Body Armor Grant	2,350	2,350	2,350	-	-
Total Public and Private Programs Offset by Revenues	<u>5,801</u>	<u>241,745</u>	<u>223,248</u>	<u>18,497</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,625,236</u>	<u>1,861,180</u>	<u>1,794,865</u>	<u>66,315</u>	<u>-</u>
Detail:					
Salaries and Wages	361,330	361,330	361,330		
Other Expenses	1,263,906	1,499,850	1,433,535	66,315	-
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
Capital Improvement Fund	150,000	150,000	150,000	-	-
Total Capital Improvements Excluded from "CAPS"	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>

BOROUGH OF WOOD-RIDGE
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>	<u>Budget After</u>	<u>2008 Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Paid or</u>	<u>Balances</u>
			<u>Charged</u>	<u>Cancelled</u>
			<u>Reserved</u>	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"				
Payment of Bond Principal	\$ 310,000	\$ 310,000	\$ 310,000	
Payment of Bond Anticipation Notes	460,000	460,000	460,000	
Interest on Bonds	166,195	166,195	166,194	\$ 1
Interest on Notes	235,497	235,497	233,047	2,450
Bergen County Improvement Authority - Lease Repayment	<u>42,686</u>	<u>42,686</u>	<u>42,686</u>	<u>-</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>1,214,378</u>	<u>1,214,378</u>	<u>1,211,927</u>	<u>2,451</u>
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"				
Emergency Authorizations	413,000	413,000	413,000	
Cancelled General Capital Fund Grants	<u>51,576</u>	<u>51,576</u>	<u>51,576</u>	<u>-</u>
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>464,576</u>	<u>464,576</u>	<u>464,576</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,454,190</u>	<u>3,690,134</u>	<u>3,621,368</u>	<u>\$ 66,315</u>
Subtotal General Appropriations	11,588,103	11,981,297	11,803,520	175,326
Reserve for Uncollected Taxes	<u>360,532</u>	<u>360,532</u>	<u>360,532</u>	<u>-</u>
Total General Appropriations	<u>\$11,948,635</u>	<u>\$12,341,829</u>	<u>\$12,164,052</u>	<u>\$ 175,326</u>
	<u>Reference</u>		A	
Budget as Adopted	A-2	\$11,948,635		
Added by NJS A 40A:4-87	A-2	235,944		
Emergency Authorization	A-25	<u>157,250</u>		
		<u>\$12,341,829</u>		
Cash Disbursements	A-4	\$11,061,837		
Reserve for Tax Appeals	A-28	148,424		
Encumbrances Payable	A-14	115,125		
Due to General Capital Fund	C-15	51,576		
Reserve for Uncollected Taxes	A-2	360,532		
Deferred Charges	A-25	<u>426,558</u>		
	A-3	<u>\$12,164,052</u>		

**BOROUGH OF WOOD-RIDGE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 1,379	\$ 213
Due From Current Fund	B-4	<u>70</u>	<u>70</u>
		<u>1,449</u>	<u>283</u>
OTHER TRUST FUND			
Cash	B-1	330,041	136,470
Due From Unemployment Trust Fund	B-12	9,714	
Due From Animal Control Fund	B-9	<u>1,767</u>	<u>1,767</u>
		<u>341,522</u>	<u>138,237</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-1	<u>25,530</u>	<u>4,159</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	233,575	337,662
Contribution Receivable	B	<u>44,310</u>	<u>54,232</u>
		<u>277,885</u>	<u>391,894</u>
Total Assets		<u>\$ 646,386</u>	<u>\$ 534,573</u>

**BOROUGH OF WOOD-RIDGE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2008 AND 2007**

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ANIMAL CONTROL FUND			
Due to Other Trust Fund	B-9	\$ 1,767	\$ 1,767
Due to State of New Jersey	B-3	79	
Reserve for Animal Control Expenditures (Deficit)	B-2	<u>(397)</u>	<u>(1,484)</u>
		<u>1,449</u>	<u>283</u>
OTHER TRUST FUND			
Due to Current Fund	B-10	97,897	59,865
Due to General Capital Fund	B-13	3,236	
Escrow Deposits	B-5	81,994	47,964
Miscellaneous Reserves	B-6	78,441	9,148
Accrued Salaries and Payroll Deductions	B-8	<u>79,954</u>	<u>21,260</u>
		<u>341,522</u>	<u>138,237</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to Current Fund	B-11	6,050	6,050
Due to Payroll Agency	B-12	9,714	
Reserve for Unemployment Insurance Claims (Deficit)	B-7	<u>9,766</u>	<u>(1,891)</u>
		<u>25,530</u>	<u>4,159</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Reserve for Benefits	B	<u>277,885</u>	<u>391,894</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 646,386</u>	 <u>\$ 534,573</u>

BOROUGH OF WOOD-RIDGE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2008 AND 2007

ASSETS	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Cash	C-2, C-3	\$ 936,266	\$ 1,765,066
Deferred Charges to Future Taxation			
Funded	C-4	3,823,000	4,133,000
Unfunded	C-5	6,902,104	5,073,676
Cancelled Grants - To Be Raised by Taxation	C-20	5,214	51,576
Contributions Receivable	C-17		5,214
Due from County of Bergen	C-6	58,000	58,000
Due from New Jersey Department of Transportation	C-7	65,978	100,000
Due from Other Grantor Agencies	C-8	207,000	207,000
Due from Other Trust Fund	B-13	3,236	
Due from Current Fund	C-15	75,106	-
		<u> </u>	<u> </u>
Total Assets		<u>\$ 12,075,904</u>	<u>\$ 11,393,532</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-9	\$ 3,823,000	\$ 4,133,000
Bond Anticipation Notes	C-10	6,482,514	5,189,775
Due to Current Fund	C-15		157,986
Improvement Authorization			
Funded	C-11	406	115,506
Unfunded	C-11	466,125	460,703
Capital Improvement Fund	C-12	79,115	52,865
Reserve for Grants Receivable	C-6,C-7	123,978	158,000
Reserve for Civic Center Roof Replacement	C-13		2,645
Reserve for Preliminary Costs	C-16		2,500
Reserve for Capital Projects	C-19	222,349	
Reserve for Payment of Debt	C-18	4,500	4,500
Contracts Payable	C-14	832,904	1,098,726
Fund Balance	C-1	41,013	17,326
		<u> </u>	<u> </u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 12,075,904</u>	<u>\$ 11,393,532</u>

There were bonds and notes authorized but not issued on December 31, 2008 and 2007 of \$818,290 and \$500,340, respectively (Exhibit C-21).

BOROUGH OF WOOD-RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE -
STATUTORY BASIS - GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Balance, January 1	C	\$ 17,326	\$ 17,326
Increased by:			
Premium on Sale of Notes	C-2	38,042	
Cancellation of Miscellaneous Reserve	C-13	<u>2,645</u>	<u>-</u>
		<u>40,687</u>	<u>-</u>
		58,013	17,326
Decreased by:			
Appropriated to Current Fund Budget Revenue	A-2	<u>17,000</u>	<u>-</u>
Balance, December 31	C	<u>\$ 41,013</u>	<u>\$ 17,326</u>

**BOROUGH OF WOOD-RIDGE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2008 AND 2007**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Cash	D-1	\$ <u>46,234</u>	\$ <u>23,494</u>
LIABILITIES AND RESERVES			
Due to Current Fund	D-5	\$ 9,900	\$ 9,900
Reserve for Public Assistance Expenditures	D-2	<u>36,334</u>	<u>13,594</u>
		<u>\$ 46,234</u>	<u>\$ 23,494</u>

**BOROUGH OF WOOD-RIDGE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Assets		
Land	\$ 2,676,100	\$ 2,676,100
Buildings and Building Improvements	2,893,894	2,893,894
Machinery and Equipment	<u>5,432,112</u>	<u>5,005,795</u>
	<u>\$ 11,002,106</u>	<u>\$ 10,575,789</u>
Investment in General Fixed Assets	<u>\$ 11,002,106</u>	<u>\$ 10,575,789</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Wood-Ridge have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a statutory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

A. Reporting Entity

The Borough of Wood-Ridge (the "Borough") was incorporated in 1894 and operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department or volunteer ambulance, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

Animal Control Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to eligible employees.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group - This account group is used to account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the account group.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The Borough of Wood-Ridge follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("statutory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Grant and Similar Award Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The Borough is not required to adopt budgets for the following funds:

Trust Funds
General Capital Fund
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2008 and 2007 the Borough Council increased the original budget by \$393,194 and \$461,732. The increases were a result of additional aid allotted to the Borough and for emergency authorizations to supplement the 2008 and 2007 budgets. In addition, the governing body approved several budget transfers during 2008 and 2007.

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

Appropriation Reserves – Appropriation reserves are recorded as liabilities and 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 additions to income. Appropriation reserves do not exist under GAAP.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

Property Acquired for Taxes - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items in the current fund, except for prepaid debt service, are offset by a reserve, created by a charge to operations. GAAP does not require the establishment of a reserve for prepaid items.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Borough of Wood-Ridge has developed a fixed assets accounting and reporting system.

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

Fixed Assets purchased are stated as cost.

No depreciation has been provided for in the financial statements.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

General Fixed Assets (Continued)

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

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statements at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications - Certain reclassifications have been made to the December 31, 2007 balances to conform to the December 31, 2008 presentation.

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

NOTE 2 DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for a temporary period ending December 31, 2009. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2008 and 2007, the book value of the Borough's deposits were \$1,753,434 and \$4,384,246 and bank and brokerage firm balances of the Borough's deposits amounted to \$4,317,108 and \$5,329,215, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2008</u>	<u>2007</u>
Insured	\$ 4,317,108	\$ 5,329,215

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2008 and 2007, the Borough was not exposed to custodial credit risk.

Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2008 and 2007, the Borough had the following investments:

<u>2008</u>	<u>2008</u>	<u>2007</u>
Investment:		
Length of Service Award Program -		
Lincoln Financial	\$ 233,575	\$ 337,662

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Custodial Credit Risk – Deposits – For an investment, this is the risk, that in the event of a failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2008 and 2007, \$233,575 and \$337,662 of the Borough’s investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP)	
	<u>2008</u>	<u>2007</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ <u>233,575</u>	\$ <u>337,662</u>

Interest Rate Risk – The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2008 and 2007, the Borough’s investment in Lincoln Financial Group was rated A-3, respectively, by Moody’s Investor Services.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group LOSAP Investment Fund. These investments are 100% of the Borough’s total investments.

The fair value of the above-listed investments were based on quoted market prices.

NOTE 3 TAXES RECEIVABLE

Receivables at December 31, 2008 and 2007 consisted of the following:

	<u>2008</u>	<u>2007</u>
<u>Current</u>		
Property Taxes	\$ 194,120	\$ 212,639
Tax Title Liens	<u>1,770</u>	<u>1,691</u>
	<u>\$ 195,890</u>	<u>\$ 214,330</u>

In 2008 and 2007, the Borough collected \$207,428 and \$150,620 from delinquent taxes, which represented 97% and 99% of the prior year delinquent taxes receivable balance.

BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 4 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for the general capital fund projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2008</u>	<u>2007</u>
Issued		
General		
Bonds and Notes	\$ 10,305,514	\$ 9,322,775
Less Funds Temporarily Held to Pay Bonds and Notes	<u>403,200</u>	<u>620,939</u>
Net Debt Issued	9,902,314	8,701,836
Authorized But Not Issued		
General		
Bonds and Notes	<u>818,290</u>	<u>500,340</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 10,720,604</u>	<u>\$ 9,202,176</u>

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .83% and .77% at December 31, 2008 and 2007, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2008</u>			
General Debt	\$ 11,123,804	\$ 403,200	\$ 10,720,604
School Debt	<u>6,050,000</u>	<u>6,050,000</u>	<u>-</u>
Total	<u>\$ 17,173,804</u>	<u>\$ 6,453,200</u>	<u>\$ 10,720,604</u>
<u>2007</u>			
General Debt	\$ 9,823,115	\$ 620,939	\$ 9,202,176
School Debt	<u>6,312,167</u>	<u>6,312,167</u>	<u>-</u>
Total	<u>\$ 16,135,282</u>	<u>\$ 6,933,106</u>	<u>\$ 9,202,176</u>

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2008</u>	<u>2007</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 45,118,779 <u>10,720,604</u>	\$ 41,520,964 <u>9,202,176</u>
Remaining Borrowing Power	<u>\$ 34,398,175</u>	<u>\$ 32,318,788</u>

The Borough's long-term debt consisted of the following at December 31:

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2008</u>	<u>2007</u>
\$2,306,000, 1999 Bonds, due in annual installments of \$270,000 to \$301,000 through September 15, 2011, interest at 4.90%	\$ 856,000	\$ 1,116,000
\$3,017,000, 2006 Bonds, due in annual installments of \$50,000 to \$427,000 through February 15, 2017, interest at 3.50% to 3.875%	<u>2,967,000</u>	<u>3,017,000</u>
	<u>\$ 3,823,000</u>	<u>\$ 4,133,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2008 is as follows:

Calendar <u>Year</u>	General		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2009	\$ 320,000	\$ 151,705	\$ 471,705
2010	335,000	136,725	471,725
2011	651,000	115,760	766,760
2012	400,000	87,786	487,786
2013	415,000	73,319	488,319
2014-2017	<u>1,702,000</u>	<u>132,022</u>	<u>1,834,022</u>
Total	<u>\$ 3,823,000</u>	<u>\$ 697,317</u>	<u>\$ 4,520,317</u>

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years 2008 and 2007 were as follows:

	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>	Due Within <u>One Year</u>
<u>2008</u>					
General Capital Fund Serial Bonds Payable	\$ 4,133,000	\$ -	\$ 310,000	\$ 3,823,000	\$ 320,000
	Balance, December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2007</u>	Due Within <u>One Year</u>
<u>2007</u>					
General Capital Fund Serial Bonds Payable	\$ 4,428,000	\$ -	\$ 295,000	\$ 4,133,000	\$ 310,000

Short-Term Debt

The Borough's short-term capital debt activity for the years 2008 and 2007 was as follows:

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Bond Anticipation Notes General Capital Fund	\$ 5,189,775	\$ 6,482,514	\$ 5,189,775	\$ 6,482,514
	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2007</u>
<u>2007</u>				
Bond Anticipation Notes General Capital Fund	\$ 4,397,375	\$ 5,189,775	\$ 4,397,375	\$ 5,189,775

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2008 and 2007 as follows:

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Tax Anticipation Notes	\$ 1,800,000	\$ 1,200,000	\$ 3,000,000	\$ -
	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2007</u>
<u>2007</u>				
Tax Anticipation Notes	\$ 2,200,000	\$ 1,800,000	\$ 2,200,000	\$ 1,800,000

NOTE 5 FIXED ASSETS

The following is a summary of changes in the general fixed assets account group for the years 2008 and 2007.

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Land	\$ 2,676,100			\$ 2,676,100
Buildings and Building Improvements	2,893,894			2,893,894
Machinery and Equipment	5,005,795	\$ 708,957	\$ 282,640	5,432,112
	<u>\$ 10,575,789</u>	<u>\$ 708,957</u>	<u>\$ 282,640</u>	<u>\$ 11,002,106</u>
	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2007</u>
<u>2007</u>				
Land	\$ 2,722,500		\$ 46,400	\$ 2,676,100
Buildings and Building Improvements	2,893,894			2,893,894
Machinery and Equipment	4,887,838	\$ 137,505	19,548	5,005,795
	<u>\$ 10,504,232</u>	<u>\$ 137,505</u>	<u>\$ 65,948</u>	<u>\$ 10,575,789</u>

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 6 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2008</u>		<u>2007</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 113,847	\$ 75,176	\$ 233,801	\$ 70
Animal Control Fund	70	1,767	70	1,767
Other Trust Fund	11,481	101,133	1,767	59,865
General Capital Fund	78,342			157,986
Unemployment Insurance Trust Fund		15,764		6,050
Public Assistance Fund	-	9,900	-	9,900
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 203,740</u>	<u>\$ 203,740</u>	<u>\$ 235,638</u>	<u>\$ 235,638</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or to cover cash balances which were in an overdraft position.

The Borough expects all interfund balances to be liquidated within one year.

NOTE 7 FUND BALANCES APPROPRIATED

Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding years were as follows:

	<u>Fund Balance December 31, 2008</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31, 2007</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus			\$281,499	\$280,000
Non-Cash Surplus	<u>\$328,589</u>	<u> </u>	<u>432,558</u>	<u>105,468</u>
	<u>\$328,589</u>	<u>\$ -</u>	<u>\$714,057</u>	<u>\$385,468</u>

The above fund balance amount appropriate represents the surplus anticipated in the 2009 introduced municipal budget. The 2009 municipal budget has not been legally adopted as of the date of audit.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<u>2008</u>			
Current Fund			
Operating Deficit	\$ 461,791	\$ 461,791	
Emergency Authorization	157,250	157,250	
Animal Control Fund			
Operating Deficit	<u>397</u>	<u>397</u>	<u> </u>
	<u>\$891,509</u>	<u>\$891,509</u>	<u>\$ -</u>
<u>2007</u>			
Current Fund			
Overexpenditure of Appropriation Reserves	\$ 13,558	\$ 13,558	
Emergency Authorization	413,000	413,000	
Animal Control Fund			
Operating Deficit	1,484	1,269	\$215
Unemployment Trust Fund			
Operating Deficit	<u>1,891</u>	<u>1,891</u>	<u> </u>
	<u>\$429,933</u>	<u>\$429,718</u>	<u>\$215</u>

NOTE 9 COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash upon death, retirement or by extended absence immediately preceding retirement. In addition, per a provision in the PBA contract, a police supervisor or patrolman with 25 years or more of service shall be entitled to a terminal leave of seven (7) or six (6) months, respectively of pay provided that the separation is not based upon a disciplinary termination .

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$295,441 and \$425,605 at December 31, 2008 and 2007, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Basis of Accounting

The financial statements of the various pension Funds are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the Funds. Benefits or refunds are recognized when due and payable in accordance with the terms of the funds.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent. The law provides that local employers' PFRS normal and accrued liability contributions shall be as follows: for payments due in the State fiscal year ending June 30, 2004, 20 percent; for payments due in the State fiscal year ending June 30, 2005, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 60 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS or PFRS, effective July 12, 2002.

Chapter 92, P.L. 2007 implements certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform which establishes a DCRP for elected and certain appointed officials, effective July 1, 2007.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS, 8.50% for PFRS and 5.5% for DCRP of the employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds except the DCRP. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS. In the PERS, the employer contribution includes funding for post-retirement medical premiums for participating local governments. In the DCRP, member contributions are matched by a 3% employer contribution.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. For the DCRP, which is a defined contribution plan, annual pension cost equals annual required contributions.

**BOROUGH OF WOOD-RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Contribution Requirement

During the years ended December 31, 2008, 2007 and 2006, the Borough was required to contribute for normal cost pension contributions or post-retirement medical benefits the following amounts:

<u>Year Ended December 31</u>	<u>PFRS</u>	<u>PERS</u>
2008	\$469,955	\$117,820
2007	306,122	59,901
2006	179,482	33,494

The Borough was not required to contribute to DCRP in any of the above years.

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

Plan Description

The Borough provides a post employment healthcare plan for its eligible retirees and their dependents. The employer will only be responsible for the type of coverage in place at the time of retirement or any subsequent reduced level of coverage. The plan is a single-employer defined benefit healthcare plan administered by the Borough. In accordance with Borough ordinances, contracts and/or policies, the Borough provides for post-retirement medical benefits for members of those collective bargaining units who have successfully negotiated this benefit for employees who take a P.E.R.S. or P.F.R.S. retirement after 25 or more years of full service.

Funding Policy

The Borough funds its post-retirement medical benefits on a pay-as-you-go basis. For the years 2008 and 2007, the Borough paid \$283,085 and \$275,894, respectively, for post-retirement health coverage premiums for eligible retirees and their dependents.

Reporting Requirements

In July 2004, the Governmental Accounting Standards Board (GASB) adopted statement number 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions". This statement will become effective for governmental entities on a phased in basis beginning with fiscal years beginning after December 15, 2006. The effective date of this statement for the Borough is the year beginning January 1, 2008. This statement requires Governmental entities to report the future cost of other post employment benefits (OPEB) on a present value basis instead of the present "pay as you go" method. The impact on the Borough's financial position or results of operations, if any, of this GASB Statement can not be readily determined.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 12 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Wood-Ridge is a member of the South Bergen Municipal Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The SBJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

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, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended December 31</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2008	\$ 23,000	\$ 5,286	\$ 18,520	\$ 9,766
2007	27,320		25,891	(1,891)
2006	33,929	10,756	34,076	(3,320)

NOTE 13 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough's Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 13 CONTINGENT LIABILITIES (Continued)

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2008 and 2007. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2008 and 2007, the Borough reserved \$237,201 and \$94,930, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

In December 1999, the Borough received a tax court stipulation for the Borough's largest taxpayer, Curtiss Wright. This tax appeal was originally filed in 1994. The judgement requires that the Borough refund \$4,220,351 of prior year taxes. A portion of the refund was paid from a 2000 budget appropriation. The balance of the refund was paid by tax refunding notes issued by the Borough. The Borough has received approval by the Local Finance Board to finance the notes over seven years. The paydown of notes commenced in 2001 with annual installments ranging from \$345,000 to \$660,000. During 2003, the Borough received approval by the Local Finance Board to extend the financing of the notes to ten years. Annual installments for the years 2009 through 2010 range from \$475,000 to \$495,000.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2008 and 2007, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2008 and 2007, the Borough had no estimated arbitrage earnings due to the IRS.

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

The Borough of Wood-Ridge Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on June 13, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Wood-Ridge approved the adoption of the Plan at the general election held on November 7, 2000.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (Continued)

The first year of eligibility for entrance into the Plan was calendar year 2001. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Wood-Ridge has contributed \$44,310 and \$54,232 for 2008 and 2007, respectively, for the volunteer fire department.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries. Lincoln National is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

All earnings, dividends and other distributions of the account shall be automatically reinvested.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, 2008 and 2007 the Borough had the following commitments with respect to unfinished capital projects.

<u>2008</u> <u>Capital Project</u>	<u>Construction</u> <u>Commitment</u>	<u>Estimated</u> <u>Date of</u> <u>Completion</u>
Renovations to Bianchi House	\$359,800	2009
Arnot Place Sewer Project	269,768	2009
Road Resurfacing	103,766	2009

<u>2007</u> <u>Capital Project</u>	<u>Construction</u> <u>Commitment</u>	<u>Estimated</u> <u>Date of</u> <u>Completion</u>
Installation of DPW Garage Doors	\$ 9,100	2008
Arnot Place Sewer Repair	319,037	2008
Emergency Vehicle	579,683	2008
Safe Streets to School	133,465	2008

NOTE 17 OPERATING LEASES

The Borough of Wood-Ridge has entered into operating leases in connection with the following:

<u>Lessor</u>	<u>Annual Lease</u> <u>Payments</u>
Photocopy Machines	\$ 6,468
Postage Machine	5,940
Photocopy Machine-Civic Center	3,660
Portable Restrooms	1,992

NOTE 18 CAPITAL LEASE AGREEMENT

The Borough entered into agreements with the Bergen County Improvement Authority (BCIA) for the leasing of various DPW and Fire Department equipment and for Donna Ricker Memorial field improvements. The capital lease equipment agreements are for a term of five years. The improvements to Donna Ricker Memorial Field are being financed over a ten year period. This lease agreement is secured through a lease agreement with a redeveloper who will reimburse the Borough on an annual basis, in an amount equal to the principal and interest of the lease payment. The following is a schedule of the future minimum lease payments under capital leases, and the present value of the net minimum lease payments at December 31, 2008.

**BOROUGH OF WOOD-RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 18 CAPITAL LEASE AGREEMENT (Continued)

<u>Year Ended December 31</u>	<u>Amount</u>
2009	\$ 101,108
2010	84,846
2011	68,585
2012	58,422
2013	58,422
2014-2018	<u>1,520,210</u>
Total Minimum Lease Payments	1,891,593
Less: Amounts Representing Interest	<u>476,120</u>
Present Value of Net Minimum Lease Payments	<u>\$ 1,415,473</u>

The Borough's capital lease activity for the years 2008 and 2007 was as follows:

	<u>2008</u>	<u>2007</u>
Balance, January 1	\$ 114,202	\$ 234,458
Additions	1,339,960	
Reductions	<u>(38,689)</u>	<u>(120,256)</u>
Balance, December 31	<u>\$ 1,415,473</u>	<u>\$ 114,202</u>
Due Within One Year	<u>\$ 40,177</u>	<u>\$ 38,689</u>

NOTE 19 SUBSEQUENT EVENTS

Bond Anticipation Notes

On March 17, 2009 the Borough approved the issuance of Bond Anticipation Notes in the amount of \$6,612,969 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to Janney Montgomery Scott at an interest rate of 3%. These notes dated February 20, 2009 will mature on February 19, 2010.

CURRENT FUND

BOROUGH OF WOOD-RIDGE
STATEMENT OF CURRENT CASH - COLLECTOR - TREASURER

	<u>Regular Fund</u>
Balance, December 31, 2007	\$ 2,454,519
Increased by Receipts:	
Taxes Receivable	\$ 23,595,653
Revenue Accounts Receivable	1,743,249
Non-Budget Revenue	31,831
Due from State of New Jersey - Veterans' and Senior Citizens Deductions	123,480
Tax Anticipation Notes	1,200,000
Receipts from General Capital Fund	1,527,047
General Capital Receipt Deposited in Current Fund	38,042
Receipts from Payroll Agency	15,000
Petty Cash Returned	850
Grants Receivable	235,944
Prepaid Taxes	54,399
Unappropriated Grants	2,599
Other Accounts Receivable	45,707
Tax Overpayments	16,652
Due to State of New Jersey:	
Building Surcharge Fees	4,387
Division of Youth and Family Services	725
	<u>28,635,565</u>
	31,090,084
Decreased by Disbursements:	
2008 Budget Appropriations	11,061,837
Appropriation Reserves	81,390
Encumbrances Payable	64,670
Payments to General Capital Fund	1,352,061
General Capital Expenditures Paid by Current Fund	14,512
Payments to Other Trust Fund	20,100
Other Trust Fund Expenditure Paid by Current Fund	4,000
Payments to Unemployment Trust Fund	15,000
Tax Overpayments	19,663
County Taxes Payable	2,496,632
Local District School Tax Payable	12,328,415
Prepaid School Taxes	156,302
Tax Anticipation Notes	3,000,000
Refund of Tax Appeals	6,153
Due to State of New Jersey:	
Building Surcharge Fees	4,344
Division of Youth and Family Services	955
Refund of Prior Year Revenue	23,351
Due from Outside Agencies	26,190
Petty Cash Advance	850
	<u>30,676,425</u>
Balance, December 31, 2008	<u>\$ 413,659</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF CHANGE FUNDS**

	Balance December 31, 2007	Balance December 31, 2008
Tax Collector	\$ 100	\$ 100
Board of Health	100	100
Municipal Court	100	100
Borough Clerk	<u>25</u>	<u>25</u>
	<u>\$ 325</u>	<u>\$ 325</u>

EXHIBIT A-6

STATEMENT OF PETTY CASH FUNDS

	Balance December 31, 2007	Advanced	Returned	Balance December 31, 2008
Finance Office		\$ 500	\$ 500	
Police Department		250	250	
Welfare Director	<u>-</u>	<u>100</u>	<u>100</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ 850</u>	<u>\$ -</u>

EXHIBIT A-7

**STATEMENT OF DUE TO STATE OF NEW JERSEY
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2007	\$ 15,672
Increased by:	
Cash Received	\$ 123,480
Veterans Deductions Disallowed By Tax Collector	250
Senior Citizen Deductions Disallowed By Tax Collector	2,498
Senior Citizen Deductions Disallowed By Tax Collector- Prior Year	<u>4,446</u>
	<u>130,674</u>
	146,346
Decreased by:	
Senior Citizen Deductions Per Tax Duplicate	28,750
Veterans Deductions Allowed Per Tax Duplicate	95,250
Senior Citizen Deductions Allowed By Tax Collector	4,612
Veterans Deductions Allowed By Tax Collector	6,750
Senior Citizen Deductions Allowed By Tax Collector - Prior Year	<u>250</u>
	<u>135,612</u>
Balance, December 31, 2008	<u>\$ 10,734</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

<u>Year</u>	<u>Balance, December 31, 2007</u>	<u>2008 Levy</u>	<u>Senior Citizens' and Veterans' Deductions Disallowed</u>	<u>Collected In 2007</u>	<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Cancelled/ Adjustment</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance, December 31, 2008</u>
2006	\$ 2,150							\$ 2,150
2007	210,489		\$ 4,446	\$ 207,428		\$ 4,690		2,817
2008	-	\$ 23,795,512	2,748	43,995	23,388,225	41,446	\$ 79	189,153
	<u>\$ 212,639</u>	<u>\$ 23,795,512</u>	<u>\$ 7,194</u>	<u>\$ 43,995</u>	<u>\$ 23,595,653</u>	<u>\$ 46,136</u>	<u>\$ 79</u>	<u>\$ 194,120</u>

Analysis of 2007 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 23,762,843
Added and Omitted Taxes (R.S. 54:4-63.1 et seq.)	<u>32,669</u>
	<u>\$ 23,795,512</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 12,328,415
County Taxes (Abstract)	\$ 2,357,457
County Open Space Taxes	134,878
County Taxes - Added & Omitted	<u>3,442</u>
	2,495,777
Local Tax for Municipal Purposes	8,921,306
Additional Taxes	<u>50,014</u>
	<u>8,971,320</u>
	<u>\$ 23,795,512</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2007	\$ 1,691
Increased by:	
Transfers from Taxes Receivable	<u>79</u>
Balance, December 31, 2008	<u>\$ 1,770</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2007	<u>\$ 82,300</u>
Balance, December 31, 2008	<u>\$ 82,300</u>

BOROUGH OF WOOD-RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2007</u>	<u>Accrued</u>	Collected in 2008	Balance, December 31, <u>2008</u>
Clerk				
Licenses				
Alcoholic Beverage		\$ 13,755	\$ 13,755	
Other		3,500	3,500	
Fees and Permits		10,907	10,907	
Tax Collector				
Fees and Permits		20	20	
Police				
Licenses		700	700	
Fees and Permits		358	358	
Board of Health				
Licenses		87	87	
Fees and Permits		18,642	18,642	
Zoning Board				
Fees and Permits		13,316	13,316	
Planning Board				
Fees and Permits		8,800	8,800	
Construction Code Official				
Uniform Construction Code Fees		109,234	109,234	
Municipal Court				
Fees and Permits		136,497	136,497	
Interest and Costs on Taxes		40,336	40,336	
Interest on Investments and Deposits		57,169	57,169	
Cable TV Fees		24,283	24,283	
Extraordinary Aid		250,000	250,000	
Consolidated Municipal Property Tax Relief Aid		409,986	409,986	
Energy Receipts Tax		601,759	601,759	
Payments in Lieu of Taxes		538,670		\$ 538,670
Uniform Fire Safety Act		43,900	43,900	
Property Maintenance Fees	-	35,319	-	35,319
	<u>-</u>	<u>\$ 2,317,238</u>	<u>\$ 1,743,249</u>	<u>\$ 573,989</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2007</u>	2008 Budget Revenue <u>Realized</u>	<u>Collected</u>	<u>Cancelled</u>	Balance, December 31, <u>2008</u>
Clean Communities Grant		\$ 8,460	\$ 8,460		
Drunk Driving Enforcement		33,973	33,973		
Solid Waste Admin Recycling Grant		3,529	3,529		
Hazardous Discharge Remediation		189,982	189,982		
Department of Transportation - Grade Crossing at Anderson Avenue	\$ 6,000	-	-	\$ 6,000	-
	<u>\$ 6,000</u>	<u>\$ 235,944</u>	<u>\$ 235,944</u>	<u>\$ 6,000</u>	<u>\$ -</u>

BOROUGH OF WOOD-RIDGE
STATEMENT OF 2007 APPROPRIATION RESERVES

	Balance December 31, 2007	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
General Administration					
Salaries and Wages					
Other Expenses	\$ 471	\$ (470)	\$ 1		\$ 1
Mayor and Council					
Salaries and Wages	1		1		1
Other Expenses	1		1		1
Municipal Clerk					
Salaries and Wages	1		1		1
Other Expenses	1	1,596	1,597	\$ 1,527	70
Financial Administration					
Other Expenses	1	184	185	184	1
Audit					
Revenue Administration					
Other Expenses					
Tax Assessment Administration					
Other Expenses	1		1		1
Legal Services					
Salaries and Wages					
Other Expenses	1		1		1
Engineering Services					
Other Expenses	1		1		1
Historical Sites					
Other Expenses	1		1		1
Land Use Administration					
Planning Board					
Other Expenses	1	131	132	132	
Zoning Board					
Other Expenses	1	(110)	1		1
Municipal Court					
Salaries and Wages	1		1		1
Other Expenses	1	30	31	30	1
Police Department					
Salaries and Wages	15,917	(1,272)	14,645	(1,270)	15,915
Other Expenses	691	(3,711)	(2,732)	(2,753)	21
ADAC		1,750	1,750		1,750
Police Auxiliary					
Other Expenses	1		1		1
Fire Department					
Miscellaneous	2,263	(12,414)	(9,418)	(9,418)	
Aid to Volunteer Ambulance Co.					
Other Expenses		(990)	419		419
Uniform Fire Safety					
Fire Official					
Other Expenses		(100)			
Streets and Roads Maintenance					
Salaries and Wages	4,338	(4,468)	(130)	(130)	
Other Expenses		158	158	158	
Shade Tree					
Other Expenses		(310)	111		111
Solid Waste Collection					
Recycling					
Salaries and Wages	1		1		1
Other Expenses		5,920	5,920	5,920	
Garbage and Trash Removal	3,812	(3,811)	1		1
Sewer System					
Other Expenses		490	490	490	
Buildings and Grounds					
Other Expenses	355	2,839	3,194	(219)	3,413
Vehicle Maintenance					
Other Expenses	8	3,753	3,761	2,580	1,181
Public Health Services					
Other Expenses	2,735	(2,584)	151	150	1

BOROUGH OF WOOD-RIDGE
STATEMENT OF 2007 APPROPRIATION RESERVES

	Balance December <u>31, 2007</u>	<u>Transfers</u>	Balance After <u>Modification</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Welfare/Public Assistance					
Salaries and Wages	\$ 1		\$ 1		\$ 1
Other Expenses		\$ 25	25	\$ 25	
Recreation and Services and Programs					
Salaries and Wages	1		1		1
Other Expenses			635	143	492
Senior Citizen Organizations	1	230	231	230	1
Celebration of Public Events	217	(216)	539		539
Construction Official					
Salaries and Wages	1		1		1
Other Expenses		314	314	313	1
Building Inspector					
Salaries and Wages	1		1		1
Electrical Inspector					
Salaries and Wages	1		1		1
Fire Protection Official					
Salaries and Wages	1		1		1
Utility Expenses and Bulk Purchases					
Electricity	1		1		1
Street Lighting	1		1		1
Telephone	1	3,340	3,341	3,003	338
Water	2	6	8	7	1
Gasoline	18,026	12,028	30,054	30,054	
Social Security	2,679	(2,678)	1		1
Statutory Charges					
Length of Service Award Program (LOSAP)	49,000		49,000	47,813	1,187
Insurance					
Liability Insurance	1		1		1
Insurance - Other	1		1		1
Workers Compensation Insurance	1		1		1
Group Insurance Plan for Employees	1	340	341	340	1
Public and Private Programs Offset by Revenues					
Alcohol Education	1,851		1,851	1,851	
Hazardous Discharge Site Remediation	998		998	998	
Police Body Armor Grant	2,081	-	2,081	2,081	-
Totals	<u>\$ 105,473</u>	<u>\$ -</u>	<u>\$ 109,707</u>	<u>\$ 84,239</u>	<u>\$ 25,468</u>
			\$ 105,473		
Balance, December 31, 2007			4,234		
Cancelled Payables			<u>\$ 109,707</u>		
				\$ 81,390	
Cash Disbursements				<u>2,849</u>	
Transfer to Appropriated Reserves for Grants				<u>\$ 84,239</u>	

**BOROUGH OF WOOD-RIDGE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2007		\$ 68,904
Increased by:		
Charges to 2008 Appropriations		<u>115,125</u>
		184,029
Decreased by:		
Cash Disbursements	\$ 64,670	
Encumbrances Payable Restored to Appropriation Reserves	<u>4,234</u>	
		<u>68,904</u>
Balance, December 31, 2008		<u>\$ 115,125</u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2007		\$ 43,995
Increased by:		
Collection of 2009 Taxes		<u>54,399</u>
		98,394
Decreased by:		
Applied to 2008 Taxes Receivable		<u>43,995</u>
Balance, December 31, 2008		<u>\$ 54,399</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2007		\$ 4,297
Increased by:		
2008 Levy	\$ 2,357,457	
2008 Open Space Preservation	134,878	
2008 Added and Omitted Taxes	<u>3,442</u>	
		<u>\$ 2,495,777</u>
		2,500,074
Decreased by:		
Cash Disbursements		<u>2,496,632</u>
Balance, December 31, 2008		<u>\$ 3,442</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE**

Balance, December 31, 2007		\$ 1,907
Increased by:		
Levy, Calendar Year		<u>12,328,415</u>
		12,330,322
Decreased by:		
Cash Disbursements	\$ 12,328,415	
Cancelled	<u>1,907</u>	
		<u>12,330,322</u>
Balance, December 31, 2008		<u>\$ -</u>

STATEMENT OF TAX ANTICIPATION NOTES PAYABLE

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2007</u>	<u>Notes Issued</u>	<u>Notes Paid</u>	<u>Balance, December 31, 2008</u>
3/29/2007	2/15/2008	4.00%	\$ 1,800,000		\$ 1,800,000	
7/11/2008	8/11/2008	2.55%	<u>-</u>	<u>\$ 1,200,000</u>	<u>1,200,000</u>	<u>\$ -</u>
			<u>\$ 1,800,000</u>	<u>\$ 1,200,000</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF AMOUNT DUE TO STATE OF NEW JERSEY -
BUILDING SURCHARGE FEES**

Balance, December 31, 2007	\$	3,626
Increased by:		
Collections		4,387
		8,013
Decreased by:		
Cash Disbursements		4,344
Balance, December 31, 2008	\$	3,669

**STATEMENT OF AMOUNT DUE TO STATE OF NEW JERSEY -
DIVISION OF YOUTH AND FAMILY SERVICES**

Balance, December 31, 2007	\$	398
Increased by:		
Fees Collected		725
		1,123
Decreased by:		
Cash Disbursements		955
Balance, December 31, 2008	\$	168

BOROUGH OF WOOD-RIDGE
STATEMENT OF UNAPPROPRIATED RESERVES FOR GRANTS

	Balance, December 31, <u>2007</u>	2008 Budget Revenue <u>Realized</u>	<u>Collections</u>	Balance, December 31, <u>2008</u>
Bergen County 200 Club			\$ 2,724	\$ 2,724
Stormwater Grant			2,117	2,117
Alcohol Education and Rehabilitation Fund			482	482
Recycling Grant	\$ 3,451	\$ 3,451		
Police Body Armor	<u>2,350</u>	<u>2,350</u>	<u>2,142</u>	<u>2,142</u>
	<u>\$ 5,801</u>	<u>\$ 5,801</u>	<u>\$ 7,465</u>	<u>\$ 7,465</u>
Cash Receipts			\$ 2,599	
Due from Other Trust Fund			<u>4,866</u>	
			<u>\$ 7,465</u>	

EXHIBIT A-22

STATEMENT OF APPROPRIATED RESERVES FOR GRANTS

	Balance, December 31, <u>2007</u>	Transfer from Appropriation <u>Reserves</u>	<u>Cancelled</u>	Balance, December 31, <u>2008</u>
Clean Communities	\$ 64			\$ 64
DOT - Grade Crossing at Anderson Ave.	3,167		\$ 3,167	
Solid Waste Administration Recycling Grant	1,216			1,216
Alcohol Education and Rehabilitation Fund		\$ 1,851		1,851
Hazardous Discharge Remediation		998		998
Child Passenger Safety Grant	5,000			5,000
Police Body Armor	<u>7,596</u>	<u>-</u>	<u>-</u>	<u>7,596</u>
	<u>\$ 17,043</u>	<u>\$ 2,849</u>	<u>\$ 3,167</u>	<u>\$ 16,725</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2007</u>	Balance, December 31, <u>2008</u>
Construction Code Official	\$ 2,600	\$ 2,600
Sale of Assets	<u>2,300</u>	<u>2,300</u>
	<u>\$ 4,900</u>	<u>\$ 4,900</u>

EXHIBIT A-24

STATEMENT OF OTHER ACCOUNTS RECEIVABLE

Balance, December 31, 2007		\$ 57,142
Increased by:		
Due from Outside Agencies		<u>26,190</u>
		83,332
Decreased by:		
Cash Receipts	\$ 45,707	
Cancellations	<u>11,435</u>	
		<u>57,142</u>
Balance, December 31, 2008		<u>\$ 26,190</u>

EXHIBIT A-25

STATEMENT OF DEFERRED CHARGES

	Balance, December 31, <u>2007</u>	Increased During 2008	Raised in 2008	Balance, December 31, <u>2008</u>
Operating Deficit		\$ 461,491		\$ 461,491
Overexpenditure of Appropriation Reserves	\$ 13,558		\$ 13,558	
Emergency Appropriation	<u>413,000</u>	<u>157,250</u>	<u>413,000</u>	<u>157,250</u>
	<u>\$ 426,558</u>	<u>\$ 618,741</u>	<u>\$ 426,558</u>	<u>\$ 618,741</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2007	\$ 3,117
Increased by:	
Cash Receipts	<u>16,652</u>
	19,769
Decreased by:	
Refunded	<u>19,663</u>
Balance, December 31, 2008	<u>\$ 106</u>

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2007	\$ 3,212
Decreased by:	
Cancelled	<u>\$ 3,212</u>

STATEMENT OF TAX APPEALS

Balance, December 31, 2007	\$ 94,930
Increased by:	
2008 Budget Appropriation	<u>148,424</u>
	243,354
Decreased by:	
Cash Disbursements	<u>6,153</u>
Balance, December 31, 2008	<u>\$ 237,201</u>

STATEMENT OF PREPAID SCHOOL TAXES

Increased by:	
Cash Disbursements	<u>\$ 156,302</u>
Balance, December 31, 2008	<u>\$ 156,302</u>

TRUST FUNDS

**BOROUGH OF WOOD-RIDGE
STATEMENT OF CASH AND INVESTMENTS**

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Unemployment Insurance</u>
Balance, December 31, 2007	\$ 213	\$ 136,470	\$ 4,159
Increased by Receipts:			
Animal Control Fees - Municipal	\$ 7,159		
Animal Control Fees - State	735		
Interest on Deposits	\$ 3,328		
Deposits Held in Escrow	154,898		
Miscellaneous Reserves	259,534		
Receipts from Current Fund	20,100		
Current Fund Receipts Deposited in Other Trust Fund	4,866		
Budget Appropriations	1,269		\$ 24,891
Payroll Deductions		5,606,412	
Unemployment Trust Fund Receipts Deposited in Payroll Agency		5,286	
Payroll Agency Receipt Deposited in Unemployment Trust Fund	-	-	<u>15,000</u>
	<u>9,163</u>	<u>6,054,424</u>	<u>39,891</u>
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	7,341		
Payments to Current Fund		15,000	
Due from Current Fund			18,520
Due to State of New Jersey	656		
Deposits Held in Escrow		115,446	
Miscellaneous Reserves		182,689	
Payroll Deductions		5,547,718	
Unemployment Claims	-	-	<u>18,520</u>
	<u>7,997</u>	<u>5,860,853</u>	<u>18,520</u>
Balance, December 31, 2008	<u>\$ 1,379</u>	<u>\$ 330,041</u>	<u>\$ 25,530</u>

BOROUGH OF WOOD-RIDGE
STATEMENT OF RESERVE (DEFICIT) FOR ANIMAL CONTROL EXPENDITURES

Balance(Deficit), December 31, 2007		\$	(1,484)
Increased by:			
Budget Appropriation		\$	1,269
Animal Control Fees Collected			<u>7,159</u>
			<u>8,428</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11			<u>6,944</u>
			<u>7,341</u>
Balance (Deficit), December 31, 2008		\$	<u>(397)</u>

EXHIBIT B-3

STATEMENT OF DUE FROM STATE TREASURER - ANIMAL CONTROL FEES

Increased by:			
Cash Receipts		\$	735
Decreased by:			
Cash Disbursements			<u>656</u>
Balance, December 31, 2008		\$	<u>79</u>

EXHIBIT B-4

STATEMENT OF DUE FROM CURRENT FUND
ANIMAL CONTROL FUND

Balance, December 31, 2007		\$	<u>70</u>
Balance, December 31, 2008		\$	<u>70</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF ESCROW DEPOSITS**

<u>Description</u>	Balance, December 31, <u>2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cancelled</u>	Balance, December 31, <u>2008</u>
Recreation Commission	\$ 39,338	\$ 51,323	\$ 58,690		\$ 31,971
Street Opening	300				300
Transcripts	600			\$ 600	
Variances and Applications - Planning and Zoning Board	(4,272)	93,271	54,756		34,243
Premiums from Tax Sales	500				500
New Audio System	91			91	
Miscellaneous					
Other		10,076			10,076
Veterans Walkway	1,702			1,702	
Concert Series	2,393	36		2,429	
Instructors Fees	600			600	
Historical Society	4,568	192			4,760
Shade Tree	2,144	-	2,000	-	144
	<u>\$ 47,964</u>	<u>\$ 154,898</u>	<u>\$ 115,446</u>	<u>\$ 5,422</u>	<u>\$ 81,994</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF MISCELLANEOUS RESERVES**

	Alcohol and Drug Abuse Commission	Municipal Court Adjudication Fees	Recycling	Pistol Range Maintenance	Police Body Armor Monies	Westmont Development	Police Confiscated Monies	Cat Licenses
Balance, December 31, 2007	\$ 9,148	\$ 2,268	\$ 12,112	\$ 30,531	\$ 17,803	\$ (59,643)	\$ 316	\$ 901
Increased by:								
Parking Fees	848	848						
Recycling	43,866		43,866					
Transferred from Current Fund	4,431			49,145	4,431	154,498		
Contributions/Donations	6,546				200			
	<u>259,534</u>	<u>848</u>	<u>43,866</u>	<u>49,145</u>	<u>4,631</u>	<u>154,498</u>	<u>-</u>	<u>-</u>
	268,682	3,116	55,978	79,676	22,434	94,855	316	901
Decreased by:								
Cancelled	316						316	
Trust Fund Expenditure Paid by								
Other Funds	4,000					3,236		
Cash Disbursements	8,214		32,387	20,106		121,982		
	<u>190,241</u>	<u>-</u>	<u>32,387</u>	<u>20,106</u>	<u>-</u>	<u>125,218</u>	<u>316</u>	<u>-</u>
Balance, December 31, 2008	\$ (808)	\$ 3,116	\$ 23,591	\$ 59,570	\$ 22,434	\$ (30,363)	\$ -	\$ 901

BOROUGH OF WOOD-RIDGE
STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE CLAIMS

Balance (Deficit), December 31, 2007		\$ (1,891)
Increased by:		
Budget Appropriations - Current Fund	\$ 24,891	
Payroll Deductions	<u>5,286</u>	
		<u>30,177</u>
		28,286
Decreased by:		
Unemployment Claims		<u>18,520</u>
Balance, December 31, 2008		<u>\$ 9,766</u>

STATEMENT OF ACCRUED SALARIES AND PAYROLL DEDUCTIONS

Balance, December 31, 2007		\$ 21,260
Increased by:		
Accrued Salaries and Wages	\$ 3,214,516	
Payroll Agency Receipt Deposited in Unemployment Trust Fund	15,000	
Payroll Deductions and Withholdings	<u>2,391,896</u>	
		<u>5,621,412</u>
		5,642,672
Decreased by:		
Cash Disbursements		
Salaries and Wages	3,198,385	
Payment to Current Fund	15,000	
Payroll Deductions and Withholdings	<u>2,349,333</u>	
		<u>5,562,718</u>
Balance, December 31, 2008		<u>\$ 79,954</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF DUE TO OTHER TRUST FUND
ANIMAL CONTROL FUND**

Balance, December 31, 2007	\$ <u>1,767</u>
Balance, December 31, 2008	\$ <u>1,767</u>

**STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND**

Balance, December 31, 2007	\$ 59,865
Increased by:	
Receipts from Current Fund	\$ 20,100
Current Fund Receipts Deposited in Other Trust Fund	4,866
Other Trust Expenditure Paid by Current Fund	4,000
Interest on Deposits	3,328
Cancelled Miscellaneous Reserves	<u>5,738</u>
	<u>38,032</u>
Balance, December 31, 2008	\$ <u>97,897</u>

**STATEMENT OF DUE TO CURRENT FUND
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, December 31, 2007	\$ <u>6,050</u>
Balance, December 31, 2008	\$ <u>6,050</u>

**STATEMENT OF DUE TO PAYROLL AGENCY
UNEMPLOYMENT INSURANCE TRUST FUND**

Increased by:	
Payroll Agency Receipts Deposited in Unemployment Trust Fund	\$ 15,000
Decreased by:	
Unemployment Trust Fund Receipts Deposited in Payroll Agency Fund	<u>5,286</u>
Balance, December 31, 2008	\$ <u>9,714</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF DUE TO GENERAL CAPITAL FUND
OTHER TRUST FUND**

Increased by:	
Other Trust Fund Expenditure Paid by General Capital Fund	<u>\$ 3,236</u>
Balance, December 31, 2008	<u><u>\$ 3,236</u></u>

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GENERAL CAPITAL FUND

BOROUGH OF WOOD-RIDGE
STATEMENT OF CASH - COLLECTOR - TREASURER

Balance, December 31, 2007		\$ 1,765,066
Increased by Receipts:		
Receipts from Current Fund	\$ 1,352,061	
Grant Receipts	372,322	
Reserve for Capital Projects	222,349	
Proceeds From Bond Anticipation Notes	2,154,800	
Budget Appropriation - Capital Improvement Fund	<u>150,000</u>	
		<u>4,251,532</u>
		6,016,598
Decreased by Disbursements:		
Payments to Current Fund	1,527,047	
Improvement Authorizations	2,049,262	
Other Trust Fund Expenditure Paid by General Capital Fund	3,236	
Payment of Bond Anticipation Notes	402,061	
Contracts Payable	<u>1,098,726</u>	
		<u>5,080,332</u>
Balance, December 31, 2008		<u>\$ 936,266</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF CAPITAL CASH**

Capital Improvement Fund	\$ 79,115
Fund Balance	41,013
Reserve for Capital Projects	222,349
Due from Current Fund	(75,106)
Due from Escrow	(3,236)
Due from Other Grantor Agencies	(207,000)
Contracts Payable	832,904
Deferred Charge To Be Raised	(5,214)
Reserve for Payment of Bonds	4,500
Reserve for Payment of Notes	398,700

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
88-19	Acquisition of New Garbage Truck, Improvement of Various Public Streets	(12,660)
90-9	Various Capital Improvements	(214)
91-11	Various Capital Improvements	(25,410)
94-26/96-20	Various Capital Improvements	(54,000)
98-8	Purchase of Ambulance Equipment	406
08-08	Donna Ricker Memorial Field Rehab	379,954
08-20	Various Public Improvements (amend 07-17)	(282,150)
08-21	Various Public Improvements (amend 08-04)	(357,685)
		<u>\$ 936,266</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2007	\$ 4,133,000
Decreased by:	
2008 Current Fund Appropriation - Serial Bonds	<u>310,000</u>
Balance, December 31, 2008	<u>\$ 3,823,000</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF DUE FROM COUNTY OF BERGEN**

	<u>Total</u>	<u>Bergen County Open Space (Ord. No. 08-08)</u>	<u>CDBG- Valley Blvd Streetscape and Sussex/ Wood-Ridge Ave (Ord. No. 05-15)</u>
Balance, December 31, 2007	\$ 58,000		\$ 58,000
Increased by:			
Grant Awards	<u>188,300</u>	<u>\$ 188,300</u>	<u>-</u>
	246,300	188,300	58,000
Decreased by:			
Cash Receipts	<u>188,300</u>	<u>188,300</u>	<u>-</u>
Balance, December 31, 2008	<u>\$ 58,000</u>	<u>\$ -</u>	<u>\$ 58,000</u>
Reserve for Grant Receivables	<u>\$ 58,000</u>		

BOROUGH OF WOOD-RIDGE
STATEMENT OF DUE FROM NEW JERSEY DEPARTMENT OF TRANSPORTATION

	<u>Total</u>	<u>Valley Boulevard (Ord No. 06-12)</u>	<u>Various Imprvts. (Ord. No. 06-09)</u>
Balance, December 31, 2007	\$ 100,000		\$ 100,000
Increased by:			
Grant Awards	<u>150,000</u>	<u>\$ 150,000</u>	<u>-</u>
	250,000	150,000	100,000
Decreased by:			
Cash Receipts	<u>184,022</u>	<u>109,022</u>	<u>75,000</u>
Balance, December 31, 2008	<u>\$ 65,978</u>	<u>\$ 40,978</u>	<u>\$ 25,000</u>
Reserve for Grant Receivables	<u>\$ 65,978</u>		

**BOROUGH OF WOOD-RIDGE
STATEMENT OF DUE FROM OTHER GRANTOR AGENCIES**

	<u>Total</u>	(Ord. No 07-16/07-18) New Jersey Historic Preservation <u>Trust</u>	(Ord. No 07-16/07-18) New Jersey Division of <u>Elections</u>
Balance, December 31, 2007	\$ <u>207,000</u>	\$ <u>175,000</u>	\$ <u>32,000</u>
Balance, December 31, 2008	\$ <u>207,000</u>	\$ <u>175,000</u>	\$ <u>32,000</u>
Pledged to Improvement Authorization	\$ <u>207,000</u>		

**BOROUGH OF WOOD-RIDGE
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding at December 31, 2008</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2007</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2008</u>
General Improvement Bonds of 1999	Sept. 15, 1999	\$ 2,306,000	9/15/09 \$ 270,000 9/15/10 285,000 9/15/11 301,000	4.90%	\$ 1,116,000	\$ 260,000	\$ 856,000	
General Improvement Bonds of 2006	Feb. 15, 2006	3,067,000	2/15/09-10 50,000 2/15/11 350,000 2/15/12 400,000 2/15/13 415,000 2/15/14-16 425,000 2/15/17 427,000	3.50% 3.50% 3.55% 3.55% 3.875% 3.875%	3,017,000	\$ 50,000	2,967,000	
					\$ 4,133,000	\$ 310,000	\$ 3,823,000	

**BOROUGH OF WOOD-RIDGE
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2007	Increased	Decreased	Balance, December 31, 2008
00-01	Refunding Bond Ordinance	2/29/2000	2/23/2007 2/22/2008	2/22/2008 2/20/2009	4.25% 2.25%	\$ 1,430,000	\$ 970,000	\$ 1,430,000	\$ 970,000
03-09	Various Public Improvements	2/24/2006	2/23/2007	2/22/2008	4.25%	87,500		87,500	
04-05	Various Public Improvements	2/24/2006	2/23/2007 2/22/2008	2/22/2008 2/20/2009	4.25% 2.25%	266,500	155,535	266,500	155,535
05-15	Various Public Improvements	10/24/2005	2/23/2007 2/22/2008	2/22/2008 2/20/2009	4.25% 2.25%	468,000	264,404	468,000	264,404
06-09	Various Public Improvements	2/24/2006	2/23/2007 2/22/2008	2/22/2008 2/20/2009	4.25% 2.25%	847,875	847,875	847,875	847,875
06-12	Various Public Improvements	2/24/2006	2/23/2007 2/22/2008	2/22/2008 2/20/2009	4.25% 2.25%	847,500	847,500	847,500	847,500
07-16	Various Public Improvements	11/9/2007	11/9/2007 2/22/2008	2/22/2008 2/20/2009	3.71% 2.25%	1,242,400	1,242,400	1,242,400	1,242,400
08-04	Various Public Improvements	7/30/2008	7/30/2008	2/20/2009	2.40%	100,900	100,900	100,900	100,900
07-17	Various Public Improvements	7/30/2008	7/30/2008	2/20/2009	2.40%	366,500	366,500	366,500	366,500
07-18	Various Public Improvements	7/30/2008	7/30/2008	2/20/2009	2.40%	21,400	21,400	21,400	21,400
08-08	Donna Ricker Memorial Field Rehab	7/30/2008	7/30/2008	2/20/2009	2.40%	619,000	619,000	619,000	619,000
08-16	Various Sewer Improvements	11/14/2008	11/14/2008	2/20/2009	3.15%	-	1,047,000	-	1,047,000
						<u>\$ 5,189,775</u>	<u>\$ 6,482,514</u>	<u>\$ 5,189,775</u>	<u>\$ 6,482,514</u>
						Notes Renewed	\$ 4,327,714	\$ 4,327,714	
						Paid by Budget Appropriation	460,000	460,000	
						Paid by Capital Cash	2,154,800	402,061	
						Notes Issued	-	-	
						<u>\$ 6,482,514</u>	<u>\$ 5,189,775</u>	<u>\$ 6,482,514</u>	<u>\$ 5,189,775</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2007		2008 Authorizations		Balance, December 31, 2008			
				Funded	Unfunded	Capital Improvement Fund	Grants	Deferred Charges Unfunded	Paid or Charged	Funded	Unfunded
88-16	Acquisition of Property		\$ 315,000	\$ 378					\$ 378		
98-8	Purchase of Ambulance Equipment	06/09/1998	5,000	\$ 406					\$ 406		
04-06/05-18	Acquisition of Real Property	06/28/2004	3,050,000	19,778						19,778	
07-16	Various Public Improvements	9/18/2007	1,473,000	84,105					\$ 84,105		
07-17	Various Public Improvements (amend 06-12)	12/18/2007	385,000	335,042					335,042		
07-18	Various Public Improvements (amend 07-16)	12/18/2007	136,500	21,400					136,500		
08-04	Various Public Improvements (amend 07-18)	5/20/2008	106,000		\$ 5,100		\$ 100,900		106,000		
08-08	Donna Ricker Memorial Field Rehab	6/17/2008	838,000		31,000	\$ 188,000	619,000		458,046	379,954	
08-16	Various Sewer Improvements	9/16/2008	1,100,000		53,000		1,047,000		1,100,000		
08-20	Various Public Improvements (amend 07-17)	12/16/2008	297,000		14,850		282,150		297,000		
08-21	Various Public Improvements (amend 08-04)	12/16/2008	446,000		22,300		423,700		379,985	66,015	
			<u>\$ 115,506</u>	<u>\$ 460,703</u>	<u>\$ 126,250</u>	<u>\$ 188,000</u>	<u>\$ 2,472,750</u>		<u>\$ 2,896,678</u>	<u>\$ 406</u>	<u>\$ 466,125</u>

Analysis of Paid or Charged

Encumbrances	\$ 832,904
Paid by Current Fund	14,512
Cash Disbursed	<u>2,049,262</u>
	<u>\$ 2,896,678</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2007		\$ 52,865
Increased by:		
2008 Budget Appropriation	\$ 150,000	
Cancellation of Reserve for Preliminary Costs	<u>2,500</u>	
		<u>152,500</u>
		205,365
Decreased by:		
Amount Appropriated to Finance Improvement Authorizations		<u>126,250</u>
Balance, December 31, 2008		<u>\$ 79,115</u>

EXHIBIT C-13

STATEMENT OF RESERVE FOR CIVIC CENTER ROOF REPLACEMENT

Balance, December 31, 2007		\$ 2,645
Decreased by:		
Cancelled		<u>\$ 2,645</u>

EXHIBIT C-14

STATEMENT OF CONTRACTS PAYABLE

Balance, December 31, 2007		\$ 1,098,726
Increased by:		
Charges to Improvement Authorizations		<u>832,904</u>
		1,931,630
Decreased by:		
Payments		<u>1,098,726</u>
Balance, December 31, 2008		<u>\$ 832,904</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF DUE TO/FROM CURRENT FUND**

Balance, December 31, 2007 (Due To)		\$ 157,986
Increased by:		
Receipts from Current Fund	\$ 1,352,061	
Anticipated as Current Fund Revenue	17,000	
General Capital Expenditure Paid by Current Fund	<u>14,512</u>	
		<u>1,383,573</u>
		1,541,559
Decreased by:		
Payments to Current Fund	1,527,047	
Current Fund Budget Appropriation	51,576	
General Capital Receipt Deposited In Current Fund	<u>38,042</u>	
		<u>1,616,665</u>
Balance, December 31, 2008 (Due From)		<u>\$ (75,106)</u>

EXHIBIT C-16

STATEMENT OF RESERVE FOR PRELIMINARY COSTS

Balance, December 31, 2007		\$ 2,500
Decreased by:		
Cancelled		<u>\$ 2,500</u>

EXHIBIT C-17

STATEMENT OF CONTRIBUTION RECEIVABLE

Balance, December 31, 2007		<u>\$ 5,214</u>
Decreased by:		
Cancelled		<u>\$ 5,214</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF RESERVE FOR PAYMENT OF DEBT**

Balance, December 31, 2007	\$ <u>4,500</u>
Balance, December 31, 2008	\$ <u>4,500</u>

STATEMENT OF RESERVE FOR CAPITAL PROJECTS

Increased by:	
Cash Receipts	\$ <u>222,349</u>
Balance, December 31, 2008	\$ <u>222,349</u>

**STATEMENT OF DEFERRED CHARGES
CANCELLED GRANTS AND OTHER RECEIVABLES**

Balance, December 31, 2007	\$ 51,576
Increased by:	
Cancellations	<u>5,214</u>
	56,790
Decreased by:	
2008 Budget Appropriations	<u>51,576</u>
Balance, December 31, 2008	\$ <u>5,214</u>

BOROUGH OF WOOD-RIDGE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2007</u>	<u>2008 Improvement Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance, December 31, 2008</u>
88-16	Acquisition of Property	\$ 378			\$ 378
88-19	Acquisition of New Garbage Truck, Improvement of Various Streets	12,660			12,660
90-9	Various Capital Improvements	214			214
91-11	Various Capital Improvements	25,410			25,410
94-26/96-20	Various Capital Improvements	54,000			54,000
04-06/05-18	Acquisition of Real Property	19,778			19,778
07-17	Various Public Improvements	366,500		\$ 366,500	
07-18	Various Public Improvements	21,400		21,400	
08-04	Various Public Improvements		\$ 100,900	100,900	
08-08	Donna Ricker Memorial Field Rehab		619,000	619,000	
08-16	Various Sewer Improvements		1,047,000	1,047,000	
08-20	Various Public Improvements		282,150		282,150
08-21	Various Public Improvements	-	423,700	-	423,700
		<u>\$ 500,340</u>	<u>\$ 2,472,750</u>	<u>\$ 2,154,800</u>	<u>\$ 818,290</u>

PUBLIC ASSISTANCE FUND

**BOROUGH OF WOOD-RIDGE
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER**

Balance, December 31, 2007	\$ 23,494
Increased by:	
Receipts	<u>76,824</u>
	100,318
Decreased by:	
Disbursements	<u>54,084</u>
Balance, December 31, 2008	<u>\$ 46,234</u>

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

Balance, December 31, 2007	\$ 13,594
Increased by:	
Revenues	<u>76,824</u>
	90,418
Decreased by:	
Expenditures	<u>54,084</u>
Balance, December 31, 2008	<u>\$ 36,334</u>

**BOROUGH OF WOOD-RIDGE
STATEMENT OF PUBLIC ASSISTANCE REVENUES**

PATF #2

Revenues		
State Aid	\$	75,000
SSI		<u>1,824</u>
 Total Revenues/Cash Receipts		 \$ <u>76,824</u>

EXHIBIT D-4

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

PATF #2

Per GA-6		
Maintenance	\$	32,326
Temporary Rental Assistance		15,334
Employee Assistance		1,330
Transportation		3,681
Work Related		1,160
Refund of SSI		<u>253</u>
 Total Expenditures		 \$ <u>54,084</u>

EXHIBIT D-5

STATEMENT OF DUE TO CURRENT FUND

Balance, December 31, 2007	\$	<u>9,900</u>
 Balance, December 31, 2008		 \$ <u>9,900</u>

**BOROUGH OF WOOD-RIDGE
BERGEN COUNTY, NEW JERSEY**

**PART II
GOVERNMENT AUDITING STANDARDS
YEAR ENDED DECEMBER 31, 2008**

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
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DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

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

Honorable Mayor and Members
of the Borough Council
Borough of Wood-Ridge
Wood-Ridge, New Jersey

We have audited the financial statements – statutory basis of the Borough of Wood-Ridge as of and for the year ended December 31, 2008, and have issued our report thereon dated April 22, 2009 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the statutory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. In addition, our report on financial statements – statutory basis was qualified because of the presentation of the unaudited LOSAP Financial Statements. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Wood-Ridge's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the statutory basis of accounting such that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as item 2008-1 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above to be a material weakness.


Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Borough of Wood-Ridge's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are 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 responses as item 2008-1.

We also noted certain matters that we reported to management of the Borough of Wood-Ridge in Part III of this report of audit entitled "Letter of Comments and Recommendations".

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

This report is intended solely for the information and use of the governing body, management and is not intended to be and should not be used by anyone other than these specified parties.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
April 22, 2009

**BOROUGH OF WOOD-RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

<u>Federal Grant Program</u>	<u>Federal CFDA Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2008 Grant Receipts</u>	<u>Balance, December 31, 2007</u>	<u>Revenue</u>	<u>Expended</u>	<u>Balance, December 31, 2008</u>	<u>Cumulative Expenditures</u>
U.S. Department of Transportation									
Highway Planning and Construction (Pass Through									
N.J. Department of Transportation)									
Safe Streets to School	20.205	2008	\$ 100,000	\$ 75,000		\$ 75,000	\$ 75,000	\$ 75,000	
Valley Boulevard	20.205		150,000	109,022		109,022	109,022		109,022
						<u>\$ 184,022</u>	<u>\$ 184,022</u>	<u>\$ -</u>	<u>\$ 184,022</u>

The above schedule is not subject to an audit in accordance with OMB Circular A-133

**BOROUGH OF WOOD-RIDGE
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Wood-Ridge. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using the statutory basis of accounting as prescribed or permitted for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund		\$ 240,685	\$ 240,685
General Capital Fund	\$ 184,022		184,022
Public Assistance Fund	<u>-</u>	<u>76,571</u>	<u>76,571</u>
	<u>\$ 184,022</u>	<u>\$ 317,256</u>	<u>\$ 501,278</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

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BOROUGH OF WOOD-RIDGE

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2008

**BOROUGH OF WOOD-RIDGE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2008</u>		<u>Year 2007</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Anticipated	\$ 385,468	1.46%		
Miscellaneous - From Other Than Local				
Property Tax Levies	2,200,877	8.32%	\$ 2,510,074	10.08 %
Collection of Delinquent Taxes and Tax Title Liens	207,428	0.79%	150,620	0.60
Collection of Current Tax Levy	23,564,834	89.13%	22,143,435	88.89
Other Credits to Income	<u>79,711</u>	<u>0.30%</u>	<u>106,602</u>	<u>0.43</u>
 Total Income	 <u>26,438,318</u>	 <u>100.00%</u>	 <u>24,910,731</u>	 <u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	11,978,846	44.27%	11,128,031	44.24 %
County Taxes	2,495,777	9.22%	2,262,060	8.99
Local School Taxes	12,328,415	45.56%	11,502,776	45.73
Other Expenditures	<u>254,321</u>	<u>0.94%</u>	<u>262,157</u>	<u>1.04</u>
 Total Expenditures	 <u>27,057,359</u>	 <u>100.00%</u>	 <u>25,155,024</u>	 <u>100.00 %</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	(619,041)		(244,293)	
Add: Expenditures to be Raised in Succeeding Years Budget	<u>157,250</u>		<u>424,170</u>	
Operating Deficit	<u>\$ (461,791)</u>			
Statutory Excess to Fund Balance			179,877	
Fund Balance, January 1	<u>714,057</u>		<u>534,180</u>	
	714,057		714,057	
Less: Fund Balance Utilized in 2008	<u>385,468</u>		<u>-</u>	
Fund Balance, December 31	<u>\$ 328,589</u>		<u>\$ 714,057</u>	

**BOROUGH OF WOOD-RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Tax Rate</u>	<u>\$3.037</u>	<u>\$2.86</u>	<u>\$2.67</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1.141	1.106	1.005
County	.302	.273	.253
County Open Space	.018	.010	.010
Local School	1.576	1.471	1.402
<u>Assessed Valuation</u>			
2008	<u>\$782,444,574</u>		
2007		<u>\$781,729,040</u>	
2006			<u>\$767,585,272</u>

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2008	\$ 23,795,512	\$ 23,564,834	99.03%
2007	22,400,893	22,143,435	98.85%
2006	20,535,308	20,365,550	99.17%

**BOROUGH OF WOOD-RIDGE
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Lien</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2008	\$ 194,120	\$ 1,770	\$ 195,890	0.82%
2007	212,639	1,691	214,330	0.96%
2006	149,588	1,616	151,204	0.74%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2007 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2008	\$82,300
2007	82,300
2006	82,300

Comparative Schedule of Fund Balance

<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund		
2008	\$328,589	-0-
2007	714,057	\$385,468
2006	534,180	-0-
2005	183,573	-0-
2004	183,573	-0-
2003	243,573	60,000

(A) The above fund balance amount appropriated represents the surplus anticipated in the 2009 introduced municipal budget. The 2009 municipal budget has not been legally adopted as of the date of this audit.

**BOROUGH OF WOOD-RIDGE
SUPPLEMENTARY DATA**

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 Bond</u>	
Paul A. Sarlo	Mayor		
Ezio I. Altamura	Councilman		
Richard Carbonaro	Councilman		
Catherine Cassidy	Councilwoman		
Thomas Gonnella	Councilman		
Dominick Azzolini	Councilman		
Robert Riccardella	Councilman		
Diane Thornley	Municipal Clerk/Assessment Search Officer	Blanket	(A)
Nicholas Fargo	Chief Financial Officer	Blanket	(A)
Chris Eilert	Administrator		
Jackie Sharkey	Tax Collector	Blanket	(A)
Paul S. Barbire	Borough Attorney		
Michael J. Neglia	Borough Engineer		
Joseph Rutigliano	Chief of Police	Blanket	(A)
Mark T. Janeczko	Magistrate	Blanket	
Sharon Grimaldi	Court Clerk	Blanket	
Stuart Stolarz	Tax Assessor		
Gary Ippolito	Construction Code Official/Planning Board Officer/Zoning Board Officer/Uniform Fire Safety Official/Fire Sub Code Official	Blanket	(A)
Richard Gennarelli	Superintendent of Public Works	Blanket	(A)
Caroline Valdez	Secretary to Board of Health		
	Registrar of Vital Statistics	Blanket	(A)
Susan Frattarelli	Welfare Director	Blanket	(A)

(A) Employees are covered by a Blanket Public Employees' Faithful Performance Bond with the South Bergen Municipal Joint Insurance Fund in the amount of \$1,000,000 per loss.

**BOROUGH OF WOOD-RIDGE
SCHEDULE OF FINDINGS AND REPOSSES**

Prior Year Findings - Unresolved

Finding 2008-1 - The Borough maintains a cash basis general ledger for the Current Fund, General Capital Fund and Other Trust Funds.

Criteria or Specific Requirement - Technical Accounting Directive No. 85-3.
Statement of Auditing Standards (SAS) 112

Condition - The general ledger for the Current Fund does not include general journal entries to record the tax levy, municipal budget, and other items. In addition, the general ledger for the General Capital Fund does not include general journal entries to record bond ordinances, payment of debt and various other items. Furthermore, certain cash transactions were not recorded in the accounting records.

Cause – Required journal entries and certain cash transactions were not recorded in the general ledger by Borough personnel.

Effect - The general ledger is not utilized to analyze the Borough's financial position on a monthly basis.

Recommendation - Internal controls regarding the preparation of the Borough's general ledgers and financial reports be reviewed to ensure that general ledgers for all Borough funds are complete and reconciled with all subsidiary ledgers and bank reconciliations on a monthly basis.

Response - Borough personnel will be provided with the appropriate training so that they can reconcile the general ledger with all subsidiary ledgers and bank reconciliations on a monthly basis.

GENERAL COMMENTS

Our comments with respect to the examination and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation fraud during the examination are herewith set forth.

Current Year

Our audit of the Animal Control Fund revealed the following:

1. The fund ended the year with a deficit of \$397.
2. Monthly reports were not filed in a timely manner and the April 2008 report was filed twice with the State of New Jersey.

It is recommended that sufficient funding be available in the Animal Control Fund and all monthly reports be filed in a timely manner with the State of New Jersey.

Our audit revealed that the police pistol range maintenance reserve account does not have an approved dedication by rider resolution on file. In 2009, the Borough approved the required dedication by rider resolution, thus no recommendation is warranted.

**BOROUGH OF WOOD-RIDGE
SCHEDULE OF FINDINGS AND REPOSSES**

GENERAL COMMENTS

Our audit of the expenditures noted the following:

1. In certain instances, goods or services were ordered prior to the issuance of a purchase order.
2. In certain instances, a receipt of goods signature was not obtained.

It is recommended that internal controls relating to the Borough's purchasing and accounts payable system be reviewed and enhanced.

Prior Year

The following comments were reported in the prior year's audit and are also reported in the current year's audit.

Our audit revealed that the Net Payroll bank account was not always reconciled in a timely manner. Furthermore, the Net Payroll and Payroll Agency bank accounts had excess funds at December 31. It is recommended that the Net Payroll bank account be reconciled on a monthly basis and the Net Payroll and Payroll Agency bank accounts be maintained on an imprest basis.

Our audit of municipal departments revealed that:

- 1) Monies collected by recreation are not always deposited within forty-eight hours of receipt.
- 2) Construction code plumbing and fire fees were not always changed in accordance with the Borough fee ordinance.

It is recommended that internal control procedures be reviewed and enhanced to ensure that the municipal departments comply with the Borough's accounting practices and policies.

Our audit of the municipal court noted 74 traffic tickets were listed on the "tickets assigned, not issued" report as being over six months old. In addition there were 63 criminal complaints reported as being over six months old. It is recommended that all tickets assigned but not issued greater than six months old be recalled.

Certain Trust Fund escrow accounts were in a deficit position at December 31, 2008. It is recommended that escrow account balances be continually monitored to ensure that adequate funding is available for expenditures incurred by the Borough, on behalf of the respective applicant.

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$21,000 except by contract or agreement."

**BOROUGH OF WOOD-RIDGE
SCHEDULE OF FINDINGS AND REPOSSES**

GENERAL COMMENTS

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

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

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

Valley Boulevard Streetscape
Donna Ricker Memorial Field Improvements
Arnot Place Storm Sewer Project
10th Street Resurfacing

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishings or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear violations existed.

Our examination of expenditures did reveal individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6. This exception appears to be isolated, thus a recommendation is warranted.

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 1, 2008, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"WHEREAS, Assembly Bill No. 4425 and Senate Bill No. 2579 have been signed into law effective March 29, 1991 and April 4, 1991 respectively amending NJSA 54:4-67 and,

WHEREAS, the Mayor and Council of the Borough of Wood-Ridge are desirous of enacting the following changes with respect to the aforementioned bills:

- Interest now charged on a property tax delinquency shall be calculated on the sum of all taxes from year to year and not calculated on a yearly basis.
- An additional penalty of 6% will be added on the amount of a property tax delinquency in excess of \$10,000.

**BOROUGH OF WOOD-RIDGE
SCHEDULE OF FINDINGS AND REPOSSES**

GENERAL COMMENTS

Collection of Interest on Delinquent Taxes and Assessments (Continued)

- In regard to Tax Sale Certificates redemption, refer to N.J.S.A. 54:5-61 which sets forth the statutory penalties to be imposed, in addition to other charges and interest; i.e. 2% of the amount paid for the certificate over \$200.00 up to \$5,000.00; up to \$10,000.00, 4%; over \$10,000.00, 6%. This shall also apply to all existing certificates held by the Borough on the effective date of this act.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Wood-Ridge, County of Bergen, State of New Jersey, hereby authorize the Tax Collector to implement the above stated changes; and

BE IT FURTHER RESOLVED, that a certified copy of this Resolution be given to the Tax Collector.”

BOROUGH OF WOOD-RIDGE

RECOMMENDATIONS


It is recommended that:


- * 1. Internal controls regarding the preparation of the Borough's general ledgers and financial reports be reviewed to ensure that general ledgers for all Borough funds are complete and reconciled with all subsidiary ledgers and bank reconciliations on a monthly basis.
- 2. Internal controls relating to the Borough's purchasing and accounts payable system be reviewed and enhanced.
- 3. Sufficient funding be available in the Animal Control Fund and all reports be filed in a timely manner with the State of New Jersey.
- * 4. The Net Payroll bank account be reconciled on a monthly basis and the Net Payroll and Payroll Agency bank accounts be maintained on an imprest basis.
- * 5. Internal control procedures be reviewed and enhanced to ensure that the municipal departments comply with the Borough's accounting practices and procedures.
- * 6. All tickets assigned but not issued greater than six months old be recalled.
- * 7. Escrow account balances be continually monitored to ensure that adequate funding is available for expenditures incurred by the Borough, on behalf of the respective applicant.

* * * * *

A review was performed on all prior year's recommendations. The Borough has taken corrective action on all prior year recommendations except those denoted by an asterisk (*).

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


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
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