

BOROUGH OF WESTWOOD
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2009

BOROUGH OF WESTWOOD

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BOROUGH OF WESTWOOD

COUNTY OF BERGEN

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2009

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Westwood
Westwood, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Westwood as of December 31, 2009 and 2008 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2009. These financial statements are the responsibility of the Borough of Westwood's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the fourth 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 Westwood'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 regulatory 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 regulatory 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 (LOSAP) Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 29 percent and 26 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2009 and 2008.

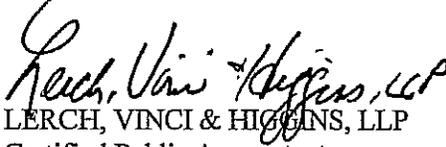
INDEPENDENT AUDITORS' REPORT (Continued)

In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Westwood as of December 31, 2009 and 2008, or the changes in its financial position 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.

However, 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 - regulatory basis referred to previously present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Westwood as of December 31, 2009 and 2008 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the revenues - regulatory basis and the expenditures - regulatory basis of the Current Fund for the year ended December 31, 2009 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 26, 2010 on our consideration of the Borough of Westwood'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 Westwood. 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 Westwood. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, 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
June 26, 2010

BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2009 AND 2008

ASSETS	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Cash - Collector-Treasurer	A-4	\$ 4,033,602	\$ 4,446,362
Cash - Change Fund	A-6	550	550
Grants Receivable	A-25	<u>47,120</u>	<u>34,479</u>
		<u>4,081,272</u>	<u>4,481,391</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	1,331,899	1,715,292
Tax Title Liens Receivable	A-9	28,715	30,437
Property Acquired for Taxes	A-10	3,198,600	3,188,600
Revenue Accounts Receivable	A-11	26,756	32,732
Due from Westwood Parking Authority	A-24	2,176	4,411
Due from Assessment Trust Fund	B-5	13,533	
Due from Public Assistance Trust Fund	D-5	-	326
Due from General Capital Fund	C-7	44,605	
Due from Animal Control Fund	B-10	1,540	
Due from Other Trust Fund	A-17,B-11	<u>246,319</u>	<u>253,251</u>
		<u>4,894,143</u>	<u>5,225,049</u>
Deferred Charges			
Overexpenditure of 2008 Budget	A-12		426
Special Emergency Authorizations (40A:4-53)	A-12	<u>27,220</u>	<u>34,025</u>
		<u>27,220</u>	<u>34,451</u>
Total Assets		<u>\$ 9,002,635</u>	<u>\$ 9,740,891</u>

BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2009 AND 2008
(Continued)

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Liabilities			
Appropriation Reserves	A-3,A-13	\$ 378,458	\$ 819,012
Encumbrances Payable	A-16	264,850	260,767
Due to State of NJ - Senior Citizens' and Veterans' Deductions	A-7	19,674	22,833
Due to State of NJ - Marriage Fees	A-14	825	1,175
Due to State of NJ-Construction Fees	A-15	3,950	4,134
Due to State of NJ-Burial Permits	A-27	650	670
Tax Overpayments	A-20	37,954	17,485
Prepaid Taxes	A-19	178,841	167,026
Accounts Payable	A-29	4,930	
Reserve for Codification of Ordinances	A-30	22,410	
County Taxes Payable	A-22	26,924	334,236
Unappropriated Reserves for Grants	A-26	59,864	25,917
Appropriated Reserves for Grants	A-18	76,655	61,008
Due to General Capital Fund	C-7	-	3,062
Reserve for the Sale of Assets	A-28	207,840	207,840
Other Liabilities - LOSAP Contribution	A-23	<u>77,052</u>	<u>80,000</u>
		1,360,877	2,005,165
Reserve for Receivables and Other Assets	A	4,894,143	5,225,049
Fund Balance	A-1	<u>2,747,615</u>	<u>2,510,677</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 9,002,635</u>	<u>\$ 9,740,891</u>

BOROUGH OF WESTWOOD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,223,950	\$ 1,234,000
Miscellaneous Revenue Anticipated	A-2	2,860,304	2,819,985
Receipts from Delinquent Taxes	A-2	755,742	392,007
Receipts from Current Taxes	A-2	35,838,351	34,350,559
Non-Budget Revenues	A-2	132,472	81,997
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-13	541,160	470,397
Interfunds and Other Receivables Returned	A	257,988	314,447
Other Liabilities Cancelled	A-23	9,555	-
		<u>41,619,522</u>	<u>39,663,392</u>
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	5,781,717	5,647,675
Other Expenses	A-3	6,125,237	5,940,705
Municipal Debt Service	A-3	1,883,004	1,894,765
Deferred Charges and Statutory Expenditures	A-3	1,106,681	938,205
Capital Improvement Fund	A-3	200,000	180,000
County Taxes	A-22	4,010,978	3,634,747
Due County for Added and Omitted Taxes	A-22	7,376	314,688
Regional School District Tax	A-21	20,719,785	19,584,138
Refunds of Prior Year Revenue	A-4	837	27,062
Interfunds and Other Receivables Established	A	308,173	257,988
Prior Year-Senior Citizens and Veterans Deductions (Net)	A-7	562	1,352
Prior Year Tax Appeals Granted	A-20	14,284	-
		<u>40,158,634</u>	<u>38,421,325</u>
Excess in Revenue		1,460,888	1,242,067
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget			
of Succeeding Year			
	A-12	<u>-</u>	<u>34,451</u>
Statutory Excess to Fund Balance		1,460,888	1,276,518
Fund Balance, January 1	A	<u>2,510,677</u>	<u>2,468,159</u>
		3,971,565	3,744,677
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>1,223,950</u>	<u>1,234,000</u>
Fund Balance, December 31	A	<u>\$ 2,747,615</u>	<u>\$ 2,510,677</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WESTWOOD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Reference	Anticipated Budget	Special N.J.S. 40A:4-87	Realized in 2009	Excess or (Deficit)
Surplus Anticipated	A-1	\$ 1,223,950	-	\$ 1,223,950	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-11	27,800		28,750	\$ 950
Other	A-2, A-11	21,500		20,772	(728)
Fees and Permits					
Other	A-2, A-11	54,000		53,902	(98)
Fines and Costs - Municipal Court	A-11	200,000		223,508	23,508
Interest and Costs on Taxes	A-11	130,000		201,082	71,082
Interest on Investments and Deposits	A-2	85,000		45,311	(39,689)
Recreation Fees	A-11	108,000		112,876	4,876
Consolidated Municipal Property Tax Relief	A-11	175,871		175,871	
Energy Receipts Tax	A-11	1,104,873		1,104,873	
Watershed Moratorium Offset Aid	A-11	705		705	
Uniform Construction Code Fees	A-11	240,000		235,209	(4,791)
Interlocal Agreement - Welfare	A-11			5,000	5,000
Interlocal Agreement - Tax Assessor - 2008	A-11	47,000		47,000	
Interlocal Agreement - Tax Assessor - 2009	A-11	58,116		54,521	(3,595)
Drunk Driving Enforcement Fund	A-26	10,015		10,015	
Green Community Challenge Grant	A-25	3,000		3,000	
Clean Communities Program	A-25		\$ 17,439	17,439	
Alcohol Education and Rehab Fund	A-25		2,654	2,654	
Municipal Alliance on Alcoholism & Drug Abuse	A-25		11,017	11,017	
Police Body Armor	A-25	2,335		2,335	
Community Stewardship Incentive Program	A-25		15,905	15,905	
Click it or Ticket	A-25	4,000		4,000	
Graduated Driving License - Enforcement & Education	A-25		2,000	2,000	
Over the Limit/ Under Arrest	A-25	4,922		4,922	
Disposal of Forfeited Property - Police Dept. Accreditation	A-25		20,000	20,000	
SHARE Grant - Feasibility Study - DPW Services	A-25		21,450	21,450	
Uniform Fire Safety Act	A-11	87,000		86,970	(30)
Assessment Trust Fund Surplus	B-1	10,000		10,000	
Westwood House - Contribution in Lieu of Taxes	A-11	113,000		100,584	(12,416)
Westwood Parking Authority	A-11	45,000		45,000	
Cellular One Lease Agreement	A-11	59,500		63,857	4,357
Cable Television Franchise Fees	A-11	45,527		55,023	9,496
Reserve for Payment of Bonds	C-17	50,000		50,000	
Recycling Contract	A-11	25,000		24,753	(247)
Total Miscellaneous Revenues	A-1	2,712,164	90,465	2,860,304	57,675
Receipts from Delinquent Taxes	A-8	502,482		755,742	253,260
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	11,462,531		11,983,369	520,838
Total General Revenues	A-3	\$ 15,901,127	\$ 90,465	16,823,365	\$ 831,773
Non-Budget Revenue	A-2			132,472	
				\$ 16,955,837	

BOROUGH OF WESTWOOD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenues from Collections	A-1,A-8	\$ 35,838,351
Less: Allocation to School and County Taxes	A-21,A-22	<u>24,738,139</u>
		11,100,212
Balance for Support of Municipal Budget Appropriation		11,100,212
Add Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>883,157</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 11,983,369</u>
Licenses		
Clerk	A-11	\$ 6,064
Health	A-11	<u>14,708</u>
	A-2	<u>\$ 20,772</u>
Fees and Permits		
Other		
Tax Collector	A-11	\$ 620
Police	A-11	4,387
Housing Task Force	A-11	3,500
Health	A-11	<u>45,395</u>
	A-2	<u>\$ 53,902</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-11	\$ 29,834
Due from Other Trust Fund	B-7	5,207
Due from Animal Control Fund	B-10	91
Due from General Capital Fund	C-7	9,972
Due from Public Assistance Fund	D-5	<u>207</u>
	A-2	<u>\$ 45,311</u>

BOROUGH OF WESTWOOD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Reference</u>	
Analysis of Non-Budget Revenue		
Other Miscellaneous		\$ 112,675
Maps and Codes		406
Bid Specs		315
Printouts - Tax Dept.		445
Duplicate Tax Bills		213
Interest on Assessments		3,533
Return Check Charges		320
Facility Use Deposits		6,000
Property Lists		552
Election Rentals		320
2% Administrative Fee - SC/Vets		1,911
Traffic Light Emerson		177
Non-Refundable Application Fees		<u>5,605</u>
	A-2	<u>\$ 132,472</u>
Cash Receipts	A-4	\$ 127,490
Due from Animal Control Trust Fund	B-10	1,449
Due from Assessment Trust Fund	B-5	<u>3,533</u>
	A-2	<u>\$ 132,472</u>

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Appropriated</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>2009 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	\$ 221,000	\$ 224,350	\$ 224,344	\$ 6	
Other Expenses	50,310	45,310	34,930	10,380	
Mayor and Council					
Salaries and Wages	37,050	37,050	36,688	362	
Other Expenses	900	900	900		
Municipal Clerk					
Salaries and Wages	112,500	112,500	111,925	575	
Other Expenses	47,950	47,950	33,230	14,720	
Elections	10,500	10,500	10,191	309	
Financial Department					
Salaries and Wages	168,000	168,000	167,761	239	
Other Expenses	37,830	37,830	35,503	2,327	
Audit Services	31,000	31,000	31,000		
Revenue Collection					
Salaries and Wages	10,000	10,000	9,938	62	
Other Expenses	20,775	20,775	19,631	1,144	
Liquidation of Tax Title Lien	100	100		100	
Tax Assessment Administration					
Salaries and Wages	64,300	64,300	57,230	7,070	
Other Expenses	84,725	84,825	84,749	76	
Legal Services and Costs					
Salaries and Wages	47,100	47,100	45,396	1,704	
Other Expenses	136,272	136,272	126,732	9,540	
Engineering					
Other Expenses	31,500	31,500	27,590	3,910	
Historical Sites Office					
Other Expenses	25	25	25		
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	17,000	17,000	16,369	631	
Other Expenses	30,500	30,500	24,629	5,871	
OTHER CODE ENFORCEMENT - HOUSING TASK FORCE					
Salaries and Wages	20,000	8,730	8,132	598	
Other Expenses	4,000	4,100	4,069	31	
INSURANCE					
General Liability Insurance (BJIF)	206,700	208,400	205,016	3,384	
Workers' Compensation Insurance (BJIF)	214,100	214,100	204,814	9,286	
Employee Group Insurance (BMED)	1,123,640	1,148,640	1,146,579	2,061	
PUBLIC SAFETY FUNCTIONS					
Police Department					
Salaries and Wages	3,220,270	3,197,070	3,177,726	19,344	
Other Expenses	104,480	104,480	103,084	1,396	
Acquisition of Police Vehicles	79,800	48,770	44,892	3,878	
Police Reserves	8,200	8,200	8,014	186	
Police Dispatch/911					
Salaries and Wages	174,000	171,000	169,893	1,107	
Other Expenses	500	500	63	437	

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Appropriated</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>2009 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTIONS (Cont'd)					
Office of Emergency Management					
Salaries and Wages	\$ 4,100	\$ 4,100	\$ 3,200	\$ 900	
Other Expenses	450	450	124	326	
Aid to Volunteer Ambulance Co.	22,000	22,000	22,000		
Fire Department					
Other Expenses	58,600	59,430	59,350	80	
Clothing Allowance	41,000	41,000	41,000		
Fire Hose and Foam	4,500	4,500	4,130	370	
Fire Hydrant Service	125,000	139,170	127,112	12,058	
Uniform Fire Safety Act					
Fire Official					
Salaries and Wages	63,700	63,700	63,650	50	
Other Expenses	2,080	2,480	2,470	10	
Life Hazard Use Fee Payments					
Other Expenses	2,500	2,500	2,441	59	
Prosecutor					
Salaries and Wages	18,000	18,001	18,000	1	
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries and Wages	738,800	748,700	747,686	1,014	
Other Expenses	213,300	213,300	148,554	64,746	
Other Public Works Functions					
Shade Tree - Advisory Committee					
Other Expenses	7,615	7,615	7,615		
Solid Waste Collection					
Sanitation - Garbage and Trash Collection	358,000	350,249	346,103	4,146	
Recycling					
Salaries and Wages	10,000	10,000	9,993	7	
Building and Grounds					
Salaries and Wages	63,800	63,800	62,282	1,518	
Other Expenses	82,650	83,150	82,951	199	
Vehicle Maintenance					
Other Expenses	72,000	72,000	66,819	5,181	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Public Health Services					
Salaries and Wages	116,400	116,400	113,239	3,161	
Other Expenses	116,594	116,594	109,351	7,243	
Welfare/Administration of Public Assistance					
Salaries and Wages	26,400	26,700	26,678	22	
Other Expenses	885	885	393	492	

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Appropriated</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>2009 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAPS" (Cont'd)					
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	\$ 170,400	\$ 186,500	\$ 186,442	\$ 58	
Other Expenses	80,140	80,140	58,596	21,544	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	8,500	8,500	2,301	6,199	
MUNICIPAL COURT					
Salaries and Wages	124,600	124,600	124,274	326	
Other Expenses	17,790	17,790	11,804	5,986	
Public Defender					
Salaries and Wages	8,000	8,000	8,000		
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
CODE ENFORCEMENT AND ADMINISTRATION					
Code Enforcement and Administration					
Building Inspector					
Salaries and Wages	296,000	296,000	279,670	16,330	
Other Expenses	14,600	14,600	7,500	7,100	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	150,000	160,000	148,954	11,046	
Street Lighting	140,000	146,000	133,163	12,837	
Telephone	54,500	59,900	59,871	29	
Water	15,000	15,000	14,234	766	
Natural Gas	55,000	55,000	41,350	13,650	
Sewerage Processing and Disposal	28,500	12,500	11,653	847	
Gasoline	125,000	125,000	91,206	33,794	
Repairs to Traffic Lights	10,000	10,000	9,273	727	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Garbage Tipping Fees	<u>350,000</u>	<u>352,500</u>	<u>352,425</u>	<u>75</u>	<u>-</u>
Total Operations Within "CAPS"	<u>10,111,431</u>	<u>10,110,531</u>	<u>9,776,900</u>	<u>333,631</u>	<u>-</u>
Contingent	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total Operations including Contingent - Within "CAPS"	<u>10,112,431</u>	<u>10,111,531</u>	<u>9,776,900</u>	<u>334,631</u>	<u>-</u>
Detail:					
Salaries & Wages	5,731,420	5,723,601	5,668,516	55,085	-
Other Expenses	4,381,011	4,387,930	4,108,384	279,546	-

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2009 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL-WITHIN "CAPS"					
Statutory Charges					
Social Security System (O.A.S.I.)	\$ 240,000	\$ 240,900	\$ 240,892	\$ 8	
Contribution to Public Employees Ret. System	209,990	209,990	209,984	6	
Police and Fireman's Retirement System of NJ	642,560	642,560	642,555	5	
Defined Contribution Plan	1,000	1,000	502	498	
Widow Pension (Per R.S. 43.12-28.1 & 28.2)	5,000	5,000	5,000		
Deferred Charge Charges					
Overexpenditure of 2008 Appropriation	<u>426</u>	<u>426</u>	<u>426</u>	<u>-</u>	<u>-</u>
 Total Deferred Charges & Statutory Expenditures - Within "CAPS"	 <u>1,098,976</u>	 <u>1,099,876</u>	 <u>1,099,359</u>	 <u>517</u>	 <u>-</u>
 Total General Appropriations for Municipal Purposes within "CAPS"	 <u>11,211,407</u>	 <u>11,211,407</u>	 <u>10,876,259</u>	 <u>335,148</u>	 <u>-</u>
 OPERATIONS - EXCLUDED FROM "CAPS"					
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	717,900	717,900	702,573	15,327	
 UTILITY EXPENSES AND BULK PURCHASES					
Sewerage Processing and Disposal					
Other Municipalities-Contractual-Emerson	8,000	8,000		8,000	
Bergen County Utilities Authority	752,670	752,670	751,888	782	
Recycling Tonnage Tax	14,000	14,000	13,500	500	
 Length of Service Awards Program - LOSAP	 80,000	 80,000	 77,052	 2,948	
Reserve for Tax Appeals	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
 Total Operations - Excluded from "CAPS"	 <u>1,622,570</u>	 <u>1,622,570</u>	 <u>1,595,013</u>	 <u>27,557</u>	 <u>-</u>
 Interlocal Municipal Service Agreements					
Tax Assessors Agreements - Boroughs of					
New Milford and Woodcliff Lake	<u>58,116</u>	<u>58,116</u>	<u>58,116</u>	<u>-</u>	<u>-</u>
 Total Interlocal Municipal Service Agreements	 <u>58,116</u>	 <u>58,116</u>	 <u>58,116</u>	 <u>-</u>	 <u>-</u>

**BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2009 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
(Continued)					
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
FEDERAL AND STATE GRANTS					
Municipal Alliance Program					
State Share		\$ 11,017	\$ 11,017		
Local Share					
Alcohol Education Enforcement		2,654		\$ 2,654	
Drunk Driving Enforcement Fund	\$ 10,015	10,015	4,178	5,837	
Police Body Armor	2,335	2,335		2,335	
NJ Clean Communities		17,439	17,439		
DEP Green Communities	3,000	3,000	3,000		
Community Stewardship Grant		15,905	15,905		
Over the Limit/ Under Arrest	4,922	4,922	1,445	3,477	
Click it or Ticket	4,000	4,000	4,000		
Highway Safety Grant for GLE		2,000	2,000		
Police Accreditation		20,000	20,000		
DPW Feasibility Study	-	21,450	20,000	1,450	-
	<u>24,272</u>	<u>114,737</u>	<u>98,984</u>	<u>15,753</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues					
	<u>24,272</u>	<u>114,737</u>	<u>98,984</u>	<u>15,753</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,704,958</u>	<u>1,795,423</u>	<u>1,752,113</u>	<u>43,310</u>	<u>-</u>
Detail:					
Salaries & Wages	58,116	58,116	58,116		
Other Expenses	1,646,842	1,737,307	1,693,997	43,310	-
	<u>1,704,958</u>	<u>1,795,423</u>	<u>1,752,113</u>	<u>43,310</u>	<u>-</u>
CAPITAL IMPROVEMENTS -					
EXCLUDED FROM "CAPS"					
Capital Improvement Fund	200,000	200,000	200,000	-	-
	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements - Excluded from "CAPS"	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2009 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 800,000	\$ 800,000	\$ 800,000		
Payment of Bond Anticipation Notes and Capital Notes	114,000	114,000	114,000		
Interest on Bonds	406,200	406,200	406,123	\$ 77	
Interest on Notes	116,800	116,800	116,521		279
Economic Development Authority Loan Repayments for Principal and Interest	26,900	26,900	26,880		20
Environmental Infrastructure Trust/Fund Loans Loan Repayments for Principal and Interest	430,900	430,900	419,480	-	11,420
	<u>1,894,800</u>	<u>1,894,800</u>	<u>1,883,004</u>	<u>-</u>	<u>11,796</u>
Total Municipal Debt Service - Excluded from "CAPS"					
DEFERRED CHARGES					
Special Emergency Authorizations - 5 yrs. (N.J.S. 40A:4-55)	6,805	6,805	6,805	-	-
	<u>6,805</u>	<u>6,805</u>	<u>6,805</u>	<u>-</u>	<u>-</u>
Total Deferred Charges - Municipal Excluded from "CAPS"					
	<u>6,805</u>	<u>6,805</u>	<u>6,805</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,806,563</u>	<u>3,897,028</u>	<u>3,841,922</u>	<u>\$ 43,310</u>	<u>11,796</u>
Subtotal General Appropriations	15,017,970	15,108,435	14,718,181	378,458	11,796
RESERVE FOR UNCOLLECTED TAXES	<u>883,157</u>	<u>883,157</u>	<u>883,157</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 15,901,127</u>	<u>\$ 15,991,592</u>	<u>\$ 15,601,338</u>	<u>\$ 378,458</u>	<u>\$ 11,796</u>
	<u>Reference</u>	A-2	A-1	A, A-1	
Adopted Budget	A-2	\$ 15,901,127			
Added by N.J.S 40A:4-87	A-2	<u>90,465</u>			
		<u>\$ 15,991,592</u>			
Cash Disbursed	A-4		\$ 14,059,468		
Current Fund Expenditures Paid by Other Trust Fund	A-17		259,580		
Encumbrances Payable	A-16		264,850		
Reserve for Uncollected Taxes	A-2		883,157		
Deferred Charges	A-12		7,231		
Transfer to Other Liabilities-LOSAP					
Contribution	A-23		77,052		
Reserve for Tax Appeals Pending	A-31		<u>50,000</u>		
			<u>\$ 15,601,338</u>		

BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2009 AND 2008

ASSETS	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Assessment Trust Fund			
Cash	B-2, B-3	\$ 107,152	\$ 76,247
Assessments Receivable	B-4	<u>23,078</u>	<u>50,450</u>
		<u>130,230</u>	<u>126,697</u>
Animal Control Fund			
Cash	B-2	<u>15,483</u>	<u>11,498</u>
		<u>15,483</u>	<u>11,498</u>
Other Trust Fund			
Cash	B-2	<u>1,306,828</u>	<u>1,060,090</u>
		<u>1,306,828</u>	<u>1,060,090</u>
Unemployment Insurance Trust Fund			
Cash	B-2	<u>-</u>	<u>21,313</u>
Length of Service Award Program Fund (Unaudited)			
Investments	B	514,025	348,289
Contribution Receivable	B	<u>77,052</u>	<u>80,000</u>
		<u>591,077</u>	<u>428,289</u>
Total Assets		<u>\$ 2,043,618</u>	<u>\$ 1,647,887</u>

BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Assessment Trust Fund			
Due to Current Fund	B-5	\$ 13,533	
Reserve for Assessments and Liens	B-6	23,078	\$ 50,450
Fund Balance	B-1	<u>93,619</u>	<u>76,247</u>
		<u>130,230</u>	<u>126,697</u>
Animal Control Fund			
Due to Current Fund	B-10	1,540	-
Due to State of New Jersey	B-9	7	-
Reserve for Animal Control Expenditures	B-8	<u>13,936</u>	<u>11,498</u>
		<u>15,483</u>	<u>11,498</u>
Other Trust Fund			
Escrow Deposits Payable	B-11	192,576	172,864
Reserve for Sanitary Landfill Closure	B-13	32,641	32,290
Reserve for Payroll and Payroll Deductions Payable	B-16	1,853	(62)
Miscellaneous Reserves	B-15	819,831	590,417
Reserve for POAA Court Expenditures	B-14	12,612	11,330
Due to Current Fund	B-7	246,319	253,251
Due to Westwood Parking Authority	B-17	<u>996</u>	<u>-</u>
		<u>1,306,828</u>	<u>1,060,090</u>
Unemployment Insurance Trust Fund			
Cash (Overdraft)	B-2	343	
Reserve for Unemployment Claims	B-12	<u>(343)</u>	<u>21,313</u>
		<u>-</u>	<u>21,313</u>
Length of Service Award Program Fund (Unaudited)			
Reserve for Length of Service Award Program	B	<u>591,077</u>	<u>428,289</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,043,618</u>	<u>\$ 1,647,887</u>

**BOROUGH OF WESTWOOD
STATEMENT OF FUND BALANCE - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	B	\$ 76,247	\$ 106,105
Increased by:			
Collection of Unpledged Assessments	B-3,B-6	<u>27,372</u>	<u>32,268</u>
		<u>103,619</u>	<u>138,373</u>
Decreased by:			
Amount to be Raised for Cancelled Assessments - Cancelled	B		52,126
Realized as Current Fund Revenue	A-2	<u>10,000</u>	<u>10,000</u>
		<u>10,000</u>	<u>62,126</u>
Balance, December 31	B	<u>\$ 93,619</u>	<u>\$ 76,247</u>

**BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
ASSETS			
Cash	C-2	\$ 1,384,451	\$ 573,832
Deferred Charges to Future Taxation			
Funded	C-4	12,794,019	13,976,117
Unfunded	C-5	6,895,994	5,130,309
Grants Receivable	C-6	569,260	369,260
Due from Current Fund	C-7	-	3,062
Environmental Infrastructure Loan Receivable	C-16	31,386	764,937
Prospective Assessments Raised by Taxation	C-14	<u>2,950</u>	<u>2,950</u>
 Total Assets		 <u>\$ 21,678,060</u>	 <u>\$ 20,820,467</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-8	\$ 10,339,000	\$ 11,139,000
Bond Anticipation Notes	C-9	4,833,975	4,112,735
EDA Loans Payable	C-15	2,455,019	2,837,117
Improvement Authorizations			
Funded	C-10	223,692	250,898
Unfunded	C-10	2,285,715	977,224
Due to Current Fund	C-7	44,605	
Encumbrances Payable	C-11	797,010	559,923
Accounts Payable	C-12	36,626	36,626
Capital Improvement Fund	C-13	345,018	310,633
Reserve for:			
Prospective Assessments Raised by Taxation	C-14	2,950	2,950
Payment of Bonds	C-17	131,299	181,299
Pascack Brook Park Bikeway	C-18	50,188	292,500
Issuance Costs - 2008 Refunding Bonds	C	4,190	4,190
Fund Balance	C-1	<u>128,773</u>	<u>115,372</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 21,678,060</u>	 <u>\$ 20,820,467</u>

There were bonds and notes authorized but not issued of \$2,062,302 and \$1,017,857 at December 31, 2009 and 2008, respectively (Exhibit C-19).

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WESTWOOD
COMPARATIVE STATEMENTS OF FUND BALANCE -REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	C	\$ 115,372	\$ 101,598
Increased by:			
Premium on Sale of Bonds and Notes	C-2	13,401	13,197
Funded Improvement Authorizations Cancelled	C-1	<u>-</u>	<u>577</u>
Balance, December 31	C	<u>\$ 128,773</u>	<u>\$ 115,372</u>

**BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
ASSETS			
Cash	D-1	\$ <u>39,898</u>	\$ <u>48,761</u>
Total Assets		\$ <u>39,898</u>	\$ <u>48,761</u>
 LIABILITIES AND RESERVES			
Due to Current Fund	D-5		\$ 326
Reserve for Public Assistance Expenditures	D-2	\$ <u>39,898</u>	<u>48,435</u>
Total Liabilities and Reserves		\$ <u>39,898</u>	\$ <u>48,761</u>

**BOROUGH OF WESTWOOD
SCHEDULE OF GENERAL FIXED ASSETS
REGULATORY BASIS
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
Land and Improvements	\$ 15,893,400	\$ 15,893,400
Buildings and Building Improvements	8,651,335	8,651,335
Machinery and Equipment	<u>6,173,068</u>	<u>6,095,133</u>
	<u>\$ 30,717,803</u>	<u>\$ 30,639,868</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 30,717,803</u>	<u>\$ 30,639,868</u>

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NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Westwood 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 regulatory 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 Westwood (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 squad, 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.

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.

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Assessment Trust Fund - This fund is used to account for special benefit assessments levied against properties for specific purposes.

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.

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.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former 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 and other capital assets, 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 general fixed assets of the Borough. The Borough's infrastructure is not reported in the account group.

The Borough of Westwood 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 ("regulatory 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:

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. 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 WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Budgets and Budgetary Accounting

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 2009 and 2008 the Borough Council increased the original budget by \$90,465 and \$82,093. The increases were funded by additional aid allotted to the Borough and, in addition in 2008, an emergency resolution for \$34,025. In addition, the governing body approved several budget transfers during 2009 and 2008.

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 WESTWOOD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

2008	Modified <u>Budget</u>	<u>Actual</u>	Unfavorable <u>Variance</u>
Current Fund			
Recycling Tonnage Tax	<u>\$13,086</u>	<u>\$13,512</u>	<u>\$426</u>

In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

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.

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.

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Westwood 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 sewerage and drainage systems are not capitalized.

Fixed Assets purchased after December 31, 1995 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to December 31, 1995 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement 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, 2008 balances to conform to the December 31, 2009 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.

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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 Borough is required to deposit their funds in a depository which is protecting such funds pursuant to 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.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2009 and 2008, the book value of the Borough's deposits were \$6,887,621 and \$6,238,653 and bank and brokerage firm balances of the Borough's deposits amounted to \$6,930,835 and \$6,210,028, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>2009</u>	<u>2008</u>
Insured	\$ 6,833,194	\$ 6,091,618
Uninsured and Uncollateralized	<u>97,641</u>	<u>118,410</u>
	<u>\$ 6,930,835</u>	<u>\$ 6,210,028</u>

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, 2009 and 2008, the Borough's bank balance of \$97,641 and \$118,410 was exposed to custodial credit risk as follows:

	<u>2009</u>	<u>2008</u>
Uninsured and uncollateralized	<u>\$ 97,641</u>	<u>\$ 118,410</u>

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

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, 2009 and 2008, the Borough had the following investments:

	<u>Fair and Reported Value</u>	
	<u>2009</u>	<u>2008</u>
Investment:		
Investment with Lincoln Financial (LOSAP) - Unaudited	\$ 514,025	\$ 348,289

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the 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.

Interest Rate Risk – The Borough does not have a formal investment policy that limits investment maturities as a means of managing it’s 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.

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

The fair value of the above-listed investment was based on quoted market prices.

Interest earned in the General Capital Fund, Assessment Trust Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 3 TAXES RECEIVABLE

Receivables at December 31, 2009 and 2008 consisted of the following:

	<u>2009</u>	<u>2008</u>
<u>Current</u>		
Property Taxes	\$ 1,331,899	\$ 1,715,292
Tax Title Liens	<u>28,715</u>	<u>30,437</u>
	<u>\$ 1,360,614</u>	<u>\$ 1,745,729</u>

In 2009 and 2008, the Borough collected \$755,742 and \$392,007 from delinquent taxes, which represented 43% and 75% of the prior year delinquent taxes receivable balance.

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. 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>2009</u>	<u>2008</u>
Issued		
General		
Bonds, Notes and Loans	\$ <u>17,627,994</u>	\$ <u>18,088,852</u>
	17,627,994	18,088,852
Less Funds Temporarily Held to Pay Bonds and Notes	<u>131,299</u>	<u>181,299</u>
Net Debt Issued	<u>17,496,695</u>	<u>17,907,553</u>
Authorized But Not Issued		
General		
Bonds and Notes	2,062,019	1,017,574
Assessment		
Bonds and Notes	<u>283</u>	<u>283</u>
	<u>2,062,302</u>	<u>1,017,857</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 19,558,997</u>	<u>\$ 18,925,410</u>

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 0.98% and 0.97% at December 31, 2009 and 2008, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2009</u>			
General Debt	\$ 19,690,296	\$ 131,299	\$ 19,558,997
School Debt	<u>8,686,201</u>	<u>8,686,201</u>	<u>-</u>
Total	<u>\$ 28,376,497</u>	<u>\$ 8,817,500</u>	<u>\$ 19,558,997</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2008</u>			
General Debt	\$ 19,106,709	\$ 181,299	\$ 18,925,410
School Debt	<u>8,855,169</u>	<u>8,855,169</u>	<u>-</u>
Total	<u>\$ 27,961,878</u>	<u>\$ 9,036,468</u>	<u>\$ 18,925,410</u>

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

	<u>2009</u>	<u>2008</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 69,513,715 <u>19,558,997</u>	\$ 67,475,677 <u>18,925,410</u>
Remaining Borrowing Power	<u>\$ 49,954,718</u>	<u>\$ 48,550,267</u>

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

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>2009</u>	<u>2008</u>
\$5,674,000, 2003 Bonds, due in annual installments of \$250,000 to \$514,000 through September 2023, interest at 4.00% to 4.125%	\$ 5,024,000	\$ 5,274,000
\$4,555,000, 2004 Refunding Bonds, due in annual installments of \$350,000 to \$480,000 through August 2017, interest at 2.00% to 3.60%	3,305,000	3,660,000
\$2,235,000, 2008 Refunding Bonds, due in annual installments of \$185,000 to \$230,000 through August 2019, interest at 3.00% to 5.00%	<u>2,010,000</u>	<u>2,205,000</u>
	<u>\$ 10,339,000</u>	<u>\$ 11,139,000</u>

General Intergovernmental Loans Payable

The Borough has entered into loan agreements with the New Jersey Economic Development Authority for the financing relating to the construction of a new municipal building, improvements to the Free Public Library and closure of the municipal landfill. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2009</u>	<u>2008</u>
\$500,100, 1994 Loan due in Semi-annual installments of \$25,005 through August 2013, interest at 1.5%	\$ 100,020	\$ 125,025
\$2,520,000 Trust Loan due in Annual installments of \$175,000 to \$240,000 through August 2015, interest at 5%-5.13%	1,290,000	1,470,000
\$2,445,000 Loan due in Semi-annual installments of \$4,291 to \$171,755 through August 2015, interest free	<u>1,064,999</u>	<u>1,242,092</u>
	<u>\$ 2,455,019</u>	<u>\$ 2,837,117</u>

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2009 is as follows:

Calendar Year	General		Loans		Total
	Principal	Interest	Principal	Interest	
2010	\$ 795,000	\$ 379,622	\$ 392,795	\$ 66,300	\$ 1,633,717
2011	800,000	353,273	403,144	56,425	1,612,842
2012	810,000	327,853	413,144	46,050	1,597,047
2013	825,000	301,185	422,795	35,175	1,584,155
2014	880,000	273,278	407,093	23,800	1,584,171
2015-2019	4,205,000	871,890	416,048	12,300	5,505,238
2020-2023	<u>2,024,000</u>	<u>209,798</u>	<u>-</u>	<u>-</u>	<u>2,233,798</u>
Total	<u>\$ 10,339,000</u>	<u>\$ 2,716,899</u>	<u>\$ 2,455,019</u>	<u>\$ 240,050</u>	<u>\$ 15,750,968</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years 2009 and 2008 were as follows:

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>	Due Within <u>One Year</u>
<u>2009</u>					
General Capital Fund					
Bonds Payable	\$ 11,139,000		\$ 800,000	\$ 10,339,000	\$ 795,000
Intergovernmental Loans Payable	<u>2,837,117</u>	<u>-</u>	<u>382,098</u>	<u>2,455,019</u>	<u>392,795</u>
General Capital Fund Long-Term Liabilities	<u>\$ 13,976,117</u>	<u>\$ -</u>	<u>\$ 1,182,098</u>	<u>\$ 12,794,019</u>	<u>\$ 1,187,795</u>

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	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					
Bonds Payable	\$ 11,772,000	\$ 2,235,000	\$ 2,868,000	\$ 11,139,000	\$ 800,000
Intergovernmental Loans Payable	<u>3,231,831</u>	<u>-</u>	<u>394,714</u>	<u>2,837,117</u>	<u>382,098</u>
General Capital Fund Long-Term Liabilities	<u>\$ 15,003,831</u>	<u>\$ 2,235,000</u>	<u>\$ 3,262,714</u>	<u>\$ 13,976,117</u>	<u>\$ 1,182,098</u>
Trust Assessment Fund					
Bonds Payable	<u>\$ 57,000</u>	<u>\$ -</u>	<u>\$ 57,000</u>	<u>\$ -</u>	<u>\$ -</u>

Short-Term Debt

The Borough's short-term capital debt activity for the years 2009 and 2008 was as follows:

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
Bond Anticipation Notes				
General Capital Fund	<u>\$ 4,112,735</u>	<u>\$ 4,833,975</u>	<u>\$ 4,112,735</u>	<u>\$ 4,833,975</u>

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
Bond Anticipation Notes				
General Capital Fund	<u>\$ 3,687,485</u>	<u>\$ 4,112,735</u>	<u>\$ 3,687,485</u>	<u>\$ 4,112,735</u>

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years 2009 and 2008.

	December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2009</u>
<u>2009</u>				
Land and Improvements	\$ 15,893,400			\$ 15,893,400
Buildings and Building Improvements	8,651,335			8,651,335
Machinery and Equipment	<u>6,095,133</u>	<u>\$ 77,935</u>	<u>\$ -</u>	<u>6,173,068</u>
	<u>\$ 30,639,868</u>	<u>\$ 77,935</u>	<u>\$ -</u>	<u>\$ 30,717,803</u>
	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Land and Improvements	\$ 15,893,400			\$ 15,893,400
Buildings and Building Improvements	8,651,335			8,651,335
Machinery and Equipment	<u>5,778,328</u>	<u>\$ 316,805</u>	<u>\$ -</u>	<u>6,095,133</u>
	<u>\$ 30,323,063</u>	<u>\$ 316,805</u>	<u>\$ -</u>	<u>\$ 30,639,868</u>

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>2009</u>		<u>2008</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	\$ 305,997		\$ 253,577	\$ 3,062
Trust Funds				
Assessment Trust Fund		\$ 13,533		
Animal Control Fund		1,540		
Other Trust Fund		246,319		253,251
General Capital Fund		44,605	3,062	
Public Assistance Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>326</u>
Total	<u>\$ 305,997</u>	<u>\$ 305,997</u>	<u>\$ 256,639</u>	<u>\$ 256,639</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.

**BOROUGH OF WESTWOOD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance December 31, <u>2009</u>	Utilized in Subsequent Year's Budget	Fund Balance December 31, <u>2008</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 2,673,275	\$ 1,350,000	\$ 2,441,747	\$ 1,223,950
Non-Cash Surplus	<u>74,340</u>	<u>-</u>	<u>68,930</u>	<u>-</u>
	<u>\$ 2,747,615</u>	<u>\$ 1,350,000</u>	<u>\$ 2,510,677</u>	<u>\$ 1,223,950</u>

The above fund balance amounts appropriated represent the surplus anticipated in the 2010 adopted municipal budget.

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:

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2009</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	<u>\$27,220</u>	<u>\$6,805</u>	<u>\$20,415</u>
<u>2008</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$34,025	\$6,805	\$27,220
Overexpenditure of Appropriations	426	426	

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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 (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$1,060,665 and \$1,076,126 at December 31, 2009 and 2008, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2009, the Borough has reserved \$257,798 to fund compensated absences in accordance with NJSA 40A:4-39.

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 healthcare for those eligible employees whose local employers elected to do so, 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 healthcare coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension 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.

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pension.

Basis of Accounting

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

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.

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Significant Legislation

P.L. 2009, c. 19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS and PFRS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS and PFRS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 72.6 percent with an unfunded actuarial accrued liability of \$34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and \$23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and \$11.4 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Methods and Assumptions

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 5.5% for PERS, 8.50% for PFRS and 5.5% for DCRP of employees' annual compensation.

Annual Pension Cost (APC)

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employee contribution.

During the years ended December 31, 2009, 2008 and 2007, the Borough was required to contribute for normal cost pension contributions the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2009	\$ 642,555	\$ 209,984	\$ 502
2008	546,312	153,373	512
2007	381,998	87,920	

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

The Borough currently does not provide employer paid post-retirement benefits to its active or retired employees.

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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 commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Westwood is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) 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 BJIF and MEL coverage amounts are on file with the Borough.

The Borough is also a member of the Bergen County Municipal Employees Benefit Fund (BMED). This fund is an insured and self-administered group established for the sole purpose of providing medical and dental insurance coverage to the employees of member municipalities. The BMED is a risk-sharing public entity pool. The provided 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</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2009	-0-	\$ 8,204	\$ 29,878	\$ (343)
2008	-0-	20,119	31,676	21,313
2007	-0-	8,401	23,816	32,742

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2009 and 2008. 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. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

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, 2009 and 2008, 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, 2009 and 2008, the Borough had no estimated arbitrage earnings due to the IRS.

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Westwood Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on July 27, 1999 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 Westwood approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2000. 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.

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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

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 Westwood has contributed \$1,150 and \$1,150 for 2009 and 2008, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed \$1,150 and \$1,150 for 2009 and 2008, respectively for each eligible volunteer first aid squad members into the Plan.

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 Financial Group 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.

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 WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2009</u>		
Pedestrian Biking	\$102,679	2010
Stabilization of Pascack Brook	20,917	2010
2009 Road Paving Program	55,258	2010
Railroad Crossing Signalization Upgrade	13,276	2010
Motorola Centracom Gold Elite Console	78,667	2010
<u>2008</u>		
Emerson Pump Station	\$80,125	2009
Stabilization of Pascack Brook	20,917	2009
Westvale Park Lighting	12,970	2009
Pedestrian Bikeway	102,679	2009
Landfill Closure	96,622	2009

NOTE 17 CLOSURE AND POST-CLOSURE CARE COSTS

In accordance with the requirements of the State of New Jersey, Department of Environmental Protection the Borough is required to develop a Closure and Post-Closure Financial Plan for the Westwood Landfill which has remained dormant for over ten years. In addition, the Borough must perform certain maintenance and monitoring functions at the site for a period of thirty years after closure. The closure was scheduled to be completed by September 2007 with post closure commencing thereafter. The estimated closure costs and post closure costs are \$3,000,000. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Available escrow funds, municipal budget appropriations or bonds will fund the closure and post-closure costs.

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 18 SUBSEQUENT EVENTS

Serial Bonds

On April 13, 2010 the Borough adopted a resolution for the issuance of \$3,736,000 Improvement Bonds for the purpose of funding various capital improvements of the Borough. In connection with this bond sale, the Borough received a credit rating upgrade from Standard & Poor's and Moody's Investors Services, Inc. The current credit rating is AA from Standard & Poor's and Aa2 from Moody's Investors Services, Inc. On April 29, 2010 the Borough awarded the sale of said bonds to Roosevelt & Cross, Inc and Associates at interest rates of 2.00% to 3.5%. These bonds dated April 1, 2015 will mature over 12 years with the first maturity due April 1, 2011.

CURRENT FUND

**BOROUGH OF WESTWOOD
STATEMENT OF CASH - COLLECTOR-TREASURER**

Balance, December 31, 2008		\$ 4,446,362
Increased by Receipts:		
Taxes Receivable	\$ 36,327,817	
Tax Overpayments	59,865	
Prepaid Taxes	178,841	
Petty Cash Returned	600	
Unappropriated Reserves for Grants	43,962	
Non-Budget Revenue	127,490	
State of NJ - Senior Citizens' and Veterans' Deductions	95,529	
Revenue Accounts Receivable	2,670,090	
State of NJ - Marriage Fees	1,275	
State of NJ - Construction Training Fees	7,815	
Grants Receivable	92,081	
Receipts from Other Trust Fund	5,207	
Receipts from Public Assistance Fund	533	
Receipts from General Capital Fund	6,495	
Receipts from Westwood Parking Authority	63,840	
	<u>39,681,440</u>	
		44,127,802
Decreased by Disbursements:		
2009 Budget Appropriations	14,059,468	
2008 Appropriation Reserves	467,313	
State of NJ - Marriage Fees	1,625	
State of NJ - Construction Training Fees	7,999	
State of NJ-Burial Permits	20	
Refund of Tax Overpayments	53,680	
Regional School District Tax Payable	20,719,785	
County Taxes Payable	4,325,666	
Petty Cash Advanced	600	
Due from Westwood Parking Authority	61,605	
Other Liabilities- LOSAP contribution	70,445	
Payments to Other Trust Fund	252,648	
Appropriated Grant Reserves	22,509	
Reserve for Tax Appeals Pending	50,000	
Refund of Prior Year Revenue	837	
	<u>40,094,200</u>	
Balance, December 31, 2009		<u>\$ 4,033,602</u>

**BOROUGH OF WESTWOOD
STATEMENT OF PETTY CASH FUNDS**

<u>Office</u>	Balance, December 31, <u>2008</u>	<u>Advanced</u>	<u>Returned</u>	Balance, December 31, <u>2009</u>
Tax Collector - Treasurer		\$ 300	\$ 300	
Recreation	-	300	300	-
	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ -</u>

EXHIBIT A-6

STATEMENT OF CHANGE FUNDS

<u>Office</u>	Balance, December 31, <u>2008</u>	Balance, December 31, <u>2009</u>
Recreation	\$ 250	\$ 250
Tax Collector - Treasurer	300	300
	<u>\$ 550</u>	<u>\$ 550</u>

EXHIBIT A-7

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

Balance, December 31, 2008	\$ 22,833
Increased by:	
Received from State of New Jersey	\$ 95,529
Deductions Disallowed by Tax Collector - Prior Year	<u>812</u>
	<u>96,341</u>
	119,174
Decreased by:	
Senior Citizens' Deductions Per Tax Billings	9,750
Veterans' Deductions Per Tax Billings	86,750
Deductions Allowed by Tax Collector - Current Year	2,750
Deductions Allowed by Tax Collector - Prior Year	<u>250</u>
	<u>99,500</u>
Balance, December 31, 2009	<u>\$ 19,674</u>

**BOROUGH OF WESTWOOD
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, December 31, 2008	2009 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	2008 Collections	2009 Collections	Senior Citizens' and Veterans' Deductions Allowed	Taxes Cancelled Remitted or Abated	Transferred To Tax Title Liens	Balance, December 31, 2009
2007	\$ 104,978			\$ 812	\$ 755,742	\$ 250		\$ 19,820		\$ 104,978
2008	1,610,314			-	35,572,075	99,250		29,695	\$ 1,446	835,314
2009	-	\$ 36,208,721	\$ 52,378	-	-	-		-	-	391,607
	\$ 1,715,292	\$ 36,208,721	\$ 52,378	\$ 812	\$ 167,026	\$ 36,327,817	\$ 99,500	\$ 49,515	\$ 1,446	\$ 1,331,899

Analysis of 2009 Property Tax Levy

TAX YIELD	
General Property Tax	\$ 36,208,721
Real Property Tax	52,378
Added Taxes (54:4-63.1 et seq.)	<u>\$ 36,261,099</u>
TAX LEVY	
Regional School Tax (Abstract)	\$ 20,719,785
County Taxes (Abstract)	\$ 4,010,978
Due County for Added Taxes (54:4-63.1)	4,018,354
	<u>11,522,960</u>
Local Tax for Municipal Purposes	11,462,531
Add Additional Tax Levied	60,429
	<u>\$ 36,261,099</u>

**BOROUGH OF WESTWOOD
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2008		\$ 30,437
Increased by:		
Transfer from Taxes Receivable		<u>1,446</u>
		31,883
Decreased by:		
Transferred to Foreclosed Property		<u>3,168</u>
Balance, December 31, 2009		<u>\$ 28,715</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2008		\$ 3,188,600
Increased by:		
Transferred from Tax Title Liens	\$ 3,168	
Adjustment to Assessed Valuation	<u>6,832</u>	
		<u>10,000</u>
Balance, December 31, 2009		<u>\$ 3,198,600</u>

**BOROUGH OF WESTWOOD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2008</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2009</u>
Borough Clerk				
Licenses				
Alcoholic Beverage		\$ 28,750	\$ 28,750	
Other		6,064	6,064	
Construction Code Official				
Building Permits and Fees		235,209	235,209	
Police				
Fees and Permits		4,387	4,387	
Municipal Court				
Fines and Costs	\$ 13,805	217,532	223,508	\$ 7,829
Board of Health				
Other Licenses		14,708	14,708	
Fees and Permits		45,395	45,395	
Tax Collector				
Fees and Permits		620	620	
Housing Task Force				
Fees and Permits		3,500	3,500	
Interest and Cost on Taxes		201,082	201,082	
Interest on Investment and Deposits		29,834	29,834	
Recreation Fees		112,876	112,876	
Watershed Moratorium Offset Aid		705	705	
Consolidated Municipal Property Tax Relief		175,871	175,871	
Energy Receipts Tax		1,104,873	1,104,873	
Westwood Parking Authority		45,000	45,000	
Interlocal Agreement - Welfare		5,000	5,000	
Interlocal Agreement - Tax Assessor		101,521	101,521	
Uniform Fire Safety Act		86,970	86,970	
Payment in Lieu of Taxes - Westwood House		100,584	100,584	
Cellular One Lease Agreement		63,857	63,857	
Sale of Middle School Property	18,927			18,927
Cable TV Franchise Fees		55,023	55,023	
Recycling Contract	-	24,753	24,753	-
	<u>\$ 32,732</u>	<u>\$ 2,664,114</u>	<u>\$ 2,670,090</u>	<u>\$ 26,756</u>

**BOROUGH OF WESTWOOD
STATEMENT OF DEFERRED CHARGES**

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance December 31, <u>2008</u>	Raised in <u>2009</u>	Balance, December 31, <u>2009</u>
Special Emergency Authorizations:						
5/20/2008	Codification of Ordinances	\$ 34,025	\$ 6,805	\$ 34,025	\$ 6,805	\$ 27,220
Overexpenditure of Appropriations				<u>426</u>	<u>426</u>	<u>-</u>
				<u>\$ 34,451</u>	<u>\$ 7,231</u>	<u>\$ 27,220</u>

BOROUGH OF WESTWOOD
STATEMENT OF 2008 APPROPRIATION RESERVES

	Balance, December 31, <u>2008</u>	<u>Orders</u> <u>Restored</u>	<u>Transfers</u>	Balance After Transfers and Cancelled <u>Orders</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
SALARIES AND WAGES						
General Administration	\$ 50			\$ 50		\$ 50
Mayor and Council	1			1		1
Municipal Clerk	1,514		\$ (500)	1,014		1,014
Financial Administration	350			350		350
Tax Assessment Administration	6			6		6
Legal Services	1,704			1,704		1,704
Planning Board	940			940		940
Police Department	114,752			114,752	\$ 5,063	109,689
Police Dispatch	5,091			5,091	847	4,244
Emergency Management	400			400		400
Fire Official	404			404		404
Prosecutor	881			881		881
Streets and Roads	434		1,600	2,034	1,900	134
Buildings and Grounds	1,653			1,653		1,653
Public Health Services	8			8		8
Administration of Public Assistance	1,386			1,386		1,386
Recreation Services and Programs	41,363			41,363	72	41,291
Building Inspector	49			49		49
Municipal Court	28,589	\$ 79		28,668	79	28,589
Public Defender	41			41		41
OTHER EXPENSES						
General Administration	2,287	710		2,997	2,205	792
Mayor and Council	6			6		6
Municipal Clerk						
Other Expenses	618	8,232	500	9,350	1,761	7,589
Financial Administration						
Other Expenses	6,900	103		7,003	2,662	4,341
Revenue Collection	69			69		69
Liquidation of Tax Title Lien	84			84		84
Tax Assessment Administration	11,364	2,378		13,742	9,982	3,760
Legal Services and Costs	10,135	12,355		22,490	22,490	-
Engineering	11,177	1,083		12,260	1,083	11,177
Codification of Ordinances	28,220			28,220	28,220	-
Historical Sites Office	2,978	125		3,103	125	2,978
Planning Board	14,028	7,211	10,000	31,239	30,032	1,207
Insurance						
Group Insurance	44,433			44,433	44,433	-
Liability Insurance	9,081	44,592		53,673	44,592	9,081
Workers Compensation	9,741	50,285		60,026	50,285	9,741
Fire Department						
Other Expenses	22,264	3,118		25,382	11,910	13,472
Fire Hydrant	10,253			10,253	10,243	10
Fire Hose/Foam	4,155			4,155		4,155
Police Department						
Other Expenses	19,284	6,879	(5,000)	21,163	12,958	8,205
Acquisition of Police Vehicles	13,336	6,278		19,614	5,410	14,204
Police Dispatch 911	610			610		610
Police Reserves	115			115		115

**BOROUGH OF WESTWOOD
STATEMENT OF 2008 APPROPRIATION RESERVES**

	Balance, December 31, 2008	Orders Restored	Transfers	Balance After Transfers and Cancelled Orders	Paid or Charged	Balance Lapsed
OTHER EXPENSES (Continued)						
Emergency Management Svcs.	\$ 549	\$ 140		\$ 689	\$ 143	\$ 546
Fire Official	1,053	251		1,304	101	1,203
Life Hazard Use Fees Payments	10			10		10
Streets and Roads	51,769	15,430	\$ (1,600)	65,599	23,104	42,495
Shade Tree Advisory Committee	13,497	30		13,527	9,640	3,887
Buildings and Grounds	6,757	3,950	(5,000)	5,707	1,854	3,853
Vehicle Maintenance	27,990	6,282		34,272	6,479	27,793
Public Health Services	889	1,441		2,330	1,517	813
Admin. of Public Assistance	825			825		825
Recreation	17,936	6,963		24,899	8,088	16,811
Celebration of Public Events	4,730	741		5,471	802	4,669
Building Inspector	4,813	1,566		6,379	5,144	1,235
Electricity	14,496			14,496	11,120	3,376
Street Lighting	13,562			13,562	12,926	636
Gasoline	39,596	1,385		40,981	5,509	35,472
Natural Gas	12,833			12,833		12,833
Water	4,712			4,712	1,359	3,353
Sewerage Processing and Disp	7,023	5,484		12,507	6,097	6,410
Telephone	6,377	155		6,532	2,150	4,382
Repairs to Traffic Lights	7,075			7,075		7,075
Solid Waste Collection	11,521	28,754		40,275	28,754	11,521
Garbage Tipping Fees	26,885	28,754		55,639	28,754	26,885
Contingent	1,000			1,000		1,000
Social Security System (O.A.S.I.)	290			290		290
Defined Contribution Plan	488			488		488
Municipal Court	10,883			10,883	286	10,597
Maintenance of Free Public Library	14,780			14,780		14,780
Sewerage Proc. and Disp-Emerson	8,000			8,000		8,000
Police and Fireman's Retirement System	3			3		3
Public Employees Retirement System	17			17		17
Recycling Tax		4,504		4,504	882	3,622
Municipal Alliance-State Share	9,880			9,880	9,880	
Drunk Driving Enforcement Fund		5,000		5,000	5,000	
Clean Communities		6,509		6,509	6,509	
Alcohol Education and Rehabilitation	6,293			6,293	6,293	
Municipal Stormwater Grant	6,661			6,661	6,661	
Highway Safety Grant for GLE	2,000			2,000	2,000	
Recycling Tonnage Grant	15,742			15,742	15,742	
Police Pistol Range	20,000			20,000	20,000	
Police Brownsfield	20,473			20,473	20,473	
Over the Limit/Under Arrest	5,000			5,000	5,000	
Welfare Agreement-River Vale	1,850	-	-	1,850	-	1,850
	<u>\$ 819,012</u>	<u>\$ 260,767</u>	<u>\$ -</u>	<u>\$ 1,079,779</u>	<u>\$ 538,619</u>	<u>\$ 541,160</u>
Cash Disbursements					\$ 467,313	
Due to General Capital Fund					5,810	
Transfer to Appropriated Reserve for Grants					38,156	
Transfer to Reserve for Codification of Ordinances					22,410	
Transfer to Accounts Payable					4,930	
					<u>\$ 538,619</u>	

**BOROUGH OF WESTWOOD
STATEMENT OF DUE TO STATE OF NEW JERSEY -
MARRIAGE LICENSE FEES**

Balance, December 31, 2008	\$ 1,175
Increased by:	
Fees Collected	<u>1,275</u>
	2,450
Decreased by:	
Payments to State of New Jersey	<u>1,625</u>
Balance, December 31, 2009	<u>\$ 825</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY -
CONSTRUCTION TRAINING FEES**

Balance, December 31, 2008	\$ 4,134
Increased by:	
Fees Collected	<u>7,815</u>
	11,949
Decreased by:	
Payments	<u>7,999</u>
Balance, December 31, 2009	<u>\$ 3,950</u>

**BOROUGH OF WESTWOOD
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2008	\$ 260,767
Increased by:	
Transfer from 2008 Appropriations	264,850
	525,617
Decreased by:	
Cancelled Payables Restored to Appropriation Reserves	260,767
Balance, December 31, 2009	\$ 264,850

**STATEMENT OF DUE FROM PAYROLL ACCOUNT
OTHER TRUST FUND**

Balance, December 31, 2008	\$ 253,251
Increased by:	
January 2010 Payroll Advanced	252,648
	505,899
Decreased by:	
Current Fund Expenditures Paid by Other Trust Fund	259,580
Balance, December 31, 2009	\$ 246,319

**BOROUGH OF WESTWOOD
STATEMENT OF APPROPRIATED GRANT RESERVES**

	Balance, December 31, <u>2008</u>	Transfer From Appropriation <u>Reserves</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2009</u>
Appropriated				
Alcohol Education and Rehabilitation	\$ 8,699	\$ 5,343		\$ 14,042
Drunk Driving Enforcement Fund	544		\$ 544	
Recycling Tonnage Grant	14,974	152	465	14,661
Clean Communities Grant	1,628	107		1,735
Police Body Armor Grant	9,517			9,517
Municipal Alliance Program	1,605	7,380	1,500	7,485
NJ Forestry - Tree Grant	1,338			1,338
Domestic Violence Training	2,477			2,477
New Jersey State Police - SLA HOEP	3,235			3,235
Municipal Stormwater Regulation	3,926	2,212		6,138
Graduated Driver's License		1,300		1,300
SHARE - Police Pistol Range Study		13,000	13,000	
Police - Brownsfield		8,662	7,000	1,662
Green Communities	500			500
Municipal Recycling Assistance	5,483			5,483
Click It or Ticket	1,313			1,313
Over the Limit/Under Arrest	4,950			4,950
CDC-Dept of Health Grant	819	-	-	819
	<u>\$ 61,008</u>	<u>\$ 38,156</u>	<u>\$ 22,509</u>	<u>\$ 76,655</u>

**BOROUGH OF WESTWOOD
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2008	\$ 167,026
Increased by:	
Collection of 2009 Taxes	<u>178,841</u>
	345,867
Decreased by:	
Application to 2008 Taxes	<u>167,026</u>
Balance, December 31, 2009	<u><u>\$ 178,841</u></u>

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2008	\$ 17,485
Increased by:	
Prior Year Tax Appeals Granted	\$ 14,284
Overpayments in 2009	<u>59,865</u>
	<u>74,149</u>
	91,634
Decreased by:	
Refunds	<u>53,680</u>
Balance, December 31, 2009	<u><u>\$ 37,954</u></u>

STATEMENT OF REGIONAL SCHOOL DISTRICT TAX PAYABLE

Increased by:	
Levy - Calendar Year	<u>\$ 20,719,785</u>
Decreased by:	
Payments	<u><u>\$ 20,719,785</u></u>

**BOROUGH OF WESTWOOD
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2008		\$ 334,236
Increased by:		
2009 Levy	\$ 3,801,915	
County Open Space Preservation	<u>209,063</u>	
		\$ 4,010,978
Added Taxes (54:4-63.1 et seq.)		<u>7,376</u>
		<u>4,018,354</u>
		4,352,590
Decreased by:		
Payments		<u>4,325,666</u>
Balance, December 31, 2009		<u>\$ 26,924</u>

EXHIBIT A-23

STATEMENT OF OTHER LIABILITIES - LOSAP CONTRIBUTION

Balance, December 31, 2008		\$ 80,000
Increased by:		
Transfer from 2009 Budget Appropriations		<u>77,052</u>
		157,052
Decreased by:		
Cancelled	\$ 9,555	
Payments	<u>70,445</u>	
		<u>80,000</u>
Balance, December 31, 2009		<u>\$ 77,052</u>

EXHIBIT A-24

STATEMENT OF DUE FROM WESTWOOD PARKING AUTHORITY

Balance, December 31, 2008		\$ 4,411
Increased by:		
Authority Expenditures Paid by Borough		<u>61,605</u>
		66,016
Decreased by:		
Receipts from Parking Authority		<u>63,840</u>
Balance, December 31, 2009		<u>\$ 2,176</u>

**BOROUGH OF WESTWOOD
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2008</u>	2009 Grant <u>Allotments</u>	<u>Receipts</u>	Balance, December 31, <u>2009</u>
Municipal Alliance on Alcoholism and Drugs		\$ 11,017	\$ 3,270	\$ 7,747
Highway Safety Grant - GLE	\$ 1,300			1,300
Police Body Armor				
Federal Share	812			812
State Share	3,052	2,335		5,387
Municipal Stormwater Grant - DEP	7,655			7,655
Click it or Ticket		4,000	3,899	101
Clean Community Program		17,439	17,439	
Green Community Challenge Grant		3,000	2,000	1,000
Community Stewardship Incentive Program		15,905	15,905	
Alcohol Education and Rehabilitation Fund		2,654	2,646	8
Graduated Driver's License Enforcement		2,000	2,000	
Disposal of Forfeited Property - Police Accreditation		20,000		20,000
SHARE - Feasibility Study - DPW Services		21,450	20,000	1,450
SHARE - Police Pistol Range Study	20,000		20,000	
Over the Limit/Under Arrest		4,922	4,922	
DCA - Office of Smart Growth	1,660	-	-	1,660
	<u>\$ 34,479</u>	<u>\$ 104,722</u>	<u>\$ 92,081</u>	<u>\$ 47,120</u>

BOROUGH OF WESTWOOD
STATEMENT OF UNAPPROPRIATED RESERVES FOR GRANTS

	Balance, December 31, <u>2008</u>	Increased by <u>Receipts</u>	Realized as Revenue in 2009 <u>Budget</u>	Balance, December 31, <u>2009</u>
Drunk Driving Enforcement Fund	\$ 10,015	\$ 8,806	\$ 10,015	\$ 8,806
Recycling Tonnage	8,175	29,489		37,664
Board of Health - CDC Grant	7,727			7,727
Over The Limit/Under Arrest	<u>-</u>	<u>5,667</u>	<u>-</u>	<u>5,667</u>
	<u>\$ 25,917</u>	<u>\$ 43,962</u>	<u>\$ 10,015</u>	<u>\$ 59,864</u>

EXHIBIT A-27

STATEMENT OF DUE TO STATE OF NJ - BURIAL PERMITS

Balance, December 31, 2008	\$ 670
Increased by: Cash Receipts	<u>-</u>
	670
Decreased by: Cash Disbursements	<u>20</u>
Balance, December 31, 2009	<u>\$ 650</u>

EXHIBIT A-28

STATEMENT OF RESERVE FOR THE SALE OF ASSETS

Balance, December 31, 2008	<u>\$ 207,840</u>
Balance, December 31, 2009	<u>\$ 207,840</u>

**BOROUGH OF WESTWOOD
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2008	\$ -
Increased by:	
Transfer from 2008 Appropriations	<u>4,930</u>
	4,930
Decreased by:	
Cash Disbursements	<u>-</u>
Balance, December 31, 2009	<u>\$ 4,930</u>

STATEMENT OF RESERVE FOR CODIFICATION OF ORDINANCES

Balance, December 31, 2008	\$ -
Increased by:	
Transfer from 2008 Appropriations	<u>22,410</u>
	22,410
Decreased by:	
Cash Disbursements	<u>-</u>
Balance, December 31, 2009	<u>\$ 22,410</u>

STATEMENT OF RESERVE FOR TAX APPEALS PENDING

Increased by:	
2009 Budget Appropriation	<u>\$ 50,000</u>
Decreased by:	
Payments	<u>\$ 50,000</u>

TRUST FUNDS

BOROUGH OF WESTWOOD
STATEMENT OF TRUST CASH

	<u>Assessment</u>	<u>Animal Control</u>	<u>Other Trust</u>	<u>State Unemployment</u>
Balance, December 31, 2008	\$ 76,247	\$ 11,498	\$ 1,060,090	\$ 21,313
Increased by Receipts:				
Assessments Receivable	\$ 27,372			
Interest on Assessments	3,533			
Interest on Investments and Deposits		\$ 91	\$ 5,207	\$ 18
Due to Westwood Parking Authority			7,777	
POAA Receipts			1,382	
Miscellaneous Reserves			687,793	
Sanitary Landfill			351	
License Fees Collected		6,071		
Receipts from Current Fund		765	252,648	
Due to State of New Jersey			184,285	
Escrow Deposits			7,463,171	8,204
Payroll and Payroll Deductions	<u>30,905</u>	<u>6,927</u>	<u>8,602,614</u>	<u>8,222</u>
	107,152	18,425	9,662,704	29,535
Decreased by Disbursements:				
Expenditures Under R.S. 4:19-15.11		2,184		
Due From Current Fund			259,580	
Payment to Current Fund			5,207	
Escrow Deposits			164,573	
Payments to State of NJ		758		29,878
Payments to Westwood Parking Authority			6,781	
Payroll and Payroll Deductions Payable			7,461,256	
Miscellaneous Reserves			458,379	
POAA Disbursements			100	
	<u>-</u>	<u>2,942</u>	<u>8,355,876</u>	<u>29,878</u>
Balance, December 31, 2009	<u>\$ 107,152</u>	<u>\$ 15,483</u>	<u>\$ 1,306,828</u>	<u>\$ (343)</u>

**BOROUGH OF WESTWOOD
ANALYSIS OF ASSESSMENT CASH**

	Balance, December 31, <u>2008</u>	Cash <u>Receipts</u>	<u>Transfers</u> <u>From</u>	<u>To</u>	Balance, December 31, <u>2009</u>
Due to/from Current Fund				\$ 13,533	\$ 13,533
Improvements to Woodland Ave. (Ord. 86-7)					
Acquisition of Property (Ord. 92-4)		\$ 11,907	\$ 11,907		
Acquisition of Property (Ord. 92-9)		1,880	1,880		
Improvements to Parking Lot (Ord. 92-12/94-16)		17,118	17,118		
Fund Balance	\$ 76,247	<u>-</u>	<u>10,000</u>	<u>27,372</u>	\$ 93,619
	<u>\$ 76,247</u>	<u>\$ 30,905</u>	<u>\$ 40,905</u>	<u>\$ 40,905</u>	<u>\$ 107,152</u>

**BOROUGH OF WESTWOOD
STATEMENT OF ASSESSMENTS RECEIVABLE**

Ord. No.	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Due Dates</u>	Balance, December 31, <u>2008</u>	<u>Collected</u>	Balance, December 31, <u>2009</u>	Balance Pledged To <u>Reserve</u>
86-7	Improvements to Woodland Avenue	4/7/1998	6/1	\$ 150		\$ 150	\$ 150
92-4	Acquisition of Property	10/9/01	11/1	19,420	\$ 10,504	8,916	8,916
92-9	Acquisition of Property	1/30/01	3/1	2,627	1,746	881	881
92-12/ 94-16	Improvements to Parking Lot	1/30/01	3/1	<u>28,253</u>	<u>15,122</u>	<u>13,131</u>	<u>13,131</u>
				<u>\$ 50,450</u>	<u>\$ 27,372</u>	<u>\$ 23,078</u>	<u>\$ 23,078</u>

**BOROUGH OF WESTWOOD
STATEMENT OF DUE TO CURRENT FUND - ASSESSMENT TRUST FUND**

Balance, December 31, 2008		\$ -
Increased by:		
Fund Balance Realized As Current Fund Revenue	\$ 10,000	
Interest on Assessments	<u>3,533</u>	
		<u>13,533</u>
Balance, December 31, 2009		<u>\$ 13,533</u>

STATEMENT OF RESERVE FOR ASSESSMENTS AND LIENS

Ord. No.	<u>Assessments</u>	Balance, December 31, <u>2008</u>	<u>Collections</u>	Balance, December 31, <u>2009</u>
86-7	Improvements to Woodland Ave.	\$ 150		\$ 150
92-4	Acquisition of Property	19,420	\$ 10,504	8,916
92-9	Acquisition of Property	2,627	1,746	881
92-12	Various Improvements to Public Parking	<u>28,253</u>	<u>15,122</u>	<u>13,131</u>
		<u>\$ 50,450</u>	<u>\$ 27,372</u>	<u>\$ 23,078</u>

**BOROUGH OF WESTWOOD
STATEMENT OF DUE TO CURRENT FUND - OTHER TRUST FUND**

Balance, December 31, 2008		\$ 253,251
Increased by:		
Interest on Investments and Deposits	\$ 5,207	
Receipts from Current Fund	<u>252,648</u>	
		<u>257,855</u>
		511,106
Decreased by:		
Payments to Current Fund	5,207	
Current Fund Expenditures Paid by Other Trust Fund	<u>259,580</u>	
		<u>264,787</u>
Balance, December 31, 2009		<u>\$ 246,319</u>

STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance, December 31, 2008		\$ 11,498
Increased by:		
Animal Control Fees		<u>6,071</u>
		17,569
Decreased by:		
Statutory Excess Expenditures	\$ 1,449	
	<u>2,184</u>	
		<u>3,633</u>
Balance, December 31, 2009		<u>\$ 13,936</u>

**BOROUGH OF WESTWOOD
STATEMENT OF DUE TO STATE OF NEW JERSEY
DOG REGULATION FEES**

Balance, December 31, 2008	\$ -
Increased by:	
Registration Fees - Due State	<u>765</u>
	765
Decreased by:	
Payments	<u>758</u>
Balance, December 31, 2009	<u>\$ 7</u>

STATEMENT OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND

Balance, December 31, 2008	\$ -
Increased by:	
Statutory Excess	\$ 1,449
Interest on Investments and Deposits	<u>91</u>
	<u>1,540</u>
Balance, December 31, 2009	<u>\$ 1,540</u>

STATEMENT OF ESCROW DEPOSITS

Balance, December 31, 2008	\$ 172,864
Increased by:	
Cash Receipts	<u>184,285</u>
	357,149
Decreased by:	
Cash Disbursements	<u>164,573</u>
Balance, December 31, 2009	<u>\$ 192,576</u>

BOROUGH OF WESTWOOD
STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE

Balance, December 31, 2008	\$ 21,313
Increased by:	
Interest on Deposits	\$ 18
Payroll Deductions from Employees	<u>8,204</u>
	<u>8,222</u>
	29,535
Decreased by:	
Unemployment Claims	<u>29,878</u>
Balance (Deficit), December 31, 2009	<u>\$ (343)</u>

EXHIBIT B-13

STATEMENT OF RESERVE FOR SANITARY LANDFILL CLOSURE

Balance, December 31, 2008	\$ 32,290
Increased by:	
Interest on Deposits	<u>351</u>
Balance, December 31, 2009	<u>\$ 32,641</u>

EXHIBIT B-14

RESERVE FOR POAA COURT EXPENDITURES

Balance, December 31, 2008	\$ 11,330
Increased by:	
Cash Receipts	<u>1,382</u>
	12,712
Decreased by:	
Cash Disbursements	<u>100</u>
Balance, December 31, 2009	<u>\$ 12,612</u>

**BOROUGH OF WESTWOOD
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2008</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance, December 31, <u>2009</u>
Affordable Housing	\$ 24,979	\$ 17,735		\$ 42,714
Redemption of Tax Sale Certificates	15,441	57,907	\$ 57,945	15,403
Recycling Program	42,596	9,694	10,709	41,581
Recreation Trips	8,272	63,523	52,462	19,333
Police Overtime Detail	130,149	371,235	264,270	237,114
Beautification	8,700	14,117		22,817
Safe Schools	14,880	31,417	21,703	24,594
Code Compliance Penalty	44,584	23,421	15,977	52,028
Found Money and Bail	9,755			9,755
Recreation Fields & Buildings		2,315		2,315
Hug-A-Tree	3,380	8,880		12,260
Fire Prevention	8,241	4,252	8,603	3,890
Premium on Tax Sale	18,600	66,000	14,100	70,500
Recreation Donation	726	2,650	2,203	1,173
Teen Center	422	1,571	1,816	177
Elevator Reserve		10,960	8,591	2,369
Tax Maps	100			100
Miscellaneous	1,794	2,116		3,910
Accumulated Leave Compensation	<u>257,798</u>	<u>-</u>	<u>-</u>	<u>257,798</u>
	<u>\$ 590,417</u>	<u>\$ 687,793</u>	<u>\$ 458,379</u>	<u>\$ 819,831</u>

EXHIBIT B-16

STATEMENT OF RESERVE FOR PAYROLL AND PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2008	\$ (62)
Increased by:	
Cash Receipts	<u>7,463,171</u>
	7,463,109
Decreased by:	
Cash Disbursements	<u>7,461,256</u>
Balance, December 31, 2009	<u>\$ 1,853</u>

**BOROUGH OF WESTWOOD
STATEMENT OF DUE TO WESTWOOD PARKING AUTHORITY**

Balance, December 31, 2008	\$ -
Increased by:	
Cash Receipts	<u>7,777</u>
	7,777
Decreased by:	
Payments to Westwood Parking Authority	<u>6,781</u>
Balance, December 31, 2009	<u>\$ 996</u>

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GENERAL CAPITAL FUND

BOROUGH OF WESTWOOD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2008		Deferred Charges Unfunded	2009 Authorizations		Appropriation Adjustment	Down-Payment or Capital Impmt. Fund	Encumbrances Cancelled	Expended	Balance, December 31, 2009	
			Funded	Unfunded		Funded County/State Grants	Unfunded					Funded	Unfunded
00-12	Repairs to Various Roads	\$ 85,000	\$ 6,759								\$ 6,759		
00-13/09-17	Landfill Closure	4,965,000				\$ 292,500					221,517	\$ 70,983	
01-11	Resurfacing of Various Roads	125,000	17,010								3,500	13,510	
02-14/03-13	Various Capital Improvements	91,000	26,111									26,329	\$ 29,079
04-12	Various Capital Improvements	564,400		\$ 36,206						\$ 218	7,127		7,712
04-13	Improvements to Musquapink Brook	31,700		7,712									1,849
04-19	Const. of Walkway and Pedestrian Bridge	297,400		1,849									288
04-23	Improvements to Fairview Avenue	40,000	288										
05-16/05-37	Feasibility Stud-Five Corners				9								
05-17	Various Capital Improvements	414,600		9,342							3,272		9
06-04	Reconstruction of Fairview Avenue		76,083	133,000							176,300		6,070
06-05	Repaving & Resurfacing of Various Roads		13,647									13,647	32,783
06-12	Various Capital Improvements			129,488							25,894		103,594
07-09/08-25	Installation of Additional Lighting at Westvale Park	320,000	86,000	126,253							743	85,257	126,253
07-10	Acquisition of Various Equipment-Police Department	260,000	100,000	26,513				\$ (15,000)					11,513
07-11	Acquisition of Various Equipment-Police Department	100,000			1								
07-12	Acquisition of Various Equipment-Fire Department	68,000		10,979							4,992		5,987
07-13	Acquisition & Installation of Irrigation System	150,000		141,896							2,590		141,896
08-01	Road Improvements	400,000		30,903							27,981		28,313
08-02	Pasconk Brook Sewer Pipe Replacement and Repair	500,000		320,898									292,917
08-11	Acquisition of Technology Equipment	30,000		96									96
08-22	Suppl. - Emerson Pump Station	126,000		2,078						1,009	494	1,009	
08-32	Acquisition of Fire Department Equipment	55,500											1,584
08-33	Acquisition of Playground Equipment	60,000		1									1
08-35	Various Improvements at the Borough Library	25,000	25,000								24,879	121	
09-01	2009 Road Improvement Program	450,000							12,250		408,012		41,988
09-05	Supp. Approp - Pasconk Brook Sewer (08-02)	1,350,000				200,000							1,350,000
09-11	Various Curb and Sidewalk Improvements	75,000							75,000		64,463	10,537	
09-13	Curb Improvements to Provide for Handicapped Accessibil	38,000							38,000		38,000		
09-18	Preparation and Delivery of an Energy Report	25,000							25,000		23,224	1,776	
09-20	Acq. Of Various Equipment - Police Department	23,500							1,175		16,242		7,258
09-21	Acq. Of Various Equipment - Fire Department	56,500							2,825		44,949		11,551
09-22	Acq. Of Various Equipment - Public Works Department	142,300							7,115		61,774		80,526
09-24	Installation of Traffic Signals at Railroad Crossings	15,000					15,000				14,765	235	
09-25	Acq. Of Various Equipment - Police Department	85,000							4,250		80,265		4,735
			\$ 250,898	\$ 977,224	\$ 1,879,685	\$ 492,500	\$ -	\$ -	\$ 165,615	\$ 1,227	\$ 1,257,742	\$ 223,692	\$ 2,285,715

Cash Disbursed
Encumbrances Payable

\$ 460,732
\$ 797,010
\$ 1,257,742

BOROUGH OF WESTWOOD
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2008	Increased	Decreased	Balance, December 31, 2009
09-20	Acq. Of Various Equipment - Police Department	10/30/2009	10/30/2009	5/11/2010	0.74%	-	\$ 22,325	-	\$ 22,325
09-21	Acq. Of Various Equipment - Fire Department	10/30/2009	10/30/2009	5/11/2010	0.74%	-	53,675	-	53,675
09-22	Acq. Of Various Equipment - Public Works Department	10/30/2009	10/30/2009	5/11/2010	0.74%	-	135,015	-	135,015
						<u>\$ 4,112,735</u>	<u>\$ 4,833,975</u>	<u>\$ 4,112,735</u>	<u>\$ 4,833,975</u>
	Renewals Issued for Cash					\$ 3,998,735	\$ 3,998,735		
	Paid by Budget Appropriation					835,240	-	114,000	
							<u>\$ 4,833,975</u>	<u>\$ 4,112,735</u>	<u>\$ 4,833,975</u>

**BOROUGH OF WESTWOOD
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2008	Increased	Decreased	Balance, December 31, 2009
07-04	2007 Roadway Improvement Program	7/17/2007	7/25/2008	7/24/2009	2.00%	\$ 327,329	\$ 327,329	\$ 327,329	-
		7/17/2007	5/11/2009	5/11/2010	1.25%				\$ 327,329
07-09	Installation of Additional Lighting-Westvale Park	10/25/2007	10/31/2008	10/30/2009	3.45%	114,000		114,000	
		10/25/2007	10/30/2009	5/11/2010	0.74%		114,000		114,000
07-10	Acquisition of Various Equipment-Public Works	10/25/2007	10/31/2008	10/30/2009	3.45%	247,000		247,000	
		10/25/2007	10/30/2009	5/11/2010	0.74%		247,000		247,000
05-15	Feasibility Study-Forest & Fourt Avenue	7/24/2008	7/24/2008	7/24/2009	2.00%	12,120		12,120	
		7/24/2008	5/11/2009	5/11/2010	1.25%		9,068		9,068
05-16	Feasibility Study-Five Corners	7/24/2008	7/24/2008	7/24/2009	2.00%	8,671		8,671	
		7/24/2008	5/11/2009	5/11/2010	1.25%		6,468		6,468
07-11	Acquisition of Various Equipment-Police Department	7/24/2008	7/24/2008	7/24/2009	2.00%	95,000		95,000	
		7/24/2008	5/11/2009	5/11/2010	1.25%		95,000		95,000
07-12	Acquisition of Various Equipment-Fire Department	7/24/2008	7/24/2008	7/24/2009	2.00%	64,600		64,600	
		7/24/2008	5/11/2009	5/11/2010	1.25%		64,600		64,600
07-13	Acquisition & Installation of Irrigation System	7/24/2008	7/24/2008	7/24/2009	2.00%	142,500		142,500	
		7/24/2008	5/11/2009	5/11/2010	1.25%		142,500		142,500
08-01	Road Improvements	7/24/2008	7/24/2008	7/24/2009	2.00%	237,500		237,500	
		7/24/2008	5/11/2009	5/11/2010	1.25%		237,500		237,500
08-11	Acquisition of Technology Equipment	5/11/2009	5/11/2009	5/11/2010	1.25%		28,500		28,500
08-20	Acquisition of Equipment	5/11/2009	5/11/2009	5/11/2010	1.25%		156,750		156,750
08-22	Suppl. - Emerson Pump Station	5/11/2009	5/11/2009	5/11/2010	1.25%		120,000		120,000
08-32	Acquisition of Fire Department Equipment	5/11/2009	5/11/2009	5/11/2010	1.25%		52,725		52,725
08-33	Acquisition of Playground Equipment	5/11/2009	5/11/2009	5/11/2010	1.25%		28,500		28,500
09-01	2009 Road Improvement Program	5/11/2009	5/11/2009	5/11/2010	1.25%		237,750		237,750

**BOROUGH OF WESTWOOD
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2008	Increased	Decreased	Balance, December 31, 2009
99-07	Parking Lot at Municipal Building	10/25/2007	10/31/2008	10/30/2009	3.45%	\$ 7,355	\$ 6,955	\$ 7,355	\$ 6,955
02-01	Various Road Improvements	10/25/2007	10/30/2009	5/11/2010	0.74%	\$ 233,820		233,820	
04-01	Various Communication Equipment - Fire	10/25/2007	10/30/2009	5/11/2010	0.74%	32,370	219,505	32,370	219,505
04-12, 05-01	Various Capital Improvements	10/25/2007	10/30/2009	5/11/2010	0.74%	353,378	29,555	553,378	29,555
04-13	Improvements to Musquapsink Brook	10/25/2007	10/30/2009	5/11/2010	0.74%	28,020	330,436	28,020	330,436
04-14	Improvements to Bogert Pond	10/25/2007	10/31/2008	10/30/2009	3.45%	37,330	26,980	37,330	26,980
04-19	Const. of Walkway and Pedestrian Bridge	10/25/2007	10/30/2009	5/11/2010	0.74%	115,130	35,945	115,130	35,945
00-15, 04-19, 05-16, 05-17	Various Improvements	7/17/2007	7/25/2008	7/24/2009	2.00%	1,013	108,945	1,013	108,945
00-17	Gritman Pond	7/17/2007	7/25/2008	7/24/2009	2.00%	66,376	758	66,376	758
04-22	Construction of Firehouse	7/17/2007	5/11/2009	5/11/2010	1.25%	63,341	63,341	310,770	63,341
05-17	Various Capital Improvements	7/17/2007	7/25/2008	7/24/2009	2.00%	376,395	308,540	376,395	308,540
05-35	Acquisition of Rescue Vehicle	10/25/2007	10/31/2008	10/30/2009	3.45%	293,332	358,920	293,332	358,920
06-04	Fairview Avenue	10/25/2007	10/30/2009	5/11/2010	0.74%	133,000	256,664	133,000	256,664
06-12	Various Capital Improvements	7/17/2007	7/25/2008	7/24/2009	2.00%	875,726	133,000	875,726	133,000
		7/17/2007	5/11/2009	5/11/2010	1.25%	875,726	875,726	875,726	875,726

BOROUGH OF WESTWOOD
STATEMENT OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2009	Interest Rate	Balance, December 31, 2008	Increased	Decreased	Balance, December 31, 2009
General Improvement Bonds of 2003	9/15/2003	\$ 5,674,000	9/15/2010-15	4.00-4.125%				
			9/15/2016-17					
			9/15/2018-19					
			9/15/2020-21					
			9/15/2022					
			9/15/2023		\$ 5,274,000	\$ 250,000	\$ 5,024,000	
Refunding Bonds of 2004	4/1/2004	4,555,000	8/15/2010	2.00-3.60%				
			8/15/2011					
			8/15/2012					
			8/15/2013					
			8/15/2014					
			8/15/2015					
			8/15/2016					
			8/15/2017		3,660,000	355,000	3,305,000	
Refunding Bonds of 2008	5/6/2008	\$ 2,235,000	8/1/2010	3.00-5.00 %				
			8/1/2011-12					
			8/1/2013					
			8/1/2014					
			8/1/15-16					
			8/1/2017					
			8/1/2018					
			8/1/2019		2,205,000	195,000	2,010,000	
						\$ -	\$ -	
					\$ 11,139,000	\$ -	\$ 800,000	\$ 10,339,000
						\$ 800,000		

Paid by Budget Appropriation

**BOROUGH OF WESTWOOD
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2008</u>	Adjustments/ Grant <u>Awards</u>	Balance, December 31, <u>2009</u>
County of Bergen - Ord. 01-01			
Reconstruction of Bridges and Culverts	\$ 63,741		\$ 63,741
County of Bergen - Ord. 03-13	40,000		40,000
County of Bergen - Ord. 08-25	1,550		1,550
Comm. Develop. Open Space - Ord. 08-33	30,000		30,000
Department of Transportation- Fairview Avenue- Ordinance			
Fairview Avenue- Ordinance 06-04	169,305		169,305
Irvington Street-Ordinance 08-01	64,664		64,664
Ordinance 09-01	<u>-</u>	\$ 200,000	<u>200,000</u>
	<u>\$ 369,260</u>	<u>\$ 200,000</u>	<u>\$ 569,260</u>

**BOROUGH OF WESTWOOD
STATEMENT OF DUE (FROM)/TO CURRENT FUND**

Balance, December 31, 2008 - (Due From)		\$ 3,062
Increased by:		
Current Fund Anticipated Revenue-Reserve for Payment of Bonds	\$ 50,000	
Interest on Investments and Deposits	<u>9,972</u>	
		<u>59,972</u>
		56,910
Decreased by:		
Current Fund Expenditures paid by General Capital Fund	5,810	
Payments to Current Fund	<u>6,495</u>	
		<u>12,305</u>
Balance, December 31, 2009 - (Due to)		<u>\$ 44,605</u>

**BOROUGH OF WESTWOOD
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord No.	Improvement Description	Balance, December 31, 2008	2009 Authorizations	Funded by Budget Appropriation	Balance, December 31, 2009	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
97-1	Impvt. of Railroad Station	\$ 23,916			\$ 23,916		\$ 23,916	
97-7	Impvt. of Drainage Ditch	14,250			14,250		14,250	
98-12	Resurfacing of Various Streets	902			902		902	
99-7	Parking Lot at Municipal Building	7,355		\$ 400	6,955	\$ 6,955		
00-15	Various Improvements	1,013		255	758	758		
00-17	Gritman Pond	66,376		3,035	63,341	63,341		
02-01	Various Road Improvements	233,820		14,315	219,505	219,505		
02-21	Construction of Firehouse	821			821		821	
04-01	Various Communication Equipment - Fire	32,370		2,815	29,555	29,555		
04-12	Various Capital Improvements	353,378		22,942	330,436	330,436		
04-13	Improvements to Musquapsink Brook	28,020		1,040	26,980	26,980		
04-14	Improvements to Bogert Pond	37,330		1,385	35,945	35,945		
04-19	Const. of Walkway and Pedestrian Bridge	115,130		6,185	108,945	108,945		
04-22,05-01,04-12	Construction of Firehouse	310,770		2,230	308,540	308,540		
05-15	Feasibility Study - Forest and Fourth Ave	12,120		3,052	9,068	9,068		
05-16	Feasibility Study - Five Corners	8,671		2,203	6,468	6,468		
05-17	Various Capital Improvements	376,395		17,475	358,920	358,920		
05-35	Acquisition of Rescue Vehicle	293,332		36,668	256,664	256,664		
06-04	Fairview Ave	133,000			133,000	133,000		
06-12	Various Capital Improvements	877,515			877,515	875,726		\$ 1,789
07-04	2007 Roadway Improvement Program	327,750			327,750	327,329	421	
07-09/08-25	Installation of Additional Lighting at Westvale Park	228,000			228,000	114,000		114,000
07-10	Acquisition of Various Equipment- Public Works	247,000			247,000	247,000		
07-11	Acquisition of Various Equipment-Police Department	95,000			95,000	95,000		
07-12	Acquisition of Various Equipment-Fire Department	64,600			64,600	64,600		
07-13	Acquisition & Installation of Irrigation System	142,500			142,500	142,500		
08-01	Road Improvements	237,500			237,500	237,500		
08-02	Pascack Brook Sewer Pipe Replacement and Repair	475,000			475,000		182,083	292,917
08-11	Acquisition of Technology Equipment	28,500			28,500	28,500		
08-20	Acquisition of Equipment	156,750			156,750	156,750		
08-22	Suppl. - Emerson Pump Station	120,000			120,000	120,000		
08-32	Acquisition of Fire Department Equipment	52,725			52,725	52,725		
08-33	Acquisition of Playground Equipment	28,500			28,500	28,500		
09-01	2009 Road Improvement Program		\$ 237,750		237,750	237,750		
09-05	Suppl. Approp - Pascack Brook Sewer (08-02)		1,350,000		1,350,000			1,350,000
09-20	Acq. Of Various Equipment - Police Department		22,325		22,325	22,325		
09-21	Acq. Of Various Equipment - Fire Department		53,675		53,675	53,675		
09-22	Acq. Of Various Equipment - Public Works Department		135,185		135,185	135,015		170
09-25	Acq. Of Various Equipment - Police Department		80,750		80,750		76,015	4,735
		<u>\$ 5,130,309</u>	<u>\$ 1,879,685</u>	<u>\$ 114,000</u>	<u>\$ 6,895,994</u>	<u>\$ 4,833,975</u>	<u>\$ 298,408</u>	<u>\$ 1,763,611</u>
								\$ 2,285,715
				Ord. No. 04-13		\$ 7,712		
				Ord. No. 04-19		1,849		
				Ord. No. 04-22, 05-01, 04-12		29,079		
				Ord. No. 05-16/05-37		9		
				Ord. No. 05-17		6,070		
				Ord. No. 06-04		32,783		
				Ord. No. 06-12		101,805		
				Ord. No. 07-09		12,253		
				Ord. No. 07-10		11,513		
				Ord. No. 07-11		1		
				Ord. No. 07-12		5,987		
				Ord. No. 07-13		141,896		
				Ord. No. 08-01		28,313		
				Ord. No. 08-11		96		
				Ord. No. 08-32		1,584		
				Ord. No. 08-33		1		
				Ord. No. 09-01		41,988		
				Ord. No. 09-20		7,258		
				Ord. No. 09-21		11,551		
				Ord. No. 09-22		80,356		
								<u>522,104</u>
								<u>\$ 1,763,611</u>

BOROUGH OF WESTWOOD
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2008		\$13,976,117
Decreased by:		
2009 Budget Appropriation		
Bonds	\$ 800,000	
Loans	<u>382,098</u>	
		<u>1,182,098</u>
Balance, December 31, 2009		<u>\$12,794,019</u>

**BOROUGH OF WESTWOOD
ANALYSIS OF GENERAL CAPITAL CASH
AS OF DECEMBER 31, 2009**

Fund Balance	\$ 128,773
Capital Improvement Fund	345,018
Encumbrances Payable	797,010
Accounts Payable	36,626
Reserve for Issuance Costs	4,190
Reserve for Pascack Brook Park Bikeway	50,188
Grants Receivable	(569,260)
Environmental Infrastructure Loan Receivable	(31,386)
Due to Current Fund	44,605
Reserve for Payment of Bonds	131,299

Improvement Authorizations:

<u>Ord. No.</u>	<u>Improvement Description</u>	
97-1	Impvt. of Railroad Station	(23,916)
97-7	Impvt. of Drainage Ditch	(14,250)
98-12	Resurfacing of Various Streets	(902)
00-13/09-17	Landfill Closure	70,983
01-11	Resurfacing of Various Roads	13,510
02-14	Various Capital Improvements	26,329
02-21	Construction of Firehouse	(821)
04-12	Various Capital Improvements	29,079
04-13	Improvements to Musquapsink Brook	7,712
04-19	Construction of Walkway and Pedestrian Bridge	1,849
04-23	Improvements to Fairview Avenue	288
05-16/05-37	Feasibility Study-Five Corners	9
05-17	Various Capital Improvements	6,070
06-04	Reconstruction of Fairview Avenue	32,783
06-05	Repaving & Resurfacing of Various Roads	13,647
06-12	Various Capital Improvements	101,805
07-04	2007 Roadway Improvement Program	(421)
07-09	Installation of Additional Lighting at Westvale Park	97,510
07-10	Acquisition of Various Equipment-Public Works	11,513
07-11	Acquisition of Various Equipment-Police Department	1
07-12	Acquisition of Various Equipment-Fire Department	5,987
07-13	Acquisition & Installation of Irrigation System	141,896
08-01	Road Improvements	28,313
08-02	Pascack Brook Sewer Pipe Replacement and Repair	(182,083)
08-11	Acquisition of Technology Equipment	96
08-22	Suppl. - Emerson Pump Station	1,009
08-32	Acquisition of Fire Department Equipment	1,584
08-33	Acquisition of Playground Equipment	1
08-35	Various Improvements at the Borough Library	121
09-01	2009 Road Improvement Program	41,988
09-11	Various Curb and Sidewalk Improvements	10,537
09-18	Preparation and Delivery of an Energy Report	1,776
09-20	Acq. Of Various Equipment - Police Department	7,258
09-21	Acq. Of Various Equipment - Fire Department	11,551
09-22	Acq. Of Various Equipment - Public Works Department	80,356
09-24	Installation of Traffic Signals at Railroad Crossings	235
09-25	Acq. Of Various Equipment - Police Department	(76,015)

\$ 1,384,451

BOROUGH OF WESTWOOD
STATEMENT OF GENERAL CAPITAL CASH - COLLECTOR-TREASURER

Balance, December 31, 2008		\$ 573,832
Increased by Receipts:		
Loan Proceeds	\$ 733,551	
Bond Anticipation Notes	835,240	
Premium on Sale of Bonds and Notes	13,401	
Interest on Investments	9,972	
Receipts from Current Fund - Capital Improvement Fund	200,000	
Pedestrian/Bikeway	<u>50,188</u>	
		<u>1,842,352</u>
		2,416,184
Decreased by:		
Improvement Authorizations	460,732	
Reserve for Encumbrances	558,696	
Due from Current Fund	5,810	
Payments to Current Fund	<u>6,495</u>	
		<u>1,031,733</u>
Balance, December 31, 2009		<u>\$ 1,384,451</u>

**BOROUGH OF WESTWOOD
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2008		\$ 559,923
Increased by:		
Charges to Improvement Authorizations		<u>797,010</u>
		1,356,933
Decreased by:		
Payments	\$ 558,696	
Cancelled	<u>1,227</u>	
		<u>559,923</u>
Balance, December 31, 2009		<u>\$ 797,010</u>

EXHIBIT C-12

STATEMENT OF ACCOUNTS PAYABLE - COST OF ISSUANCE

Balance, December 31, 2008		<u>\$ 36,626</u>
Balance, December 31, 2009		<u>\$ 36,626</u>

EXHIBIT C-13

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2008		\$ 310,633
Increased by:		
2009 Current Fund Budget Appropriations		<u>200,000</u>
		510,633
Decreased by:		
Appropriation to Finance Impvt. Authorizations		<u>165,615</u>
Balance, December 31, 2009		<u>\$ 345,018</u>

EXHIBIT C-14

STATEMENT OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION

Ord. No.	<u>Improvement Description</u>	<u>Ordinance Total Appropriated</u>	<u>Down- Payment</u>	Balance, December 31, <u>2008</u>	Balance, December 31, <u>2009</u>
97-7	Impvts. of Drainage Ditch	\$ 15,000	\$ 750	\$ 750	\$ 750
04-14	Improvements to Bogert Pond	42,300	2,200	<u>2,200</u>	<u>2,200</u>
				<u>\$ 2,950</u>	<u>\$ 2,950</u>

**BOROUGH OF WESTWOOD
STATEMENT OF EDA LOANS PAYABLE**

Balance, December 31, 2008	\$ 2,837,117
Decreased by:	
2009 Budget Appropriation	<u>382,098</u>
Balance, December 31, 2009	<u>\$ 2,455,019</u>

EXHIBIT C-16

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE

Balance, December 31, 2008	\$ 764,937
Decreased by:	
Loan Proceeds Received	<u>733,551</u>
Balance, December 31, 2009	<u>\$ 31,386</u>

EXHIBIT C-17

STATEMENT OF RESERVE FOR PAYMENT OF BONDS

Balance, December 31, 2008	\$ 181,299
Decreased by:	
Anticipated As Current Fund Revenue	<u>50,000</u>
Balance, December 31, 2009	<u>\$ 131,299</u>

EXHIBIT C-18

STATEMENT OF RESERVE FOR PASCACK BROOK PARK BIKEWAY

Balance, December 31, 2008	\$ 292,500
Increased by:	
Received in 2009	<u>50,188</u>
	342,688
Decreased by:	
Appropriation to Finance Impvt. Authorizations	<u>292,500</u>
Balance, December 31, 2009	<u>\$ 50,188</u>

BOROUGH OF WESTWOOD
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance, December 31, 2008		2009 Authorizations	Notes Issued	Balance, December 31, 2009	
		General Capital	Assessment Trust			General Capital	Assessment Trust
80-8	Impvt. to Gritman Park Pool		\$ 283				\$ 283
97-1	Impvt. of Railroad Station	\$ 23,916				\$ 23,916	
97-7	Impvt. of Drainage Ditch	14,250				14,250	
98-12	Resurfacing of Various Streets	902				902	
02-21	Construction of Firehouse	821				821	
06-12	Various Capital Improvements	1,789				1,789	
07-04	2007 Roadway Improvement Program	421				421	
08-02	Pascack Brook Sewer Pipe Replacement and Repair	475,000				475,000	
08-11	Acquisition of Technology Equipment	28,500			\$ 28,500		
08-20	Acquisition of Equipment	156,750			156,750		
08-22	Suppl. - Emerson Pump Station	120,000			120,000		
08-25	Installation of Additional Lighting at Westvale Park	114,000				114,000	
08-32	Acquisition of Fire Department Equipment	52,725			52,725		
08-33	Acquisition of Playground Equipment	28,500			28,500		
09-01	2009 Road Improvement Program			\$ 237,750	237,750		
09-05	Supp. Approp - Pascack Brook Sewer (08-02)			1,350,000		1,350,000	
09-20	Acq. Of Various Equipment - Police Department			22,325	22,325		
09-21	Acq. Of Various Equipment - Fire Department			53,675	53,675		
09-22	Acq. Of Various Equipment - Public Works Department			135,185	135,015	170	
09-25	Acq. Of Various Equipment - Police Department			80,750	-	80,750	
		<u>\$ 1,017,574</u>	<u>\$ 283</u>	<u>\$ 1,879,685</u>	<u>\$ 835,240</u>	<u>\$ 2,062,019</u>	<u>\$ 283</u>

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PUBLIC ASSISTANCE FUND

**BOROUGH OF WESTWOOD
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER**

	PATF Account #1 (75)%	PATF Account #2 (100)%	Total
Balance, December 31, 2008	\$ 3,998	\$ 44,763	\$ 48,761
Increased by:			
Donations/State Aid/SSI	8,721	100,787	109,508
Petty Cash Returned		100	100
Interest on Deposits	9	198	207
	<u>8,730</u>	<u>101,085</u>	<u>109,815</u>
	<u>12,728</u>	<u>145,848</u>	<u>158,576</u>
Decreased by:			
Petty Cash Advanced		100	100
Public Assistance Expenditures	9,027	109,018	118,045
Payments to Current Fund	46	487	533
	<u>9,073</u>	<u>109,605</u>	<u>118,678</u>
Balance, December 31, 2009	<u>\$ 3,655</u>	<u>\$ 36,243</u>	<u>\$ 39,898</u>

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	PATF Account #1	PATF Account #2	Total
Balance, December 31, 2008	\$ 3,961	\$ 44,474	\$ 48,435
Increased by:			
Revenues	<u>8,721</u>	<u>100,787</u>	<u>109,508</u>
	12,682	145,261	157,943
Decreased by:			
Expenditures	<u>9,027</u>	<u>109,018</u>	<u>118,045</u>
Balance, December 31, 2009	<u>\$ 3,655</u>	<u>\$ 36,243</u>	<u>\$ 39,898</u>

**BOROUGH OF WESTWOOD
STATEMENT OF PUBLIC ASSISTANCE REVENUES**

	PATF Account #1 (75)%	PATF Account #2 (100)%	Total
Donations	\$ 8,721		\$ 8,721
State Aid /SSI	-	\$ 100,787	100,787
	<u>8,721</u>	<u>100,787</u>	<u>109,508</u>
Total Revenues	8,721	100,787	109,508
Petty Cash Returned		100	100
Interest on Deposits	9	198	207
	<u>9</u>	<u>198</u>	<u>207</u>
Total Receipts	\$ 8,730	\$ 101,085	\$ 109,815

EXHIBIT D-4

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

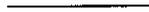
	PATF Account #1 (75)%	PATF Account #2 (100)%	Total
Current Year Assistance - Reported			
Maintenance Payments		\$ 26,988	\$ 26,988
Temporary Rental Assistance		70,511	70,511
Emergency Assistance		5,279	5,279
Transportation Assistance	-	4,836	4,836
	<u>-</u>	<u>107,614</u>	<u>107,614</u>
Total Reported	-	107,614	107,614
SSI Refund		1,404	1,404
Unreported Assistance	\$ 9,027	-	9,027
	<u>9,027</u>	<u>-</u>	<u>9,027</u>
Total Expenditures	9,027	109,018	118,045
Petty Cash Advanced	-	100	100
	<u>-</u>	<u>100</u>	<u>100</u>
Total	\$ 9,027	\$ 109,118	\$ 118,145

**BOROUGH OF WESTWOOD
STATEMENT OF DUE TO CURRENT FUND**

	PATF Account #1 <u>(75)%</u>	PATF Account #2 <u>(100)%</u>	<u>Total</u>
Balance, December 31, 2008	\$ 37	\$ 289	\$ 326
Increased by:			
Interest on Investments and Deposits	<u>9</u>	<u>198</u>	<u>207</u>
	46	487	533
Decreased by:			
Payments to Current Fund	<u>46</u>	<u>487</u>	<u>533</u>
Balance, December 31, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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BOROUGH OF WESTWOOD



PART II

GOVERNMENT AUDITING STANDARDS

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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 Westwood
Westwood, New Jersey

We have audited the financial statements – regulatory basis of the Borough of Westwood as of and for the year ended December 31, 2009, and have issued our report thereon dated June 26, 2010 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 regulatory 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 the financial statements – regulatory basis was qualified because of the presentation of the unaudited LOSAP Fund 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 Westwood'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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis.

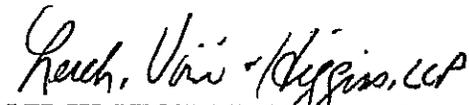
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

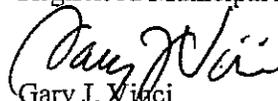
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Westwood'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 no instances 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.

However, we noted certain matters that we reported to management of the Borough of Westwood in Part III of this report of audit entitled "Letter of Comments and Recommendations".

This report is intended solely for the information and use of the governing body, management, New Jersey Department of Community Affairs 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
June 26, 2010

SCHEDULE A

BOROUGH OF WESTWOOD
 SCHEDULE OF FEDERAL AWARDS
 FOR YEAR ENDED DECEMBER 31, 2009

<u>Federal Funding Department</u>	<u>CFDA Number</u>	<u>Grant Receipts</u>	<u>Balance, January 1, 2009</u>	<u>2009 Grant Award</u>	<u>Expended</u>	<u>Balance, December 31, 2009</u>
U.S. Department of Health and Human Services: Centers for Disease Control and Prevention and Technical Assistance	93.283	\$ 819	\$ 819		\$	819
U.S. Department of Environmental Protection: Superfund State Site - Specific Co-Op Agreements	66.802	\$ 18,840	20,473	\$ 18,811	\$	1,662
U.S. Department of Transportation: Over the Limit/Under Arrest	20.601	4,922	-	\$ 4,922	1,445	3,477
	20.601		5,000		5,000	-
			4,950			4,950
Click It or Ticket Program	20.602	3,899	-	4,000	4,000	-
	20.602		464			464
	20.602		849			849
State and Community Highway Safety	20.600	2,000	-	2,000	2,000	-
	20.600		2,000		700	1,300
Highway Planning and Construction NJ Dept. of Transportation - Irvington Street NJ Dept. of Transportation - Ord. 09-01	20.205	-	64,664	200,000	200,000	64,664
	20.205	-	-			-
			\$ 99,219	\$ 210,922	\$ 231,956	\$ 78,185

This schedule is not subject to audit in accordance with OMB A-133.

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WESTWOOD
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

State Grant Program	Account Number	Grant Year	Grant Receipts	Balance, January 1, 2009	Revenue/Receipts	Expended	Adjustments	Balance, December 31, 2009	Memo Cumulative Total Expenditures
Clean Communities Grant	4900-765-1789000	2009	\$ 17,439	\$	\$ 17,439	\$ 17,439	\$	\$ 107	\$ 17,439
		2008	-					107	13,511
		2007		\$ 728				728	13,136
		2003		312				312	9,528
		2002		588				588	9,252
Drunk Driving Enforcement Fund	1110-448-031020-22	2009	10,015		10,015	4,178		5,837	4,178
		2002		544		544		-	7,405
Municipal Recycling Program (Passed through County of Bergen)	4910-759-690-50	2004		5,483				5,483	
Recycling Tonnage Grant	**	2009		-				-	15,490
		2008		15,742		15,590		152	6,148
		2007		3				3	229
		2005		4,670				4,670	3,077
		2004		3,074				3,074	465
		2002		7,227				6,762	
Municipal Alliance on Alcoholism and Drug Abuse (Passed through County of Bergen)	**	2009	3,270		11,017	11,017		-	11,017
		2008		9,880		2,500		7,380	4,120
		2007		1,500		1,500		-	11,500
		2006		105				105	11,395
Domestic Violence Training Program	**	2003		2,477				2,477	4,998
Alcohol Education and Rehabilitation	**	2009	2,646		2,654			2,654	1,350
		2008		6,293		950		5,343	5,050
		2007		247				247	2,818
		2004		2,818				2,818	1,044
		2003		1,044				1,044	2,680
		2002		2,680				2,680	1,910
		1998		1,910				1,910	2,335
Police Body Armor Fund	**	2009			2,335			2,335	7
		2007							2,446
		2006		2,446				2,446	2,603
		2004		2,603				2,603	2,647
		2003		2,647				2,647	303
		2002		303				303	1,511
		Prior		1,511				1,511	2,344
									1,278

BOROUGH OF WESTWOOD
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

State Grant Program	Account Number	Grant Year	Grant Receipts	Balance, January 1, 2009	Revenue/Receipts	Expended	Adjustments	Balance, December 31, 2009	Memo Cumulative Total Expenditures
Municipal Stormwater Regulation	**	2008		\$ 6,661		\$ 4,449		\$ 2,212	\$ 7,995
		2006		2,271				2,271	7,936
		2004		1,655				1,655	8,552
New Jersey State Police SLA HEOP Grant	**	2004		3,235				3,235	
DEP Green Communities Challenge	**	2009	\$ 2,000		\$ 3,000	3,000		-	3,000
		2004		500				500	1,500
Community Stewardship Incentive Program	**	2009	15,905		15,905	15,905		-	15,905
Community Forestry Management Plan Grant	**	2004	1,800	1,338				1,338	4,662
SHARE - Police Pistol Range	**	2008	20,000	20,000		20,000		-	20,000
SHARE - Feasibility Study - DPW Services	**	2009	20,000		21,450	20,000		1,450	20,000
Disposal of Forfeited Property - Police Accreditation		2009			20,000	20,000		-	20,000
Reconstruction of Fairview Ave.		2006	2,977	169,305				169,305	110,695
General Welfare Assistance	7500-150-158010-60	2008	101,114	44,647	101,114	109,345	(173)	36,243	109,345
** Not Available				\$ 326,454	\$ 204,929	\$ 246,882	\$ (66)	\$ 284,435	\$ 493,705

This schedule is not subject to audit in accordance with OMB 04-04.

**BOROUGH OF WESTWOOD
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2009**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Westwood. 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 awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using the regulatory 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	\$ 10,922	\$ 103,815	\$ 114,737
General Capital Fund	200,000		200,000
Public Assistance Fund	<u>-</u>	<u>101,114</u>	<u>101,114</u>
Total Financial Awards	<u>\$ 210,922</u>	<u>\$ 204,929</u>	<u>\$ 415,851</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.

**BOROUGH OF WESTWOOD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2009**

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The Borough's federal and state loans outstanding at December 31, 2009, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>State</u>
New Jersey Economic Development Authority Loans	
Construction of New Municipal Building	\$ 100,020
Environmental Infrastructure Trust Landfill Closure	<u>2,354,999</u>
	<u>\$ 2,455,019</u>

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BOROUGH OF WESTWOOD

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

**BOROUGH OF WESTWOOD
SUPPLEMENTARY DATA**

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

	<u>Year 2009</u>		<u>Year 2008</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,223,950	2.94%	\$ 1,234,000	3.11%
Miscellaneous - From Other Than Local				
Property Tax Levies	2,992,776	7.19%	2,901,982	7.32%
Collection of Delinquent Taxes and Tax Title Liens	755,742	1.82%	392,007	0.99%
Collection of Current Tax Levy	35,838,351	86.11%	34,350,559	86.61%
Other Credits	<u>808,703</u>	<u>1.94%</u>	<u>784,844</u>	<u>1.98%</u>
 Total Income	 <u>41,619,522</u>	 <u>100.00%</u>	 <u>39,663,392</u>	 <u>100.00%</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	15,096,639	37.59%	14,601,350	38.00%
County Taxes	4,018,354	10.01%	3,949,435	10.28%
Regional School Taxes	20,719,785	51.59%	19,584,138	50.97%
Other Expenditures	<u>323,856</u>	<u>0.81%</u>	<u>286,402</u>	<u>0.75%</u>
 Total Expenditures	 <u>40,158,634</u>	 <u>100.00%</u>	 <u>38,421,325</u>	 <u>100.00%</u>
 Excess in Revenue	 1,460,888		 1,242,067	
Adjustments to Income before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	 <u>-</u>		 <u>34,451</u>	
 Statutory Excess to Fund Balance	 1,460,888		 1,276,518	
 Fund Balance, January 1	 <u>2,510,677</u>		 <u>2,468,159</u>	
	3,971,565		3,744,677	
 Less Utilization as Anticipated Revenue	 <u>1,223,950</u>		 <u>1,234,000</u>	
 Fund Balance, December 31	 <u>\$ 2,747,615</u>		 <u>\$ 2,510,677</u>	

**BOROUGH OF WESTWOOD
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate</u>	<u>\$2.133</u>	<u>\$2.09</u>	<u>\$2.03</u>

Apportionment of Tax Rate

Municipal	0.675	0.669	.654
County	0.224	0.211	.198
County Open Space	0.013	0.013	.010
Regional School	1.221	1.200	1.168

Assessed Valuation

2009	<u>\$1,697,548,928</u>	
2008		<u>\$1,631,694,098</u>
2007		<u>\$1,616,567,615</u>

Comparison of Tax Levies and Collection

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>
2009	\$ 36,261,099	\$ 35,838,351	98.83%
2008	35,987,606	34,350,559	95.45%
2007	33,007,022	32,475,088	98.38%

**BOROUGH OF WESTWOOD
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.

December 31 <u>Year</u>	Amount of Delinquent <u>Taxes</u>	Amount of Tax Title <u>Liens</u>	<u>Total</u>	Percentage of <u>Tax Levy</u>
2009	\$1,331,899	\$28,715	\$1,360,614	3.75%
2008	1,715,292	30,437	1,745,729	4.85
2007	494,820	28,664	523,484	1.59

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2009	\$3,198,600
2008	3,188,600
2007	3,188,600

**BOROUGH OF WESTWOOD
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>	<u>Corporate Surety</u>
John Birkner, Jr.	Mayor		
William Phayre	Council President		
Peter Grefrath	Councilmember		
John J. Sciara	Councilmember		
Cynthia Waneck	Councilmember		
Ingrid Quinn	Councilmember		
Robert Miller	Councilmember		
Robert Hoffman	Borough Administrator		
Karen Hughes	Borough Clerk, Assessment Search Officer		
Denise Holmes	Deputy Borough Clerk		
Stephanie Stokes	Collector, Tax Search Officer		
Raymond Herr	Treasurer, Chief Financial Officer	\$1,000,000	(2)
Barbara Potash	Tax Assessor	1,000,000	(1)
Russell R. Huntington	Borough Attorney		
Stephen Boswell	Borough Engineer		
Alan Karch	Magistrate	1,000,000	(2)
Letitia Candeloro	Court Administrator and Violations Clerk	1,000,000	(1)
Elizabeth Kraus	Deputy Court Administrator and Violations Clerk	1,000,000	(1)
Frank Regino	Chief of Police	1,000,000	(1)
Kathy Elgert	Welfare Director	1,000,000	(1)

- (1) Selective Insurance Company. Employees are covered by Blanket Public Employees Faithful Performance Bond with the Municipal Joint Insurance Fund in the amount of \$1,000,000 each.
- (2) Statutory Position Bond coverage under Municipal Excess Liability Joint Insurance Fund (Excess Crime Policy – Public Employee Bond)

**BOROUGH OF WESTWOOD
SUPPLEMENTARY DATA**

SCHEDULE OF FINDINGS OF NONCOMPLIANCE

Prior Year Findings Unresolved

Our audit revealed unexpended grant reserve balances, as well as uncollected grant and accounts receivable balances exist at December 31 in the Current Fund. It is recommended that the outstanding grant reserves be reviewed and cleared of record. Additionally, all grant and accounts receivable balances be reviewed and appropriate action taken to collect and/or cancel such items as deemed appropriate.

Our audit revealed that Project (Escrow) Status Report balances do not agree to the audit reserve balances. It is recommended that the Project (Escrow) Report be reviewed and adjustments made to ensure that report balances agree to the audit reserve balances and that any inactive accounts are investigated for disposition.

Our audit revealed that a separate cash receipts ledger was not properly maintained by the Recreation Department. It is recommended that all cash receipts collected by the Recreation Department be recorded in the Department's cash receipts ledger.

Our audit noted that the Borough's improvement authorization ledger was not in agreement with audited balances. It is recommended that the Borough's improvement authorization ledger be reconciled and be in agreement with the audited balances.

The audit of the Municipal Court indicated that the Tickets Issued Not Assigned Report includes certain tickets not assigned to an officer. It is recommended that reports issued by the Municipal Court from the Automated Traffic System be in compliance with the Administrative Office of the Courts Financial Procedures Manual.

Current Year Findings

Our audit noted the "Reserve for Unemployment Claims" had a deficit balance of \$343. This amount has been funded by a 2010 budget appropriation, thus an audit recommendation is not warranted.

The audit of the Municipal Court indicated that the Tickets Assigned Not Issued Report indicates certain tickets included on the report were outstanding in excess of six months. It is recommended that reports issued by the Municipal Court from the Automated Traffic System be in compliance with the Administration Office of the Courts financial procedures manual.

Our audit revealed that the contract with the Borough's outside payroll service provider is not in compliance with the Division of Local Government Services Finance Notice regarding electronic disbursements. In addition, the address on the Borough's payroll tax return is that of the payroll service provider, not Borough Hall. It is recommended that the Borough review the payroll service provider contract and take action to ensure that it is in compliance with the Division of Local Government Services Local Finance Notice.

Our audit of the Police Outside Duty indicated that invoices are sent to vendors through the issuance of a letter. A formal accounts receivable ledger is not maintained. Consideration should be given to computer generate the respective invoices for the Police Outside Duty billings and furthermore that an accounts receivable ledger be maintained for this account.

**BOROUGH OF WESTWOOD
SUPPLEMENTARY DATA**

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or 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 \$21,000, except by contract or agreement."

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 Counsel's opinion should be sought before a commitment is made.

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

Yard Waste Disposal	Carpeting at Westwood Public Library
2009 Road Resurfacing of Various Streets	Solid Waste Contract
Leaf Transport and Disposal Contract	Two (2) Used Pump Trucks
Removal and Repaving of Crosswalks on Westwood Ave.	

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 furnishing 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-cut violations existed.

Collection of Taxes 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 6, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

BE IT RESOLVED, by the Mayor and Council that the rate of interest on delinquent taxes for the year 2008 be fixed at the rate of 8% per annum on delinquent amounts up to \$1,500, and at 18% per annum on delinquent amounts on \$1,500 or more; and

BE IT FURTHER RESOLVED, that the rate of interest on delinquent assessments for the year 2008 be fixed at the rate of 8% per annum on delinquent assessments up to \$1,500 and at the rate of 18% per annum on delinquent assessments of \$1,500 or more, and

BE IT FURTHER RESOLVED, that the interest charge on unpaid balances of assessment installments paid prior to delinquency is at the rate of 6% and 6.25% per annum, as stated at time of confirmation.

**BOROUGH OF WESTWOOD
SUPPLEMENTARY DATA**

GENERAL COMMENTS (Continued)

Collection of Taxes on Delinquent Taxes and Assessments (Continued)

BE IT FURTHER RESOLVED, that a 10 day grace period will be allowed on the payment of taxes for each quarter from the first day of that month that taxes are due.

BE IT FURTHER RESOLVED that an additional penalty be charged for delinquency in the excess of \$10,000 that is not paid prior to the end of the year, the additional penalty so fixed shall not exceed 6% of the amount of delinquency.

BE IT FURTHER RESOLVED, that, in accordance with Chapter 99, the Tax Collector is hereby permitted to conduct the yearly tax sale.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 14, 2009.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2009	9
2008	10
2007	10

Suggestions to Management

Consideration be given to reviewing all prior year outstanding checks and reconciling items in the Current Fund and Municipal Court accounts and clearing items of record.

**BOROUGH OF WESTWOOD
SUPPLEMENTARY DATA**

RECOMMENDATIONS

It is recommended that:

- * 1. The outstanding grant reserves be reviewed and cleared of record. Additionally, all grant and accounts receivable balances be reviewed and appropriate action taken to collect and/or cancel such items as deemed appropriate.
- * 2. The Project (Escrow) Report be reviewed and adjustments made to ensure that report balances agree to the audit reserve balances and that inactive accounts be reviewed for disposition.
- * 3. Cash receipts collected by the Recreation Department be recorded in the Department's cash receipts ledger.
- * 4. The Borough's improvement authorization ledger be reconciled and be in agreement with the audited balances.
- * 5. Reports issued by the Municipal Court from the Automated Traffic System be in compliance with the Administrative Office of the Courts Financial Procedures Manual.
- 6. The Borough review the payroll service provider contract and take action to ensure that it is in compliance with the Division of Local Government Services Finance Notice.
- 7. Consideration be given to computer generate the respective invoices for the Police Outside Duty billings and furthermore that an accounts receivable ledger be maintained for this account.

* * * * *

A review was performed on all prior year recommendations and corrective action was taken on all recommendations except the item denoted with an asterisk (*).

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

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


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


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411