

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 21, 2010

RATING: Standard & Poor's: "____"
(See "Rating" herein)

In the opinion of GluckWalrath, LLP Bond Counsel, assuming continuing compliance with provisions of the Internal Revenue Service Code of 1986, as amended (the "Code"), applicable to the Bonds, and subject to certain provisions of the Code which are described herein, under laws, regulations, ruling and judicial decisions existing on the date of original delivery of the Bonds, interest received by holders of the Bonds will be excludable from gross income for Federal income tax purposes and will not be treated as a tax preference item for individuals or corporations. However, interest on the Bonds may become taxable retroactively if certain requirements under the Code are not complied with. Under the laws of the State of New Jersey, as enacted and construed on the date of original delivery of the Bonds, interest on the Bonds and any gain from the sale thereof is excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" for a description of certain other provisions of the Code that may affect the federal tax treatment of interest on the Bonds.

\$3,736,000
GENERAL IMPROVEMENT BONDS, SERIES 2010
BOROUGH OF WESTWOOD
County of Bergen, New Jersey
(Non-Callable) (Bank-Qualified) (Book-Entry Only)

Dated: Date of Delivery

Due: April 1, as shown below

The \$3,736,000 General Improvement Bonds, Series 2010 (the "Bonds") of the Borough of Westwood, in the County of Bergen, New Jersey (the "Borough"), will be issued as fully registered bonds, one for each maturity, in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of the beneficial ownership interests in the Bonds may be made in book-entry form only on the records of DTC and its Participants and only in the principal amount of \$1,000 or any integral multiple thereof. Beneficial Owners of the Bonds will not receive certificates representing their interests in the Bonds. As long as Cede & Co is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

Principal on the Bonds is payable on April 1 in each of the years set forth below. Interest on the Bonds will be paid semiannually on the first day of April and October in each year until maturity, commencing on October 1, 2010. As long as DTC or its nominee Cede & Co. is the registered owner of the Bonds, payment of the principal and interest on the Bonds will be made by the Borough directly to DTC or its nominee Cede & Co. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding March 15th and September 15th (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are not subject to redemption prior to maturity.

The Bonds are valid and legally binding obligations of the Borough of Westwood and, unless paid from other sources, are payable from ad valorem taxes levied upon all the taxable real property within the Borough for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

Maturity Schedule Interest Rates and Yields

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>
2011	\$25,000			2017	\$455,000		
2012	25,000			2018	450,000		
2013	35,000			2019	475,000		
2014	45,000			2020	530,000		
2015	65,000			2021	575,000		
2016	420,000			2022	636,000		

The Bonds are offered for delivery when, as and if issued and delivered, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approval of legality by the law firm of GluckWalrath LLP, Trenton, New Jersey, Bond Counsel to the Borough, and certain other conditions described herein. It is expected that the Bonds will be available for delivery to DTC in New York, New York, on or about May 10, 2010.

**ELECTRONIC PROPOSALS WILL BE RECEIVED FOR THE BONDS ON
APRIL 29, 2010 UNTIL 11:00 AM.**

ALL PROPOSALS MUST BE IN ACCORDANCE WITH THE NOTICE OF SALE.

BOROUGH OF WESTWOOD
BERGEN COUNTY, NEW JERSEY

Mayor

John J. Birkner, Jr.

Borough Council

Robert Miller – Council President
Peter Grefrath
William Phayre
Ingrid Quinn
John J. Sciara
Cynthia Waneck

Business Administrator

Robert S. Hoffmann

Borough Clerk

Karen Hughes

Chief Financial Officer

Raymond A. Herr

Municipal Attorney

Russell Huntington III, Esq.
Westwood, New Jersey

Borough Auditor

Lerch, Vinci & Higgins, LLP
Fair Lawn, New Jersey

Bond Counsel

GluckWalrath LLP
Trenton, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Borough or the Underwriter to give any information or to make any representations, with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Borough or the Underwriter. The information contained herein has been obtained from the Borough, DTC and other sources which are believed to be reliable; however, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation or warranty of the Borough or the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, ordinances, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Borough during normal business hours.

This Official Statement is deemed final as of the date hereof by the Borough, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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OFFICIAL STATEMENT

of

BOROUGH OF WESTWOOD in the County of Bergen, New Jersey

\$3,736,000 GENERAL IMPROVEMENT BONDS, SERIES 2010

INTRODUCTION

This Official Statement (the “Official Statement”) which includes the cover page and the Appendices attached hereto, has been prepared by the Borough of Westwood (the “Borough”), in the County of Bergen (the “County”), State of New Jersey (the “State”) in connection with the sale and issuance of its \$3,736,000 General Improvement Bonds, Series 2010 (the “Bonds”), dated their date of delivery. This Official Statement has been executed by and on behalf of the Borough by its Chief Financial Officer.

This Official Statement is “deemed final”, as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”).

THE BONDS

General Description

The Bonds are dated their date of delivery, and will mature on April 1 in the years and in the principal amounts and will bear interest from their date, payable on each April 1 and October 1, (each, an "Interest Payment Date"), in each year until maturity commencing October 1, 2010, at the rates shown on the cover page hereof. The Bonds are issuable as fully registered book-entry only bonds in the form of one certificate for each year of maturity of the Bonds of each series and in the aggregate principal amount of such maturity.

The Bonds may be purchased in book-entry only form in the amount of any integral multiple of \$1,000 with a minimum purchase of \$5,000 required, through book-entries made on the books and records of The Depository Trust Company, New York, New York (“DTC”) and its participants. So long as DTC or its nominee, Cede & Co., (or any successor or assign), is the registered owner for the Bonds, payments of the principal of and interest on the Bonds will be made by the Borough directly to Cede & Co. (or any successor or assign), as nominee for DTC. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of the close of business on March 15 and September 15 (the "Record Dates" for the payment of interest on the Bonds). See “Book-Entry Only System” herein.

Book-Entry Only System

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Bonds, payment of principal and interest and other payments on the Bonds to Direct and Indirect Participants (defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Borough. Accordingly, the Borough does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com** and **www.dtc.org**.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Borough as paying agent (the "Paying Agent"). Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but the Borough takes no responsibility for the accuracy thereof.

THE PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Discontinuation of Book-Entry Only System

If the Borough, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the Borough will attempt to locate another qualified Securities Depository. If the Borough fails to find such Securities Depository, or if the Borough determines, in its sole discretion, that it is in the best interest of the Borough or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the Borough undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the Borough shall notify DTC of the termination of the book-entry only system.

In the event that the book-entry only system for the Bonds is discontinued, the Borough has provided that upon receipt of the Bond certificates from DTC and the Participant information, the Borough will authenticate (or cause to be authenticated) and deliver definitive Bonds to the holders thereof, and the principal of and interest on the Bonds will be payable and the Bonds may thereafter be transferred or exchanged in the manner described in the Bond certificates so provided.

Prior Redemption

The Bonds are not subject to redemption prior to their stated maturities.

Authorization of the Bonds

The Bonds have been authorized and are issued pursuant to the laws of the State, including the Local Bond Law, Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), the various bond ordinances of the Borough, as set forth below, and a resolution adopted by the Council of the Borough on April 13, 2010 (the "Resolution").

On April 14, 2010 the Borough received the approval of the Local Finance Board to issue the Bonds with a maturity schedule that does not conform with N.J.S.A. 40A:2-26(b). Such statute requires that no annual principal installment exceed by more than 100% the amount of the smallest prior installment.

The Bonds are being issued to (i) currently refund \$3,734,211 aggregate principal amount of the Borough's Bond Anticipation Notes, maturing May 11, 2010; (ii) provide \$1,789 of additional monies for the projects described below; and (iii) pay costs and expenses incidental to the issuance of the delivery of the Bonds.

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>
00-17	Improvements to Gritman Pond	\$ 63,341
02-01/02-11	Various Road Improvements	219,505
04-12	Various Capital Improvements	330,436
04-13	Improvements to Musquapsink Brook	26,980
04-14	Improvement of Bogert Pond	35,945
04-19	Construction of Pedestrian Bridge over Bogert Pond	108,945
04-22	Construction of a Firehouse	173,494
05-01	Construction of a Firehouse	135,046
05-17	Various Capital Improvements	358,920
05-35	Acquisition of a Vehicle	233,863
06-04	Fairview Avenue Improvements	133,000
06-12	Various Capital Improvements	877,515
07-04	2007 Road Program	327,250
07-09/08-25	Westvale Field Lighting Improvements	114,000
07-10	Acquisition of DPW Equipment	247,000
07-11	Acquisition of Police Equipment	95,000
07-13	Irrigation of Ball Fields	141,760
08-01	Road Improvements	<u>114,000</u>
		<u>\$3,736,000</u>

SECURITY AND SOURCE OF PAYMENT

The Bonds are general obligations of the Borough, and the Borough has pledged its full faith and credit to the payment of the principal of and interest on the Bonds. The Bonds are direct obligations of the Borough and, unless paid from other sources, the Borough is required by law to levy ad valorem taxes upon all the real property taxable within the Borough for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Borough will designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and will represent that it reasonably expects that, collectively, neither it nor its subordinate entities will issue more than \$30,000,000 of tax-exempt obligations in the current calendar year.

NO DEFAULT

The Borough has never defaulted in the payment of any bonds or notes, nor are any payments of principal or interest on the Borough's indebtedness past due.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

The Local Bond Law (N.J.S.A. 40A:2-1 et seq.) governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required to be appropriated for the financing of expenditures for municipal purposes for which bonds are authorized.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion. The annual audit report is filed with the Borough Clerk and is available for review during business hours.

The chief financial officer of every local unit must file annually with the Director a verified statement of financial condition of the local unit and all constituent boards, agencies or commissions.

Debt Limits

The authorized bonded indebtedness of a municipality in the State of New Jersey is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its equalized valuation basis. The equalized valuation basis of the municipality is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain class II railroad property within its boundaries as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

On December 31, 2009 (Unaudited), the Borough's percentage of statutory net debt was 0.98% and was comprised of the following:

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

Exceptions to Debt Limits-Extensions of Credit

The debt limit of the Borough may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the ability of the Borough to meet its obligations or to provide essential services, or makes other statutory

determinations, approval is granted. In addition, debt in excess of the statutory debt limit may be issued without the approval of the Local Finance Board to fund certain notes, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes).

Short-Term Financing

The Borough may issue bond anticipation notes to temporarily finance capital improvements. Bond anticipation notes, which are general obligations of the Borough, may be issued for a period not exceeding one year and may be renewed annually for one-year periods. Generally, bond anticipation notes may not be outstanding longer than 10 years. Additionally, beginning in the third year and continuing in each year that the notes are outstanding, the amount of notes that may be issued is decreased by the minimum amount required for the first year principal payment of bonds in anticipation of which such notes are issued.

School Debt Subject to Voter Approval

State Law permits the school district, upon approval of the voters, to authorize school district debt, including debt in excess of its independent debt limit of 4% of the equalized valuation basis, by using the available borrowing capacity of the Borough. If such debt is in excess of the school district debt limit, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters.

Property Tax Reform

In recent years, the New Jersey Legislature has considered various proposals to lessen the dependence of local governments on property taxes and to find alternative means to fund vital governmental services.

In November, 2006, the voters approved a constitutional amendment which dedicated the annual revenue derived from ½% of the 7% State sales tax for the purpose of property tax reform. In 2006, the Legislature also created four joint legislative committees to review and formulate proposals that address (i) public school funding reform, (ii) government consolidation and shared services, (iii) public employee benefits reform and (iv) property tax reform (including through amendments to the State Constitution), and Governor Corzine also introduced a Blueprint for Property Tax Relief and Reform, calling for legislative consideration of a number of proposals, including a 4% cap in the annual increase in property tax bills.

Any legislation or constitutional amendments which alter the existing system of real property taxation in New Jersey may adversely affect the security and/or market value of bonds, notes and other obligations of counties and municipalities (such as the Borough).

The Municipal Finance Commission (R.S. 52:27-1 et seq.)

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. The local finance system is intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the "Municipal Finance Commission Statutes" are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations causes the "Municipal Finance Commission" to become operative in that community.

The "Municipal Finance Commission" exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The commission is also directed to supervise tax

collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act. Such Act was substantially revised in 1976 so as to permit municipalities to have access to bankruptcy court for protection against suits by bondholders and without prior warranty for creditors' approvals in cases of impending default.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Borough is required to have a balanced budget in which debt service is included in full for each fiscal year.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. The Borough must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (the "Director") prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Local budgets, by law and regulation, must be in balance on a "cash basis". No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof (N.J.S.A. 40A:4-10).

The principal sources of Borough revenues are real estate taxes and miscellaneous revenues, including State Aid.

In any year, the municipality may authorize, by resolution, the issuance of tax anticipation notes which may be issued in anticipation of the collection of taxes for such year. Tax anticipation notes, are limited in amount by law and must be paid off in full by a municipality within one hundred and twenty (120) days after the close of the fiscal year.

Real Estate Taxes

The general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to delinquent property taxes. N.J.S.A. 40A:4-29 delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

Section 41 of the Local Budget Law provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

The provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to Balance Budget}}{\text{Prior Year's Percentage of Current Tax Collections (or lesser \%)}} = \text{Total Taxes to be Levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reductions resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected taxes by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute.

Miscellaneous Revenues

Section 26 of the Local Budget Law provides: "no miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof. (N.J.S.A. 40A:4-10). The exception to this is the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar fiscal year.

Limitations on Municipal Appropriations and Tax Levy

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but essentially, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.5% or less.

Additionally, new legislation constituting P.L. 2007, c.62, effective April 3, 2007, imposes a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for debt service and certain lease payments to county improvement authorities, increases to replace certain lost state aid, increases in certain pension contributions, increases in the reserve for uncollected taxes required for municipalities, and certain increases in health care costs over 4%. The Local Finance Board may approve waivers for certain extraordinary costs identified by the statute, and voters may approve increases above 4% not otherwise permitted by a vote of 60% of the voters voting on a public question.

Neither the tax levy limitation nor the “Cap Law” limits the obligation of the Borough to levy ad valorem taxes upon all taxable real property within the Borough to pay debt service on its bonds or notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Deferral of Current Expense

Emergency appropriations, *i.e.*, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years; and tax map preparation, revaluation of real property, codification of ordinances and master plan preparations, which may be amortized over five years.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two months of the year and, although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review.

Fiscal Year

The Borough's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or that received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A. 40A:4-3.1 was amended by P.L. 2000, c. 126, to eliminate the criteria for mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. The Borough did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such a change in the future.

Budget Process

Primary responsibility for the Borough's budget process lies with the Borough Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Borough operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Borough may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

Impact of State Fiscal Emergency

On February 11, 2010, Governor Christie signed Executive Order No. 14, declaring that a state of fiscal emergency exists in the State of New Jersey and directing that certain fiscal actions be taken in response to such emergency.

As part of his March 16, 2010 budget address, Governor Christie indicated that his proposed FY 2011 State Budget will recommend a reduction in various forms of municipal aid of \$445 million, including a reduction of approximately \$271.4 million in municipal aid provided under the Consolidated Municipal Property Tax Relief Aid and the Energy Tax Receipts Property Relief Fund programs. In addition, Governor Christie indicated that his proposed FY 2011 State Budget will recommend the elimination of the existing Special Municipal Aid, Extraordinary Aid, Capital City Aid, Consolidated Fund Aid and Regional Efficiency Aid programs, to be replaced by a Transitional Aid to Localities program for temporarily distressed municipalities (the funding for which would be decided under a competitive process, and would represent a 10% reduction from the FY 2010 appropriation for the programs it replaces).

Governor Christie's proposal represents a reduction of approximately 17% in combined COMPTRA and Energy Tax Receipts aid statewide. While the Borough cannot predict the outcome of the FY 2011 State Budget or of the proposed legislation and constitutional amendment noted above. However, it appears likely that there will be significant reductions in State aid to the Borough during the State's 2011 fiscal year, with corresponding financial pressures upon the Borough to offset such reductions through either spending reductions or increased revenues. Projected State aid figures by the Department of Community Affairs (DCA) on March 18, 2010 reflect an approximately 20.49% decrease in COMPTRA and Energy Tax Receipts aid, from \$1,281,449 in State FY 2010 to \$1,018,831 in State FY 2011. In addition, DCA announced that 5% of State FY 2011 aid would be withheld unless the municipality certifies compliance with certain best-practices standards.

Governor Christie also recommended the adoption of an amendment to the State Constitution which would impose an annual tax levy cap of 2½% at both the State and local levels, and pending such adoption the enactment of legislation which would lower the existing 4% municipal tax levy cap to 2½%, limit cap exceptions, permit banking of unused cap and repeal provisions for automatic cap growth to offset decreases in State aid.

TAX INFORMATION OF THE BOROUGH

Tax Collection Procedures

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A re-valuation of all property in the Borough was last completed in 1994.

Upon the filing of the certified adopted budgets by the Borough's Local School District, Fire Districts and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June by the Borough. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any delinquent amount in excess of \$1,500.00. These interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. The Borough has no liens itself. The liens are held by third party borrowers.

Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the County Board of Taxation on or before the first day of April of the current tax year for review. The County Board of Taxation has the authority after a hearing to decrease the assessment or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey, for further hearing. State tax appeals tend to take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

TAX MATTERS

In the opinion of Bond Counsel, assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") applicable to the Bonds and subject to certain provisions of the Code which are described below, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Bonds, interest received by a holder of the Bonds will be excludable from gross income for federal income tax purposes, and will not be treated as a tax preference item for individuals or corporations.

The Code contains a number of provisions that apply to the Bonds, including restrictions relating to the use or investment of the proceeds of the Bonds (or facilities financed by such proceeds) and the payment of certain arbitrage earnings in excess of the "yield" on the Bonds to the Treasury of the United States. Non-compliance with such provisions may result in interest on the Bonds not being excludable from gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Borough has covenanted to comply with these requirements.

Section 265(b) of the Code generally denies to institutions any deduction for that portion of interest expense incurred to purchase or carry tax-exempt obligations. An exception is provided certain small issuers who designate the obligations as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code and, provided certain conditions are met, for obligations the proceeds of which refund obligations which were designated as qualified tax-exempt obligations. Such obligations will be subject to a reduced disallowance rule. The Bonds will be designated by the Borough as qualified tax exempt obligations under Section 265(b) of the Code.

Ownership of tax-exempt obligations may also result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations.

In addition, prospective purchasers should be aware that on May 17, 2006, the President signed into law the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). TIPRA amended Section 6049 of the Code to provide that interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The provision is effective for interest paid on tax-exempt obligations after December 31, 2005, regardless of when the tax-exempt obligations were issued. Pursuant to Notice 2006-93, backup withholding will be required if the bondholder fails to provide a tax identification number. The new reporting requirement does not in and of itself affect or alter the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to Bonds issued prior to enactment. In addition, the Internal Revenue Service ("IRS") has established an expanded audit program for tax-exempt Bonds. There can be no assurance that legislation enacted or proposed or an audit initiated or concluded by the IRS after the issue date of the Bonds involving either the Bonds or other tax-exempt Bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds. Each purchaser of the Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATION OF THE TAX CONSEQUENCES UNDER THE CODE.

State Taxation

Bond Counsel is of the opinion, based upon existing statutes and judicial decisions, that interest on the Bonds and net gains from the sale of the Bonds are not included as gross income under the New Jersey Gross Income Tax Act. Potential purchasers of the Bonds should consult with their tax advisors in order to understand the tax consequences

of ownership of the Bonds under the laws of other states.

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE RECITAL OF THE POTENTIAL TAX CONSEQUENCES OF HOLDING THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS.

LITIGATION

To the knowledge of the Borough Attorney, Russell Huntington III, Esq., Westwood, New Jersey, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or delivery of the Bonds, or in any manner questioning the authority or the proceeding for the issuance of the Bonds or the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers. Moreover, to the knowledge of the Borough Attorney, no litigation is presently pending or threatened that, in the opinion of the Borough Attorney, would have a material adverse impact on the financial condition of the Borough if adversely decided. A certificate to such effect will be executed by the Borough's Attorney and delivered to the Underwriter at the closing.

MUNICIPAL BANKRUPTCY

The undertakings of the Borough should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901 *et seq.*, as amended by Public Law 95-598, approved November 6, 1978, and as further amended on November 3, 1988, by An Act to Amend the Bankruptcy Law to Provide for Special Revenue Bonds, and for Other Purposes, and on October 22, 1994, by the Bankruptcy Reform Act of 1994, and by other bankruptcy laws affecting creditor's rights and municipalities in general ("Chapter IX"). Chapter IX permits a state or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a bankruptcy court for the ultimate purpose of effecting a plan to adjust its debts. Chapter IX directs such a petitioner to file with the Bankruptcy Court a list of the petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner, with the exception that such petition does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues; grants priority to administrative and operational expenses and to debts owed for services or material, up to \$4,000 per individual or corporation, actually provided within ninety (90) days of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; provides that any securities issued under a reorganization plan will be exempt from the securities laws and, therefore, exempt from registration requirements; permits the petitioner, during bankruptcy proceedings, to continue to pay pre-petition debt without prior court approval; and provides that the plan must be accepted by a class of creditors, in writing, by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors. A plan shall not be approved by the Bankruptcy Court unless it is in the best interests of creditors and is feasible.

Reference should also be made to N.J.S.A. 52:27-40 thru 52:27-45.11, which provides that any county, municipality, or other political subdivision of this State has the power to file a petition with any Bankruptcy Court, provided the approval of the municipal finance commission has been obtained, and such petition has been authorized by ordinance of the governing body of the political subdivision. The powers of the municipal finance commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act. However, the Bankruptcy Act does provide that a municipality must obtain any regulatory or electoral approval necessary under constitutional, statutory, or charter provisions, for actions taken under the reorganization plan.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or Bonds of the Borough, including the Bonds, and such bonds or Bonds are authorized security for any and all public deposits.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, sale, issuance and delivery of the Bonds are subject to the approval of GluckWalrath LLP, Trenton, New Jersey, Bond Counsel to the Borough, whose approving legal opinion will be substantially in the form provided in Appendix B. Certain legal matters will be passed on for the Borough by the Borough Attorney, Russell Huntington III, Esq., Westwood, New Jersey.

CONTINUING DISCLOSURE

Pursuant to the requirements of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, the Borough will deliver concurrently with the delivery of the Bonds a Continuing Disclosure Certificate in substantially the form annexed hereto as Appendix C (the "Continuing Disclosure Certificate").

The Borough has covenanted for the benefit of the Bondholders, in accordance with the provisions of the Continuing Disclosure Certificate, to provide or cause to be provided, in accordance with the requirements of the Rule, certain financial information and operating data to each National Repository and to the appropriate State Depository, if any (as defined in the Continuing Disclosure Certificate). The Borough has also covenanted in the Continuing Disclosure Certificate to provide notices of the occurrence of certain enumerated events, if material.

The Borough is in compliance with previous undertakings specified by paragraph (b)(5)(i) of the Rule.

RATING

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") has assigned their rating of "_____" to the Bonds.

An explanation of the significance of such rating may be obtained from Standard & Poor's at 55 Water Street, New York, New York 10041. The rating is not a recommendation to buy, sell or hold the Bonds and there is no assurance that such rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by Standard & Poor's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating by Standard & Poor's may have an adverse effect on the market price of the Bonds.

PREPARATION OF OFFICIAL STATEMENT

The Borough hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchasers of the Bonds, by certificate signed by the Mayor and Chief Financial Officer, that to their knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The firm of Lerch, Vinci & Higgins, LLP, Fair Lawn, New Jersey, Certified Public Accountants and Registered Municipal Accountants, assisted in the preparation of information contained in this Official Statement, and takes responsibility for the financial statements to the extent specified in the Independent Auditors' Report.

All other information has been obtained from sources which Lerch, Vinci & Higgins, LLP considers to be reliable but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

GluckWalrath LLP has not participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses

no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement including information additional to that contained herein, may be directed to, Raymond A. Herr, Chief Financial Officer, Borough of Westwood, 101 Washington Avenue, Westwood, New Jersey 07675, telephone (201) 664-7100.

MISCELLANEOUS

All quotations from summaries and explanations of the provisions of the laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the complete document thereof.

This Official Statement is not to be construed as a contract or agreement between the Borough and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs of the Borough, the State or any of their agencies or authorities, since the date thereof.

The execution and delivery of this Official Statement as of the dated date hereof has been duly authorized by the Borough.

THE BOROUGH OF WESTWOOD,
IN THE COUNTY OF BERGEN,
NEW JERSEY

By /s/ _____
Raymond A. Herr
Chief Financial Officer

Dated:

APPENDIX A
CERTAIN FINANCIAL AND DEMOGRAPHIC INFORMATION
ON THE BOROUGH OF WESTWOOD

GENERAL INFORMATION

Size and Geographical Location

The Borough of Westwood is a medium sized residential and light industrial community located in the north central part of Bergen County, New Jersey and is situated 10 miles west of New York City.

The Borough is approximately 2.40 square miles in area and borders the Boroughs of Hillsdale and Emerson, and the Townships of Washington and River Vale.

Governmental Structure

The Borough of Westwood, incorporated in the year 1894, is governed by a separately elected Mayor and Borough Council. The Borough Council consists of six Councilmembers, each of whom is elected by the voters. The Mayor's term is for a four year period and each of the Councilmembers for a three year period with two Council positions being voted upon each year. Appointments and committee-member selections are made at the Annual Reorganization Meeting, generally held during the first week of January in each year. Appointments and committee selections are made as provided for by statutes and ordinances governing these matters.

The Borough Council meets on the first and third Tuesday of each month designated as the Council worksessions and the fourth Tuesday at the regular meeting. Additional special meetings are called dependent on such circumstances that may arise and make them necessary. All meetings are open to the public in compliance with New Jersey's Sunshine Law. At the work sessions the public's role is normally limited to that of an observer. At the regular meetings, citizens are given an opportunity to speak on matters of concern to them during a portion of the meeting for that purpose. On proposed ordinances the public also has an opportunity to be heard.

The executive power of the Borough is exercised by the Mayor and the Borough Council. Administrative functions for implementing policies of the Borough are exercised by the Borough Administrator in conjunction with the department heads. Each councilmember acts as a liaison to specific departments. These departments are: Department of Public Works/Buildings and Grounds, Police, Fire, Fire Prevention, Finance, Recreation, Welfare, Code Enforcement, Municipal Court, Library, Tax Assessor and Board of Health. Day to day functions are under the direction of the Borough Administrator. Also present and available on a full time basis are the Chief Financial Officer and Borough Clerk.

Transportation

Railroad transportation is provided by N.J. Transit which is easily accessible at the station located in the center of the Borough. Two bus lines provide excellent service throughout the metropolitan area.

The Borough residents have quick and easy access to all parts of New Jersey and New York via Route 17, Route 4, Garden State Parkway, Palisades Parkway, New Jersey Turnpike and Interstate 80.

Utilities

Electricity and gas are supplied to the Borough by Public Service Electric and Gas Co. United Water New Jersey, supplies water to the Borough.

Public Safety

The Police department consists of 28 regular officers, inclusive of 2 detectives and operates 9 marked vehicles, 3 unmarked vehicles, a motorcycle and a DWI trailer.

Westwood is served by a Fire Department which consists of over 70 volunteers and operates 2 pumpers, 1 ladder truck, 1 rescue truck, and 3 chief's vehicles. A direct control alarm system with each fireman through the police department insures immediate response.

Free ambulance and rescue service to the public is operated on a 24 hour a day basis.

Sanitation

The Borough provides garbage collection and recycling pick-up for all homes on a weekly basis. The Borough contracts with a private scavenger for garbage collection services and its Department of Public Works provides the recycling pick-up services. Payment for such garbage collection services is part of the general property tax levy.

The Borough of Westwood is approximately 99% sewerred and is a member of the Bergen County Utilities Authority. For this service the Borough pays an annual service charge based on the metered flow of sewerage. This service charge is part of the general property tax levy.

Recreation

The Borough of Westwood has a year round community recreation program. It is administered by a full time staff and a Recreation Director.

Located in the Borough are 2 Little League Fields, 8 Municipal Parks and 4 Playgrounds maintained by Borough employees. In addition, the County of Bergen maintains a public park facility in the Borough.

Free Public Library

The Borough of Westwood's Free Public Library is a full service library for the residents of the Borough. In May of 1995, renovations and a small addition were completed which provided an additional work area for staff and made the library accessible to the handicap. A children's reading and activity room is in use constantly. The library has a total of approximately 47,000 books, records, cassettes and art work. A community meeting room is available for local organizations.

Westwood Parking Authority

The Borough has contracted with the Westwood Parking Authority for the operation and maintenance of parking facilities within the municipality. There are approximately 677 parking meters located in parking lots as well as in the commercial areas under the auspices of the Authority.

Educational System

The Borough in conjunction with the Township of Washington comprises the Westwood Regional School District, a Type II School District of the State of New Jersey. The School District operates with a Board of Education elected by the voters which consists of nine members and is subject to Title 18A, Education of the New Jersey Statutes.

The School District is a complete K-12 system and consists of one Junior-Senior High School with Evening School facilities and five Elementary Schools.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Labor Force, Employment and Unemployment

For the years 2004 to 2008, the New Jersey Department of Labor reported the following annual average employment information for the Borough of Westwood, the County of Bergen and the State of New Jersey:

	Total Labor <u>Force</u>	Employed <u>Labor Force</u>	Total <u>Unemployed</u>	Unemployment <u>Rate</u>
<u>Borough of Westwood</u>				
2008	6,253	6,088	165	2.6%
2007	6,213	6,088	125	2.0%
2006	6,233	6,093	140	2.3%
2005	6,490	6,364	126	1.9%
2004	6,041	5,908	133	2.2%
<u>County of Bergen</u>				
2008	477,000	455,600	21,400	4.5%
2007	473,700	457,300	16,300	3.4%
2006	476,200	457,800	18,400	3.9%
2005	470,000	452,400	17,600	3.7%
2004	464,200	444,700	19,500	4.2%
<u>State of New Jersey</u>				
2008	4,496,700	4,251,200	245,500	5.5%
2007	4,462,300	4,271,700	190,600	4.3%
2006	4,492,800	4,283,600	209,200	4.7%
2005	4,431,600	4,232,800	198,700	4.5%
2004	4,373,000	4,157,500	215,500	4.9%

Source: Borough of Westwood.

Population

Population trends for the Borough, County and the State of New Jersey since 1970 are shown below:

<u>Area</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2008</u>
Borough of Westwood	11,105	10,714	10,446	10,999	10,699
County of Bergen	897,148	845,385	825,380	884,118	894,840
State of New Jersey	7,171,112	7,365,011	7,730,188	8,414,350	8,682,661

Income as of 1999¹

	Median Household <u>Income</u>	Median Family <u>Income</u>	Per Capita <u>Income</u>
Borough of Westwood	\$ 59,868	\$ 77,105	\$ 32,083
County of Bergen	65,241	78,079	33,638
State of New Jersey	55,146	65,370	27,006

Source: U.S. Census Bureau.

¹ Source: State of New Jersey, Data Center, Money Income – New Jersey & Counties: 1999

DEBT INFORMATION

Debt Statements

The Borough must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year the Borough must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Borough as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

Debt Incurring Capacity

As of December 31, 2009 (Unaudited)

Municipal

Equalized Valuation Basis (last 3 years average)	\$ 1,986,106,148
3 1/2% Borrowing Margin	69,513,715
Net Debt Issued, Outstanding and Authorized	19,558,997
Remaining Municipal Borrowing Capacity	49,954,718

Regional School

4% Borrowing Margin	79,444,246
Debt, Issued, Outstanding and Authorized	8,686,201
Remaining School Borrowing Capacity	70,758,045

Gross and Statutory Net Debt as of December 31,

<u>Year</u>	<u>Gross Debt Amount</u>	<u>Statutory Net Debt</u>	
		<u>Amount</u>	<u>Percentage</u>
2009 (Unaudited)	28,376,497	19,558,997	0.98%
2008	27,961,878	18,925,410	0.97%
2007	28,228,378	18,856,275	1.03%
2006	20,772,882	18,753,346	1.10%
2005	21,255,264	19,098,628	1.23%

Source: Borough of Westwood Annual Audit Reports & 2009 Annual Debt Statement.

Statement of Indebtedness
As of December 31, 2009 (Unaudited)

GENERAL PURPOSES

Bonds Issued and Outstanding	10,339,000	
Bond Anticipation Notes	4,833,975	
Loans	2,455,019	
Bonds and Notes Authorized But Not Issued	<u>2,062,302</u>	
		\$ 19,690,296

REGIONAL SCHOOL

Bonds, Notes & Loans Issued and Outstanding	<u>8,686,201</u>	
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TOTAL GROSS DEBT 28,376,497

STATUTORY DEDUCTIONS

Municipal Purpose	131,299	
Regional School	<u>8,686,201</u>	
		<u>8,817,500</u>

TOTAL NET DEBT \$ 19,558,997

OVERLAPPING DEBT

County of Bergen (Note 1)	6,785,400	
Bergen County Utilities Authority (Note 2)	<u>4,235,394</u>	
		<u>\$ 11,020,794</u>

GROSS DEBT

Per Capita (2008 Census - 10,699)	\$ 2,652
Percent of Net Valuation Taxable (2009 - \$1,697,548,928)	1.67%
Percent of Estimated True Value of Real Property (2009 - \$2,090,624,847)	1.36%

NET MUNICIPAL DEBT

Per Capita (2008 Census - 10,699)	\$ 1,828
Percent of Net Valuation Taxable (2009 - \$1,697,548,928)	1.15%
Percent of Estimated True Value of Real Property (2009 - \$2,090,624,847)	0.94%

OVERALL DEBT (Gross and Overlapping Debt)

Per Capita (2008 Census - 10,699)	\$ 3,682
Percent of Net Valuation Taxable (2009 - \$1,697,548,928)	2.32%
Percent of Estimated True Value of Real Property (2009 - \$2,090,624,847)	1.88%

Note (1) Overlapping debt was computed based upon the real property ratio of equalized valuations of the municipality to all municipalities within the County as provided in the 2008 or 2009 Bergen County Abstract of Ratables published by the Bergen County Board of Taxation.

Note (2) Overlapping debt was computed based upon usage.
Source: Borough of Westwood.

BUDGET INFORMATION
Current Fund
(As Adopted)

	<u>2010*</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Anticipated Revenues					
Fund Balance	\$ 1,350,000	\$ 1,223,950	\$ 1,234,000	\$ 1,004,000	\$ 934,000
Miscellaneous Revenues	2,812,495	2,712,164	2,957,460	3,067,502	2,888,531
Receipts from Delinquent Taxes	595,000	502,482	300,000	300,000	300,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>11,619,129</u>	<u>11,462,531</u>	<u>10,900,911</u>	<u>10,394,659</u>	<u>10,135,916</u>
	<u><u>\$ 16,376,624</u></u>	<u><u>\$ 15,901,127</u></u>	<u><u>\$ 15,392,371</u></u>	<u><u>\$ 14,766,161</u></u>	<u><u>\$ 14,258,447</u></u>
Appropriations					
Salaries and Wages	\$ 5,964,560	\$ 5,799,551	\$ 5,575,435	\$ 5,551,877	\$ 5,230,201
Other Expenses	6,246,754	5,771,412	5,932,926	5,504,692	5,636,988
Deferred Charges and Statutory Expenditures	1,172,298	1,352,207	935,705	756,920	554,358
Capital Improvement Fund	208,000	200,000	180,000	300,000	285,000
Municipal Debt Service	1,851,534	1,894,800	1,918,305	1,830,410	1,761,900
Reserve for Uncollected Taxes	<u>933,478</u>	<u>883,157</u>	<u>850,000</u>	<u>822,262</u>	<u>790,000</u>
	<u><u>\$ 16,376,624</u></u>	<u><u>\$ 15,901,127</u></u>	<u><u>\$ 15,392,371</u></u>	<u><u>\$ 14,766,161</u></u>	<u><u>\$ 14,258,447</u></u>

Source: Borough of Westwood.

*2010 Budget as Introduced.

FINANCIAL INFORMATION

Current Fund Balance and Amounts Utilized in Succeeding Year's Budget

<u>Year</u>	<u>Fund Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2009 (Unaudited)	\$ 2,747,615	\$ 1,350,000
2008	2,510,677	1,223,950
2007	2,468,159	1,234,000
2006	2,000,508	1,004,000
2005	1,900,963	934,000

Source: Borough of Westwood Annual Audit Reports & 2009 Annual Financial Statement.

Current Tax Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collection During Year of Levy</u>	
		<u>Amount</u>	<u>Percent</u>
2009 (Unaudited)	\$ 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%
2006	31,849,114	31,464,850	98.79%
2005	30,160,330	29,801,755	98.81%

Source: Borough of Westwood Annual Audit Reports & 2009 Annual Financial Statement.

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Levy</u>
2009 (Unaudited)	\$ 28,715	\$ 1,331,899	\$ 1,360,614	3.75%
2008	30,437	1,715,292	1,745,729	4.85%
2007	28,664	494,820	523,484	1.59%
2006	27,085	362,495	389,580	1.22%
2005	25,552	341,120	366,672	1.22%

Source: Borough of Westwood Annual Audit Reports & 2009 Annual Financial Statement.

Assessed Valuation of Property Owned by the Borough Acquired for Taxes

<u>Year</u>	<u>Amount</u>
2009 (Unaudited)	\$ 3,198,600
2008	3,188,600
2007	3,188,600
2006	3,366,700
2005	2,115,000

Source: Borough of Westwood Annual Audit Reports & 2009 Annual Financial Statement.

Largest Taxpayers

The largest taxpayers in the Borough and their 2009 assessed valuations are listed below:

<u>Taxpayer</u>	<u>Assessment</u>
Cenrose Westwood, LLC	\$ 32,000,000
First Real Estate Investment Trust of NJ	27,000,000
Westwood Hills, LLC	21,232,400
Coventry Square, Inc.	9,476,600
Millenium Healthcare, Inc.	8,072,200
Stanford Court, Inc.	6,930,100
Pottstown Partners	6,500,000
WVA, LLC	5,597,700
Rockland Coaches	5,451,200
	<hr/>
	122,260,200

Source: Tax Assessor.

Assessed Valuation Land Improvements by Class

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Apartment</u>	<u>Industrial</u>	<u>Total</u>
2009	\$ 11,565,500	\$ 1,229,428,500	\$ 311,143,380	\$ 104,667,600	\$ 38,991,900	\$ 1,695,796,880
2008	11,385,500	1,224,665,600	247,613,678	107,092,700	39,287,500	1,630,044,978
2007	11,763,500	1,208,785,300	243,428,200	111,716,200	39,439,400	1,615,132,600
2006	11,348,300	1,199,205,100	247,584,400	111,619,200	39,715,600	1,609,472,600
2005	10,789,100	1,192,944,600	234,973,500	111,113,700	37,146,400	1,586,967,300

Source: Tax Duplicate.

Assessed Valuations Net Valuation Taxable

<u>Year</u>	<u>Real Property</u>	<u>Business Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Ratio of Assessed Value to True Value of Real Property</u>	<u>Total True Value of Assessed Property</u>
2009	\$ 1,695,796,880	\$ 1,752,048	\$ 1,697,548,928	81.58%	\$ 2,090,624,847
2008	1,630,044,978	1,649,120	1,631,694,098	83.39%	1,966,428,211
2007	1,615,132,600	1,435,015	1,616,567,615	87.06%	1,866,316,140
2006	1,609,472,600	1,872,068	1,611,344,668	93.12%	1,739,638,647
2005	1,586,967,300	2,680,510	1,589,647,810	100.22%	1,594,787,355

Source: Tax Duplicate and Abstract of Ratables of Bergen County

Components of Real Estate Tax Rate
(per \$100 of Assessment)

<u>Year</u>		<u>Total</u>		<u>Municipal</u>		<u>Regional School</u>		<u>County</u>
2009	\$	2.133	\$	0.675	\$	1.221	\$	0.237
2008		2.093		0.669		1.200		0.224
2007		2.030		0.654		1.168		0.208
2006		1.970		0.636		1.133		0.201
2005		1.890		0.609		1.081		0.200

Source: Tax Collector

Apportionment of Tax Levy
(Including School and County Purposes)

<u>Year</u>		<u>Total</u>		<u>Municipal</u>		<u>Regional School</u>		<u>County</u>
2009	\$	36,261,099	\$	11,522,960	\$	20,719,785	\$	4,018,354
2008		35,987,606		12,454,033		19,584,138		3,949,435
2007		33,007,022		10,708,049		18,888,235		3,410,738
2006		31,849,114		10,322,708		18,262,399		3,264,007
2005		30,160,330		9,794,431		17,176,494		3,189,405

Source: Tax Collector

APPENDIX B

**ACCOUNTANT'S COMPILATION REPORT,
INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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ACCOUNTANTS' COMPILATION REPORT

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

We have compiled the accompanying financial statements – statutory basis of the Borough of Westwood, as of and for the year ended December 31, 2009 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express such an opinion or any other form of assurance on them.

The financial statements for the year ending December 31, 2009 were compiled from the Borough's unaudited financial statements; the statutory audit report has not been filed.

As described in Note 1, the financial statements referred to above have been prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed of such differences.

By/s/ LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
March 29, 2010

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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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 - statutory basis of the various funds and account group of the Borough of Westwood as of and for the years ended December 31, 2008 and 2007. 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 following paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of 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 statutory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Awards Program (LOSAP) Fund have not been audited, and we were not required by the Division of Local Government Services to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 26 percent and 36 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2008 and 2007.

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 preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Westwood as of December 31, 2008 and 2007. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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

By/s/

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

Fair Lawn, New Jersey
June 26, 2009

BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2009 (UNAUDITED) 2008 AND 2007

ASSETS	<u>2009</u> (Unaudited)	<u>2008</u>	<u>2007</u>
Cash - Collector-Treasurer	\$ 4,033,602	\$ 4,446,362	\$ 4,277,895
Cash - Change Fund	550	550	550
Grants Receivable	<u>47,120</u>	<u>34,479</u>	<u>3,415</u>
	<u>4,081,272</u>	<u>4,481,391</u>	<u>4,281,860</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	1,331,899	1,715,292	494,820
Tax Title Liens Receivable	28,715	30,437	28,664
Property Acquired for Taxes	3,198,600	3,188,600	3,188,600
Revenue Accounts Receivable		32,732	32,833
Due from Westwood Parking Authority		4,411	7,122
Due from Assessment Trust Fund	13,533		15,391
Due from Public Assistance Trust Fund		326	1,520
Due from General Capital Fund	44,605		288,249
Due from Animal Control Fund	1,540		2,165
Due from Other Trust Fund	538	253,251	-
Due for Payroll Account	<u>252,648</u>	<u>-</u>	<u>-</u>
	<u>4,872,078</u>	<u>5,225,049</u>	<u>4,059,364</u>
Deferred Charges			
Overexpenditure of Budget		426	
Special Emergency Authorizations (40A:4-53)	<u>27,220</u>	<u>34,025</u>	<u>-</u>
	<u>27,220</u>	<u>34,451</u>	<u>-</u>
Total Assets	<u>\$ 8,980,570</u>	<u>\$ 9,740,891</u>	<u>\$ 8,341,224</u>

BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2009 (UNAUDITED) 2008 AND 2007
(Continued)

LIABILITIES, RESERVES AND FUND BALANCE	<u>2009</u> (Unaudited)	<u>2008</u>	<u>2007</u>
Liabilities			
Appropriation Reserves	\$ 455,510	\$ 819,012	\$ 557,726
Encumbrances Payable	264,850	260,767	402,687
Due to State of NJ - Senior Citizens' and Veterans' Deductions	19,674	22,833	21,972
Due to State of NJ - Marriage Fees	825	1,175	575
Due to State of NJ-Construction Fees	3,950	4,134	2,207
Due to State of NJ-Burial Permits	650	670	650
Tax Overpayments	37,954	17,485	17,289
Prepaid Taxes	178,841	167,026	184,328
Accounts Payable	4,930		
County Taxes Payable	26,924	334,236	19,548
Unappropriated Reserves for Grants	59,864	25,917	14,318
Appropriated Reserves for Grants	76,655	61,008	61,204
Due to Other Trust Fund			257,799
Due to General Capital Fund		3,062	
Reserve for Codification of Ordinances	22,410		
Reserve for the Sale of Assets	207,840	207,840	207,840
Other Liabilities - LOSAP Contribution	-	80,000	65,558
	<u>1,360,877</u>	<u>2,005,165</u>	<u>1,813,701</u>
Reserve for Receivables and Other Assets	4,872,078	5,225,049	4,059,364
Fund Balance	<u>2,747,615</u>	<u>2,510,677</u>	<u>2,468,159</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 8,980,570</u>	<u>\$ 9,740,891</u>	<u>\$ 8,341,224</u>

BOROUGH OF WESTWOOD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
STATUTORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

	<u>2009</u> (Unaudited)	<u>2008</u>	<u>2007</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	\$ 1,223,950	\$ 1,234,000	\$ 1,004,000
Miscellaneous Revenue Anticipated	2,860,481	2,819,985	3,141,933
Receipts from Delinquent Taxes	755,742	392,007	345,505
Receipts from Current Taxes	35,838,351	34,350,559	32,475,088
Non-Budget Revenues	137,563	81,997	91,748
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	541,160	470,397	710,907
Interfunds and Other Receivables Returned	253,576	307,325	
Prior Year Receivables-WPA	4,411	7,122	-
Other Liabilities (LOSAP) Cancelled	9,555	-	-
	<u>41,624,789</u>	<u>39,663,392</u>	<u>37,769,181</u>
Total Revenues			
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	5,781,717	5,647,675	5,529,825
Other Expenses	6,125,237	6,640,410	6,006,873
Municipal Debt Service	1,883,004	1,894,765	1,817,906
Deferred Charges and Statutory Expenditures	1,106,681	238,500	287,000
Capital Improvement Fund	200,000	180,000	300,000
County Taxes	4,010,978	3,634,747	3,391,190
Due County for Added and Omitted Taxes	7,376	314,688	19,548
Regional School District Tax	20,719,785	19,584,138	18,888,235
Refunds of Prior Year Revenue	837	27,062	20,018
Interfunds and Other Receivables Established	312,864	253,577	22,332
Prior Year-Senior Citizens and Veterans Deductions	562	1,352	3,250
Refund of Tax Overpayments			7,661
Prior Year Tax Appeals Granted	14,284		
Receivables Originating-WPA	576	4,411	3,692
	<u>40,163,901</u>	<u>38,421,325</u>	<u>36,297,530</u>
Total Expenditures			
Excess in Revenue	1,460,888	1,242,067	1,471,651
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>	<u>-</u>
Statutory Excess to Fund Balance	1,460,888	1,276,518	1,471,651
Fund Balance, January 1	<u>2,510,677</u>	<u>2,468,159</u>	<u>2,000,508</u>
	3,971,565	3,744,677	3,472,159
Decreased by:			
Utilization as Anticipated Revenue	<u>1,223,950</u>	<u>1,234,000</u>	<u>1,004,000</u>
Fund Balance, December 31	<u>\$ 2,747,615</u>	<u>\$ 2,510,677</u>	<u>\$ 2,468,159</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WESTWOOD
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

	<u>2009 (Unaudited)</u>		<u>2008</u>		<u>2007</u>	
	<u>Budget After</u>	<u>Actual</u>	<u>Budget After</u>	<u>Actual</u>	<u>Budget After</u>	<u>Actual</u>
	<u>Modification</u>		<u>Modification</u>		<u>Modification</u>	
Surplus Anticipated	\$ 1,223,950	\$ 1,223,950	\$ 1,234,000	\$ 1,234,000	\$ 1,004,000	\$ 1,004,000
Miscellaneous Revenues						
Licenses						
Alcoholic Beverages	27,800	28,750	28,000	27,800	28,000	28,490
Other	21,500	20,772	19,000	21,586	16,000	19,471
Fees and Permits						
Other	54,000	54,079	132,500	54,126	67,000	142,774
Fines and Costs - Municipal Court	200,000	223,508	180,000	209,384	190,000	181,141
Interest and Costs on Taxes	130,000	201,082	70,000	130,181	70,000	73,003
Interest on Investments and Deposits	85,000	45,311	282,000	87,238	300,000	282,431
Recreation Fees	108,000	112,876	107,875	108,902	99,800	112,698
Legislative Initiative Block Grant					45,708	45,708
Consolidated Municipal Property Tax Relief	175,871	175,871	257,570	261,894	324,270	324,270
Energy Receipts Tax	1,104,873	1,104,873	1,007,655	1,007,655	951,765	951,765
Supplemental Energy Receipts Tax	-	-	44,035	44,035	44,035	44,035
Watershed Moratorium Offset Aid	705	705	705	705	705	705
Homeland Security Aid					70,000	70,000
Municipal Property Tax Assistance					26,500	26,500
Uniform Construction Code Fees	240,000	235,209	249,000	240,814	230,000	263,443
Interlocal Agreement - Welfare	-	5,000	7,000	1,660	7,000	7,000
Interlocal Agreement - Tax Assessor	105,116	101,521	64,000	8,625	62,200	64,400
Recycling Tonnage Grant	-	-	15,742	15,742	7,634	7,634
Drunk Driving Enforcement Fund	10,015	10,015	6,144	6,144	7,637	7,637
Green Community Challenge Grant	3,000	3,000				
Clean Communities Program	17,439	17,439	13,618	13,618	728	728
Alcohol Education and Rehab Fund	2,654	2,654	6,693	6,693	5,297	5,297
Municipal Alliance on Alcoholism & Drug Abuse	11,017	11,017	11,500	11,500	11,500	11,500
Police Body Armor	2,335	2,335	2,784	2,784	7	7
Municipal Recycling Assistance Program					6,526	6,526
Clean Communities					13,136	13,136
CDC Dept of Health Grant					4,513	4,513
Community Stewardship Incentive Program	15,905	15,905				
Municipal Stormwater Grant	-	-	10,207	10,207		
Click it or Ticket	4,000	4,000	4,000	4,000		
Graduated Driving License - Enforcement & Education	2,000	2,000				
Highway Safety Grant - CLE			2,000	2,000		
Over the Limit/ Under Arrest	4,922	4,922	5,000	5,000	4,950	4,950
Disposal of Forfeited Property - Police Dept. Accreditation	20,000	20,000				
SHARE Grant - Feasability Study - DPW Services	21,450	21,450				
SHARE Grant - Police Pistol Range Study			20,000	20,000		
Office of Smart Growth - Brownsfields			20,500	20,500		
Uniform Fire Safety Act	87,000	86,970	90,000	87,638	89,000	90,373
Assessment Trust Fund Surplus	10,000	10,000	10,000	10,000	10,000	10,000
PV Hospital - Contribution in Lieu of Taxes					80,000	-
Westwood House - Contribution in Lieu of Taxes	113,000	100,584	95,000	113,592	95,000	95,693
Westwood Parking Authority	45,000	45,000	25,000	45,000	25,000	25,000
Cellular One Lease Agreement	59,500	63,857	68,000	59,546	66,000	68,619
Cable Television Franchise Fees	45,527	55,023	35,000	45,683	36,300	35,436
Reserve for Payment of Bonds	50,000	50,000	50,000	50,000	50,000	50,000
Recycling Contract	25,000	24,753	65,000	85,734	31,500	67,050
Total Miscellaneous Revenues	2,802,629	2,860,481	3,005,528	2,819,985	3,077,711	3,141,933
Receipts from Delinquent Taxes	502,482	755,742	300,000	392,007	300,000	345,505
Amount to be Raised by Taxes for Support of Municipal Budget	11,462,531	11,983,369	10,900,911	11,666,986	10,394,659	10,998,377
Total General Revenues	\$ 15,991,592	16,823,542	\$ 15,440,439	16,112,978	\$ 14,776,370	15,489,815
Non-Budget Revenue		137,563		81,997		91,748
		<u>\$ 16,961,105</u>		<u>\$ 16,194,975</u>		<u>\$ 15,581,563</u>

The Accompanying Notes are an Integral Part of these Financial Statements

2009 (UNAUDITED) STATEMENT OF EXPENDITURES

CURRENT FUND

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

	<u>Appropriated</u>		<u>Expended</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
Codification of Ordinances				-
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 - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

	<u>Appropriated</u>		<u>Expended</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				
Other Expenses				-
Sanitation - Garbage and Trash Collection	358,000	350,249	346,103	4,146
Recycling				
Salaries and Wages	10,000	10,000	9,993	7
Other Expenses				
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				
Salaries and Wages				-
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 - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

	<u>Appropriated</u>		<u>Expended</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	350,000	352,500	352,425	75
Total Operations Within "CAPS"	10,111,431	10,110,531	9,776,900	333,631
Contingent	1,000	1,000	-	1,000
Total Operations including Contingent - Within "CAPS"	10,112,431	10,111,531	9,776,900	334,631
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 - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2009 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</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>
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>
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>
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	-	80,000
Reserve for Tax Appeals	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>1,622,570</u>	<u>1,622,570</u>	<u>1,517,961</u>	<u>104,609</u>
Interlocal Municipal Service Agreements				
Welfare Agreement- Two of Rivervale	-	-	-	-
Tax Assessors Agreements - Boroughs of New Milford and Woodcliff Lake	<u>58,116</u>	<u>58,116</u>	<u>58,116</u>	<u>-</u>
Total Interlocal Municipal Service Agreements	<u>58,116</u>	<u>58,116</u>	<u>58,116</u>	<u>-</u>

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2009 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</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
Recycling Tonnage Grant				-
Municipal Stormwater Grant DEP				-
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 Feasability Study	-	21,450	20,000	1,450
	<u>24,272</u>	<u>114,737</u>	<u>98,984</u>	<u>15,753</u>
Total Public and Private Programs Offset by Revenues				
	<u>1,704,958</u>	<u>1,795,423</u>	<u>1,675,061</u>	<u>120,362</u>
Detail:				
Salaries & Wages	58,116	58,116	58,116	
Other Expenses	<u>1,737,307</u>	<u>1,737,307</u>	<u>1,616,945</u>	<u>120,362</u>
CAPITAL IMPROVEMENTS -				
EXCLUDED FROM "CAPS"				
Capital Improvement Fund	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total Capital Improvements - Excluded from "CAPS"	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>

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

	<u>Appropriated</u>	<u>Budget After</u>	<u>Expend</u>	<u>Expend</u>
	<u>2009 Budget</u>	<u>Modification</u>	<u>Paid or</u>	<u>Reserved</u>
			<u>Charged</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	-
Interest on Notes	116,800	116,800	116,521	-
Economic Development Authority				
Loan Repayments for Principal and Interest	26,900	26,900	26,880	-
Bergen County Improvement Authority				
Loan Repayments for Principal and Interest				
Environmental Infrastructure Trust/Fund Loans				
Loan Repayments for Principal and Interest	430,900	430,900	419,480	-
	<u>1,894,800</u>	<u>1,894,800</u>	<u>1,883,004</u>	<u>-</u>
Total Municipal Debt Service -				
Excluded from "CAPS"	<u>1,894,800</u>	<u>1,894,800</u>	<u>1,883,004</u>	<u>-</u>
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>
Total Deferred Charges - Municipal				
Excluded from "CAPS"	<u>6,805</u>	<u>6,805</u>	<u>6,805</u>	<u>-</u>
Total General Appropriations for Municipal				
Purposes Excluded from "CAPS"	<u>3,806,563</u>	<u>3,897,028</u>	<u>3,764,870</u>	<u>\$ 120,362</u>
Subtotal General Appropriations	15,017,970	15,108,435	14,641,129	455,510
RESERVE FOR UNCOLLECTED TAXES	<u>883,157</u>	<u>883,157</u>	<u>883,157</u>	<u>-</u>
Total General Appropriations	<u>\$ 15,901,127</u>	<u>\$ 15,991,592</u>	<u>\$ 15,524,286</u>	<u>\$ 455,510</u>

2008 STATEMENT OF EXPENDITURES

CURRENT FUND

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2008 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	\$ 210,000	\$ 215,000	\$ 214,950	\$ 50
Other Expenses	71,825	75,325	73,038	2,287
Mayor and Council				
Salaries and Wages	36,900	37,040	37,039	1
Other Expenses	1,000	1,000	994	6
Municipal Clerk				
Salaries and Wages	135,000	136,000	134,486	1,514
Other Expenses	40,250	45,550	44,932	618
Elections	20,700	10,481	10,481	
Financial Department				
Salaries and Wages	163,600	163,600	163,250	350
Other Expenses	41,000	36,000	29,100	6,900
Audit Services	28,000	28,000	28,000	
Revenue Collection				
Salaries and Wages	10,000	10,000	10,000	
Other Expenses	16,250	18,350	18,281	69
Liquidation of Tax Title Lien	100	100	16	84
Tax Assessment Administration				
Salaries and Wages	52,300	55,900	55,894	6
Other Expenses	94,350	60,750	49,386	11,364
Legal Services and Costs				
Salaries and Wages	47,100	47,100	45,396	1,704
Other Expenses	122,000	122,000	111,865	10,135
Engineering				
Other Expenses	31,500	31,500	20,323	11,177
Codification of Ordinances		34,025	5,805	28,220
Historical Sites Office				
Other Expenses	7,000	7,000	4,022	2,978
LAND USE ADMINISTRATION				
Planning Board				
Salaries and Wages	19,000	24,700	23,760	940
Other Expenses	45,500	56,500	42,472	14,028
INSURANCE				
General Liability Insurance (BJIF)	212,400	207,400	198,319	9,081
Workers' Compensation Insurance (BJIF)	203,600	203,600	193,859	9,741
Employee Group Insurance (BMED)	980,500	970,500	926,067	44,433
PUBLIC SAFETY FUNCTIONS				
Police Department				
Salaries and Wages	3,095,000	3,095,000	2,980,248	114,752
Other Expenses	102,500	102,500	83,216	19,284
Acquisition of Police Vehicles	78,500	63,500	50,164	13,336
Police Reserves	8,200	8,200	8,085	115
Police Dispatch/911				
Salaries and Wages	169,000	169,000	163,909	5,091
Other Expenses	1,000	1,000	390	610

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2008 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	\$ 4,000	\$ 4,000	\$ 3,600	\$ 400
Other Expenses	1,200	1,200	651	549
Aid to Volunteer Ambulance Co.	22,000	22,000	22,000	
Fire Department				
Other Expenses	59,100	59,100	36,836	22,264
Clothing Allowance	41,000	41,000	41,000	
Fire Hose and Foam	4,500	4,500	345	4,155
Fire Hydrant Service	107,500	122,930	112,677	10,253
Uniform Fire Safety Act				
Fire Official				
Salaries and Wages	62,300	62,300	61,896	404
Other Expenses	2,950	2,950	1,897	1,053
Life Hazard Use Fee Payments				
Other Expenses	2,500	2,500	2,490	10
Prosecutor				
Salaries and Wages	12,000	12,000	11,119	881
PUBLIC WORKS FUNCTIONS				
Streets and Road Maintenance				
Salaries and Wages	664,000	689,000	688,566	434
Other Expenses	229,200	200,949	149,180	51,769
Other Public Works Functions				
Shade Tree - Advisory Committee				
Other Expenses	14,500	14,500	1,003	13,497
Solid Waste Collection				
Other Expenses	358,100	358,100	346,579	11,521
Recycling				
Salaries and Wages	20,000	15,703	15,703	
Building and Grounds				
Salaries and Wages	62,000	62,000	60,347	1,653
Other Expenses	84,400	79,400	72,643	6,757
Vehicle Maintenance				
Other Expenses	93,000	83,000	55,010	27,990
HEALTH AND HUMAN SERVICES FUNCTIONS				
Public Health Services				
Salaries and Wages	112,000	113,010	113,002	8
Other Expenses	107,028	107,028	106,139	889
Welfare/Administration of Public Assistance				
Salaries and Wages	25,800	22,187	20,801	1,386
Other Expenses	850	850	25	825

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2008 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	\$ 213,935	\$ 213,935	\$ 172,572	\$ 41,363
Other Expenses	91,005	91,005	73,069	17,936
OTHER COMMON OPERATING FUNCTIONS				
Celebration of Public Events				
Other Expenses	12,100	12,100	7,370	4,730
MUNICIPAL COURT				
Salaries and Wages	138,000	138,000	109,411	28,589
Other Expenses	22,200	22,200	11,317	10,883
Public Defender				
Salaries and Wages	5,000	5,000	4,959	41
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	253,500	292,200	292,151	49
Other Expenses	15,300	15,300	10,487	4,813
UTILITY EXPENSES AND BULK PURCHASES				
Electricity	140,000	150,000	135,504	14,496
Street Lighting	135,000	135,000	121,438	13,562
Telephone	66,000	66,000	59,623	6,377
Water	15,000	15,000	10,288	4,712
Natural Gas	55,000	55,000	42,167	12,833
Sewerage Processing and Disposal	28,000	28,000	20,977	7,023
Gasoline	145,000	145,000	105,404	39,596
Repairs to Traffic Lights	10,000	10,000	2,925	7,075
LANDFILL/SOLID WASTE DISPOSAL COSTS				
Garbage Tipping Fees	376,100	376,100	349,215	26,885
Total Operations Within "CAPS"	9,855,143	9,886,668	9,180,133	706,535
Contingent	1,000	1,000	-	1,000
Total Operations including Contingent - Within "CAPS"	9,856,143	9,887,668	9,180,133	707,535
Detail:				
Salaries and Wages	5,510,435	5,582,675	5,383,059	199,616
Other Expenses	4,345,708	4,304,993	3,797,074	507,919

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2008 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL-WITHIN "CAPS"				
Statutory Charges				
Social Security System (O.A.S.I.)	\$ 230,000	\$ 232,500	\$ 232,210	\$ 290
Defined Contribution Plan	1,000	1,000	512	488
Widow Pension (Per R.S. 43.12-28.1 & 28.2)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Within "CAPS"	<u>236,000</u>	<u>238,500</u>	<u>237,722</u>	<u>778</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>10,092,143</u>	<u>10,126,168</u>	<u>9,417,855</u>	<u>708,313</u>
OPERATIONS - EXCLUDED FROM "CAPS"				
EDUCATION FUNCTIONS				
Maintenance of Free Public Library	691,220	691,220	676,440	14,780
UTILITY EXPENSES AND BULK PURCHASES				
Sewerage Processing and Disposal				
Other Municipalities-Contractual-Emerson	8,000	8,000		8,000
Bergen County Utilities Authority	714,917	714,917	714,917	
Recycling Tonnage Tax	13,086	13,086	13,512	
Length of Service Awards Program - LOSAP	80,000	80,000	80,000	
STATUTORY EXPENDITURES				
Police and Fireman's Retirement System of NJ	546,315	546,315	546,312	3
Contribution to Public Employees Ret. System	<u>153,390</u>	<u>153,390</u>	<u>153,373</u>	<u>17</u>
Total Operations - Excluded from "CAPS"	<u>2,206,928</u>	<u>2,206,928</u>	<u>2,184,554</u>	<u>22,800</u>
Interlocal Municipal Service Agreements				
Welfare Agreement- Township of Rivervale	7,000	7,000	5,150	1,850
Tax Assessors Agreements - Boroughs of New Milford and Woodcliff Lake	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total Interlocal Municipal Service Agreements	<u>72,000</u>	<u>72,000</u>	<u>70,150</u>	<u>1,850</u>

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2008 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - EXCLUDED FROM "CAPS"				
(Continued)				
PUBLIC AND PRIVATE PROGRAMS				
OFFSET BY REVENUES				
FEDERAL AND STATE GRANTS				
Municipal Alliance Program				
State Share	\$ 11,500	\$ 11,500	\$ 1,620	\$ 9,880
Local Share	2,875	2,875	2,875	
Alcohol Education Enforcement	6,693	6,693	400	6,293
Drunk Driving Enforcement Fund	6,144	6,144	6,144	
Police Body Armor	2,784	2,784	2,784	
NJ Clean Communities	13,618	13,618	13,618	
Over the Limit/ Under Arrest	5,000	5,000		5,000
Recycling Tonnage Grant	8,174	15,742		15,742
Municipal Stormwater Grant DEP	10,207	10,207	3,546	6,661
Click it or Ticket	4,000	4,000	4,000	
Highway Safety Grant for GLE	2,000	2,000		2,000
Police Pistol Range		20,000		20,000
Police Brownsfield	-	20,500	27	20,473
	<u>72,995</u>	<u>121,063</u>	<u>35,014</u>	<u>86,049</u>
Total Public and Private Programs Offset by Revenues				
	<u>72,995</u>	<u>121,063</u>	<u>35,014</u>	<u>86,049</u>
Total Operations Excluded from "CAPS"	<u>2,351,923</u>	<u>2,399,991</u>	<u>2,289,718</u>	<u>110,699</u>
Detail:				
Salaries and Wages	65,000	65,000	65,000	
Other Expenses	2,286,923	2,334,991	2,224,718	110,699
	<u>2,351,923</u>	<u>2,399,991</u>	<u>2,289,718</u>	<u>110,699</u>
CAPITAL IMPROVEMENTS -				
EXCLUDED FROM "CAPS"				
Capital Improvement Fund	180,000	180,000	180,000	-
	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Total Capital Improvements - Excluded from "CAPS"	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -				
EXCLUDED FROM "CAPS"				
Payment of Bond Principal	715,000	745,000	745,000	
Payment of Bond Anticipation Notes and Capital Notes	114,000	114,000	114,000	
Interest on Bonds	469,785	439,785	429,890	
Interest on Notes	138,835	138,835	138,384	
Economic Development Authority				
Loan Repayments for Principal and Interest	42,485	42,485	42,480	
Environmental Infrastructure Trust/Fund Loans				
Loan Repayments for Principal and Interest	438,200	438,200	425,011	-
	<u>1,918,305</u>	<u>1,918,305</u>	<u>1,894,765</u>	<u>-</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,918,305</u>	<u>1,918,305</u>	<u>1,894,765</u>	<u>-</u>

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Appropriated</u>	<u>Expended</u>		
	<u>2008 Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 4,450,228	\$ 4,498,296	\$ 4,364,483	\$ 110,699
Subtotal General Appropriations	14,542,371	14,624,464	13,782,338	819,012
RESERVE FOR UNCOLLECTED TAXES	<u>850,000</u>	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Total General Appropriations	<u>\$ 15,392,371</u>	<u>\$ 15,474,464</u>	<u>\$ 14,632,338</u>	<u>\$ 819,012</u>

2007 STATEMENT OF EXPENDITURES

CURRENT FUND

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2007 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	\$ 176,500	\$ 170,500	\$ 169,967	\$ 533
Other Expenses	42,025	44,225	44,063	162
Mayor and Council				
Salaries and Wages	36,900	36,900	36,838	62
Other Expenses	1,000	1,000	1,000	
Municipal Clerk				
Salaries and Wages	123,000	131,000	130,989	11
Other Expenses	35,550	40,650	34,927	5,723
Elections	8,500	10,335	10,335	
Financial Administration				
Salaries and Wages	159,600	159,600	156,599	3,001
Other Expenses	44,850	45,050	26,605	18,445
Audit Services	27,000	27,000	27,000	
Revenue Collection				
Salaries and Wages	10,000	10,000	10,000	
Other Expenses	13,950	14,580	14,558	22
Liquidation of Tax Title Lien	100	100		100
Tax Assessment Administration				
Salaries and Wages	35,000	35,900	35,884	16
Other Expenses	98,100	92,100	68,521	23,579
Legal Services and Costs				
Salaries and Wages	43,800	45,250	45,206	44
Other Expenses	92,000	92,000	86,150	5,850
Engineering				
Other Expenses	25,000	25,000	24,355	645
Historical Sites Office				
Other Expenses	13,000	13,000	11,466	1,534
LAND USE ADMINISTRATION				
Planning Board				
Salaries and Wages	18,000	18,300	18,223	77
Other Expenses	31,000	31,000	15,354	15,646
INSURANCE				
General Liability Insurance (BJIF)	227,600	227,600	200,822	26,778
Workers' Compensation Insurance (BJIF)	197,700	197,700	168,969	28,731
Employee Group Insurance (BMED)	906,000	906,000	866,035	39,965
PUBLIC SAFETY FUNCTIONS				
Police Department				
Salaries and Wages	3,127,000	3,127,000	3,092,977	34,023
Other Expenses	106,250	106,250	94,573	11,677
Acquisition of Police Vehicles	70,100	66,700	49,100	17,600
Police Reserves	8,300	8,300	6,616	1,684
Police Dispatch/911				
Salaries and Wages	150,000	157,200	157,114	86
Other Expenses	2,000	2,000	423	1,577

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2007 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	\$ 3,790	\$ 3,790	\$ 3,305	\$ 485
Other Expenses	2,700	2,700	580	2,120
Aid to Volunteer Ambulance Co.	22,000	22,000	22,000	
Fire Department				
Other Expenses	59,700	59,700	55,700	4,000
Clothing Allowance	41,000	41,000	41,000	
Fire Hose and Foam	4,500	4,500	4,500	
Fire Hydrant Service	107,500	107,500	100,325	7,175
Uniform Fire Safety Act				
Fire Official				
Salaries and Wages	59,000	59,000	58,982	18
Other Expenses	3,200	3,200	1,621	1,579
Life Hazard Use Fee Payments				
Other Expenses	2,500	2,500	2,500	
Prosecutor				
Salaries and Wages	11,400	11,400	10,345	1,055
PUBLIC WORKS FUNCTIONS				
Streets and Road Maintenance				
Salaries and Wages	655,650	629,465	589,446	40,019
Other Expenses	244,100	244,100	226,215	17,885
Other Public Works Functions				
Shade Tree - Advisory Committee				
Other Expenses	14,730	14,730	10,808	3,922
Solid Waste Collection				
Sanitation - Garbage and Trash Collection	347,100	347,100	347,100	
Recycling				
Salaries and Wages	19,000	19,000	7,013	11,987
Other Expenses	1,000	1,000	1,000	
Building and Grounds				
Salaries and Wages	59,100	59,100	57,667	1,433
Other Expenses	82,600	77,600	71,448	6,152
Vehicle Maintenance				
Salaries and Wages	50,000	46,370	37,363	9,007
Other Expenses	99,500	99,500	76,047	23,453
HEALTH AND HUMAN SERVICES FUNCTIONS				
Public Health Services				
Salaries and Wages	155,300	165,300	163,737	1,563
Other Expenses	34,050	34,050	29,011	5,039
Welfare/Administration of Public Assistance				
Salaries and Wages	22,000	22,000	20,001	1,999
Other Expenses	1,050	1,050	364	686

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2007 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	\$ 176,800	\$ 175,350	\$ 161,001	\$ 14,349
Other Expenses	90,620	90,620	86,795	3,825
OTHER COMMON OPERATING FUNCTIONS				
Celebration of Public Events				
Other Expenses	12,100	12,100	10,121	1,979
MUNICIPAL COURT				
Salaries and Wages	131,400	131,400	103,584	27,816
Other Expenses	16,050	16,050	11,383	4,667
Public Defender				
Salaries and Wages	4,800	4,800	4,768	32
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	247,000	242,000	222,929	19,071
Other Expenses	17,300	17,300	14,904	2,396
UTILITY EXPENSES AND BULK PURCHASES				
Electricity	140,000	140,000	137,798	2,202
Street Lighting	125,000	127,900	127,900	
Telephone	58,500	63,500	61,466	2,034
Water	18,000	18,000	8,718	9,282
Natural Gas	75,000	75,000	47,506	27,494
Sewerage Processing and Disposal	29,200	32,000	31,949	51
Gasoline	95,000	100,000	99,507	493
Repairs to Traffic Lights	7,500	10,650	10,648	2
LANDFILL/SOLID WASTE DISPOSAL COSTS				
Garbage Tipping Fees	<u>365,100</u>	<u>365,100</u>	<u>348,266</u>	<u>16,834</u>
Total Operations Within "CAPS"	<u>9,541,665</u>	<u>9,541,665</u>	<u>9,031,990</u>	<u>509,675</u>
Contingent	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total Operations including Contingent - Within "CAPS"	<u>9,542,665</u>	<u>9,542,665</u>	<u>9,032,990</u>	<u>509,675</u>
Detail:				
Salaries & Wages	5,475,040	5,460,625	5,293,938	166,687
Other Expenses	<u>4,067,625</u>	<u>4,082,040</u>	<u>3,739,052</u>	<u>342,988</u>

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2007 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL-WITHIN "CAPS"				
Statutory Charges				
Social Security System (O.A.S.I.)	\$ 227,000	\$ 227,000	\$ 220,299	\$ 6,701
Widow Pension (Per R.S. 43.12-28.1 & 28.2)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Within "CAPS"	<u>232,000</u>	<u>232,000</u>	<u>225,299</u>	<u>6,701</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>9,774,665</u>	<u>9,774,665</u>	<u>9,258,289</u>	<u>516,376</u>
OPERATIONS - EXCLUDED FROM "CAPS"				
EDUCATION FUNCTIONS				
Maintenance of Free Public Library	665,910	665,910	659,839	6,071
UTILITY EXPENSES AND BULK PURCHASES				
Sewerage Processing and Disposal				
Other Municipalities-Contractual-Emerson	8,000	8,000	7,920	80
Bergen County Utilities Authority	636,200	636,200	636,156	44
Length of Service Awards Program - LOSAP	80,000	80,000	65,558	14,442
Interlocal Municipal Service Agreements				
Tax Assessors Agreements - Boroughs of				
New Milford and Woodcliff Lake	67,200	67,200	67,200	
Welfare Agreement - Township of River Vale	2,000	2,000	55	1,945
STATUTORY EXPENDITURES				
Police and Fireman's Retirement System of NJ	382,000	382,000	381,998	2
Contribution to Public Employees Ret. System	<u>87,920</u>	<u>87,920</u>	<u>87,920</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>1,929,230</u>	<u>1,929,230</u>	<u>1,906,646</u>	<u>22,584</u>

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Appropriated</u>		<u>Expended</u>	
	<u>2007 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - EXCLUDED FROM "CAPS"				
(Continued)				
PUBLIC AND PRIVATE PROGRAMS				
OFFSET BY REVENUES				
FEDERAL AND STATE GRANTS				
Municipal Alliance Program				
State Share	\$ 11,500	\$ 11,500	\$	11,500
Local Share	2,875	2,875	\$ 2,500	375
Alcohol Education and Rehabilitation	1,238	5,297	5,050	247
Drunk Driving Enforcement Fund	7,637	7,637	7,504	133
Police Body Armor	7	7		7
Municipal Recycling Assistance Program	6,526	6,526	6,526	
Clean Communities Grant - State Share	12,664	13,864	13,136	728
CDC - Dept. of Health Grant	4,513	4,513	3,690	823
Recycling Tonnage Grant	7,634	7,634	7,631	3
Over the Limit/ Under Arrest	-	4,950	-	4,950
	<u>54,594</u>	<u>64,803</u>	<u>46,037</u>	<u>18,766</u>
Total Public and Private Programs Offset by Revenues				
	<u>1,983,824</u>	<u>1,994,033</u>	<u>1,952,683</u>	<u>41,350</u>
Total Operations Excluded from "CAPS"				
Detail:				
Salaries & Wages	69,200	69,200	67,255	1,945
Other Expenses	1,914,624	1,924,833	1,885,428	39,405
	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
CAPITAL IMPROVEMENTS -				
EXCLUDED FROM "CAPS"				
Capital Improvement Fund				
	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Capital Improvements -				
Excluded from "CAPS"	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>

BOROUGH OF WESTWOOD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)

	<u>2007 Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"				
Payment of Bond Principal	\$ 505,000	\$ 505,000	\$ 505,000	
Payment of Bond Anticipation Notes and Capital Notes	49,000	49,000	49,000	
Interest on Bonds	489,010	489,010	488,860	
Interest on Notes	95,400	95,400	95,054	
Economic Development Authority Loan Repayments for Principal and Interest	43,100	43,100	43,081	
Bergen County Improvement Authority Loan Repayments for Principal and Interest	214,600	214,600	214,600	
Environmental Infrastructure Trust/Fund Loans Loan Repayments for Principal and Interest	434,300	434,300	422,311	-
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,830,410</u>	<u>1,830,410</u>	<u>1,817,906</u>	<u>-</u>
DEFERRED CHARGES				
Special Emergency Authorizations - 5 yrs. (N.J.S. 40A:4-55)	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,169,234</u>	<u>4,179,443</u>	<u>4,125,589</u>	<u>\$ 41,350</u>
Subtotal General Appropriations	13,943,899	13,954,108	13,383,878	557,726
RESERVE FOR UNCOLLECTED TAXES	<u>822,262</u>	<u>822,262</u>	<u>822,262</u>	<u>-</u>
Total General Appropriations	<u>\$ 14,766,161</u>	<u>\$ 14,776,370</u>	<u>\$ 14,206,140</u>	<u>\$ 557,726</u>

BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

ASSETS	<u>2009</u> (Unaudited)	<u>2008</u>	<u>2007</u>
Assessment Trust Fund			
Cash	\$ 107,152	\$ 76,247	\$ 126,370
Assessments Receivable	23,078	50,450	82,718
Amount to be Raised for Cancelled Assessments	<u>-</u>	<u>-</u>	<u>52,126</u>
	<u>130,230</u>	<u>126,697</u>	<u>261,214</u>
Animal Control Fund			
Cash	<u>15,483</u>	<u>11,498</u>	<u>9,070</u>
	<u>15,483</u>	<u>11,498</u>	<u>9,070</u>
Other Trust Fund			
Cash	1,009,613	1,060,090	483,923
Cash - Payroll Account	254,501		
Due from Westwood Parking Authority	5,871		
Due from Current Fund	<u>-</u>	<u>-</u>	<u>257,799</u>
	<u>1,269,985</u>	<u>1,060,090</u>	<u>741,722</u>
Unemployment Insurance Trust Fund			
Cash	(343)	21,313	32,742
	<u>-</u>	<u>-</u>	<u>-</u>
Length of Service Award Program Fund (Unaudited)			
Investments	514,025	348,289	525,094
Contribution Receivable	<u>75,000</u>	<u>80,000</u>	<u>65,558</u>
	<u>589,025</u>	<u>428,289</u>	<u>590,652</u>
 Total Assets	 <u>\$ 2,004,380</u>	 <u>\$ 1,647,887</u>	 <u>\$ 1,635,400</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

	<u>2009</u> (Unaudited)	<u>2008</u>	<u>2007</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Assessment Trust Fund			
Assessment Serial Bonds			\$ 57,000
Due to Current Fund	\$ 13,533		15,391
Reserve for Assessments and Liens	23,078	\$ 50,450	82,718
Fund Balance	<u>93,619</u>	<u>76,247</u>	<u>106,105</u>
	<u>130,230</u>	<u>126,697</u>	<u>261,214</u>
Animal Control Fund			
Due to Current Fund	1,540	-	2,165
Due to State of New Jersey	7	-	13
Reserve for Animal Control Expenditures	<u>13,936</u>	<u>11,498</u>	<u>6,892</u>
	<u>15,483</u>	<u>11,498</u>	<u>9,070</u>
Other Trust Fund			
Escrow Deposits Payable	192,576	172,864	212,772
Reserve for Sanitary Landfill Closure	32,641	32,290	31,243
Reserve for Payroll and Payroll Deductions Payable	1,853	(62)	2,188
Miscellaneous Reserves	777,117	590,417	475,155
Reserve for POAA Court Expenditures	12,612	11,330	18,962
Due to Current Fund	253,186	253,251	
Due to Westwood Parking Authority	<u>-</u>	<u>-</u>	<u>1,402</u>
	<u>1,269,985</u>	<u>1,060,090</u>	<u>741,722</u>
Unemployment Insurance Trust Fund			
Reserve for Unemployment Claims	<u>(343)</u>	<u>21,313</u>	<u>32,742</u>
Length of Service Award Program Fund (Unaudited)			
Reserve for Length of Service Award Program	<u>589,025</u>	<u>428,289</u>	<u>590,652</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 2,004,380</u>	<u>\$ 1,647,887</u>	<u>\$ 1,635,400</u>

BOROUGH OF WESTWOOD
STATEMENT OF FUND BALANCE - STATUTORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

	<u>2009</u> (Unaudited)	<u>2008</u>	<u>2007</u>
Balance, January 1	\$ 76,247	\$ 106,105	\$ 87,487
Increased by:			
Collection of Unpledged Assessments	<u>17,372</u>	<u>32,268</u>	<u>28,618</u>
	93,619	138,373	116,105
Decreased by:			
Amount to be Raised for Cancelled Assessments - Cancelled		52,126	
Realized as Current Fund Revenue	<u>-</u>	<u>10,000</u>	<u>10,000</u>
	<u>-</u>	<u>62,126</u>	<u>10,000</u>
Balance, December 31	<u>\$ 93,619</u>	<u>\$ 76,247</u>	<u>\$ 106,105</u>

BOROUGH OF WESTWOOD
STATEMENT OF REVENUES - STATUTORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

	<u>2008</u>		<u>2007</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Assessment Cash	\$ 57,000	\$ 57,000	\$ 60,000	\$ 60,000
	<u>\$ 57,000</u>	<u>\$ 57,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>

STATEMENT OF EXPENDITURES - STATUTORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

	<u>2008</u>		<u>2007</u>	
	<u>Budget</u>	<u>Paid or Charged</u>	<u>Budget</u>	<u>Paid or Charged</u>
Payments of Bond Principal	\$ 57,000	\$ 57,000	\$ 60,000	\$ 60,000
	<u>\$ 57,000</u>	<u>\$ 57,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>

Note: Assessment Trust Fund bonds retired in 2008, thus no budget is required in 2009.

BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

	<u>2009</u> <u>(Unaudited)</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Cash	\$ 1,384,451	\$ 573,832	\$ 1,185,073
Deferred Charges to Future Taxation			
Funded	12,794,019	13,976,117	15,003,831
Unfunded	6,895,994	5,130,309	4,031,334
Grants Receivable	569,260	369,260	613,296
Due from Current Fund		3,062	
Environmental Infrastructure Loan Receivable	31,386	764,937	1,095,877
Prospective Assessments Raised by Taxation	<u>2,950</u>	<u>2,950</u>	<u>2,950</u>
Total Assets	<u>\$ 21,678,060</u>	<u>\$ 20,820,467</u>	<u>\$ 21,932,361</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	\$ 10,339,000	\$ 11,139,000	\$ 11,772,000
Bond Anticipation Notes	4,833,975	4,112,735	3,687,485
EDA Loans Payable	2,455,019	2,837,117	3,231,831
Improvement Authorizations			
Funded	223,692	250,898	460,931
Unfunded	2,285,715	977,224	971,675
Due to Current Fund	44,605		288,249
Encumbrances Payable	797,010	559,923	566,559
Accounts Payable	36,626	36,626	36,626
Capital Improvement Fund	345,018	310,633	288,658
Reserve for:			
Prospective Assessments Raised by Taxation	2,950	2,950	2,950
Payment of Bonds	131,299	181,299	231,299
Pascack Brook Park Bikeway	50,188	292,500	292,500
Issuance Costs - 2008 Refunding Bonds	4,190	4,190	
Fund Balance	<u>128,773</u>	<u>115,372</u>	<u>101,598</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 21,678,060</u>	<u>\$ 20,820,467</u>	<u>\$ 21,932,361</u>

There were bonds and notes authorized but not issued of \$2,062,302, \$1,017,857 and \$344,278 at December 31, 2009, 2008 and 2007 respectively (Exhibit C-19).

BOROUGH OF WESTWOOD
COMPARATIVE STATEMENTS OF FUND BALANCE - STATUTORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 (UNAUDITED) 2008 AND 2007

	<u>2009</u> <u>(Unaudited)</u>	<u>2008</u>	<u>2007</u>
Balance, January 1	\$ 115,372	\$ 101,598	\$ 17,060
Increased by:			
Premium on Sale of Bonds and Notes	13,401	13,197	4,290
Funded Improvement Authorizations Cancelled	<u>-</u>	<u>577</u>	<u>80,248</u>
Balance, December 31	<u>\$ 128,773</u>	<u>\$ 115,372</u>	<u>\$ 101,598</u>

BOROUGH OF WESTWOOD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

	<u>2009</u> <u>(Unaudited)</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Cash	\$ 39,898	\$ 48,761	\$ 16,828
Total Assets	<u>\$ 39,898</u>	<u>\$ 48,761</u>	<u>\$ 16,828</u>
LIABILITIES AND RESERVES			
Due to Current Fund		\$ 326	\$ 1,520
Reserve for Public Assistance Expenditures	<u>39,898</u>	<u>48,435</u>	<u>15,308</u>
Total Liabilities and Reserves	<u>\$ 39,898</u>	<u>\$ 48,761</u>	<u>\$ 16,828</u>

BOROUGH OF WESTWOOD
SCHEDULE OF GENERAL FIXED ASSETS
STATUTORY BASIS
AS OF DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

	<u>2009</u> <u>(Unaudited)</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Land and Improvements	\$ 15,928,453	\$ 15,893,400	\$ 15,893,400
Buildings and Building Improvements	8,670,415	8,651,335	8,651,335
Machinery and Equipment	<u>6,108,576</u>	<u>6,095,133</u>	<u>5,778,328</u>
	<u>\$ 30,707,444</u>	<u>\$ 30,639,868</u>	<u>\$ 30,323,063</u>
FUND BALANCE			
Investment in General Fixed Assets	<u>\$ 30,707,444</u>	<u>\$ 30,639,868</u>	<u>\$ 30,323,063</u>

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

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 statutory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

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

A. Reporting Entity

The Borough of 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.

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 (UNAUDITED), 2008 AND 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

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

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

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

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

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

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

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 ("statutory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

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 tax sale. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

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

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

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

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

Trust Funds (except for Assessment Trust)
General Capital Fund
Public Assistance Fund

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 (Unaudited), 2008 and 2007 the Borough Council increased the original budget by \$90,465, \$82,093 and \$10,209. The increases were funded by supplemental aid allotted to the Borough and, in addition in 2008, to an emergency resolution for \$34,025. In addition, the governing body approved several budget transfers during 2009(Unaudited), 2008 and 2007.

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

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

Appropriation Reserves – Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Excess Expenditures Over Appropriations

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

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

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Excess Expenditures Over Appropriations (Continued)

In accordance with the statutory 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.

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.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, 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.

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General Fixed Assets (Continued)

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, 2009 balances to conform to the December 31, 2008 and 2007 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 (UNAUDITED), 2008 AND 2007

NOTE 2 DEPOSITS AND INVESTMENTS

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

Deposits

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

Bank balances are insured up to \$250,000, \$250,000 and \$100,000 in the aggregate by the FDIC for December 31, 2009 (Unaudited), 2008 and 2007, respectively. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2009 (Unaudited), 2008 and 2007, the book value of the Borough's deposits were \$6,887,621, \$6,238,653 and \$6,132,451 and bank and brokerage firm balances of the Borough's deposits amounted to \$6,930,835, \$6,210,028 and \$6,984,804, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>		
	<u>2009</u> (Unaudited)	<u>2008</u>	<u>2007</u>
Insured	\$ 6,833,193	\$ 6,091,618	\$ 6,857,489
Uninsured and Uncollateralized	<u>97,642</u>	<u>118,410</u>	<u>127,315</u>
	<u>\$ 6,930,835</u>	<u>\$ 6,210,028</u>	<u>\$ 6,984,804</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 (Unaudited), 2008 and 2007, the Borough's bank balance of \$97,642, \$118,410 and \$127,315 was exposed to custodial credit risk as follows:

	<u>2009</u> (Unaudited)	<u>2008</u>	<u>2007</u>
Uninsured and Uncollateralized	<u>\$ 97,642</u>	<u>\$ 118,410</u>	<u>\$ 127,315</u>

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

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 (Unaudited), 2008 and 2007, the Borough had the following investments:

	<u>Fair and Reported Value</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
	(Unaudited)		
Investment:			
Investment with Lincoln Financial (LOSAP)	\$ <u>514,025</u>	\$ <u>348,289</u>	\$ <u>525,094</u>

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

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 statutory basis of accounting.

NOTE 3 TAXES RECEIVABLE

Receivables at December 31, 2009 (Unaudited), 2008 and 2007 consisted of the following:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
	(Unaudited)		
<u>Current</u>			
Property Taxes	\$ 1,331,899	\$ 1,715,292	\$ 494,820
Tax Title Liens	<u>28,715</u>	<u>30,437</u>	<u>28,664</u>
	<u>\$ 1,360,614</u>	<u>\$ 1,745,729</u>	<u>\$ 523,484</u>

In 2009 (Unaudited), 2008 and 2007, the Borough collected \$755,742, \$392,007 and \$345,505 from delinquent taxes, which represented 43%, 75% and 89% of the prior year delinquent taxes receivable balance.

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 4 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2009</u> (Unaudited)	<u>2008</u>	<u>2007</u>
Issued			
General			
Bonds, Notes and Loans	\$ 17,627,994	\$ 18,088,852	\$ 18,691,316
Assessment			
Bonds	<u>-</u>	<u>-</u>	<u>57,000</u>
	17,627,994	18,088,852	18,748,316
Less Funds Temporarily Held to Pay Bonds and Notes	<u>131,299</u>	<u>181,299</u>	<u>236,602</u>
Net Debt Issued	<u>17,496,695</u>	<u>17,907,553</u>	<u>18,511,714</u>
Authorized But Not Issued			
General			
Bonds and Notes	2,062,019	1,017,574	344,278
Assessment			
Bonds and Notes	<u>283</u>	<u>283</u>	<u>283</u>
	<u>2,062,302</u>	<u>1,017,857</u>	<u>344,561</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 19,558,997</u>	<u>\$ 18,925,410</u>	<u>\$ 18,856,275</u>

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%, 0.97% and 1.03% at December 31, 2009 (Unaudited), 2008 and 2007, respectively.

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 4 MUNICIPAL DEBT (Continued)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2009 (Unaudited)</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>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>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2007</u>			
General Debt	\$ 19,092,877	\$ 236,602	\$ 18,856,275
School Debt	<u>9,135,501</u>	<u>9,135,501</u>	<u>-</u>
Total	<u>\$ 28,228,378</u>	<u>\$ 9,372,103</u>	<u>\$ 18,856,275</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>(Unaudited)</u>	<u>2008</u>	<u>2007</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 69,513,715	\$ 67,475,677	\$ 64,047,119
Net Debt	<u>19,558,997</u>	<u>18,925,410</u>	<u>18,856,275</u>
Remaining Borrowing Power	<u>\$ 49,954,718</u>	<u>\$ 48,550,267</u>	<u>\$ 45,190,844</u>

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

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>(Unaudited)</u>	<u>2008</u>	<u>2007</u>
\$3,403,000, 1999 Bonds, due in annual installments of \$170,000 to \$238,000 through August 2019, interest at 5.20%			\$ 2,293,000
\$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	5,524,000
\$4,555,000, 2004 Refunding Bonds, due in annual installments of \$295,000 to \$480,000 through August 2017, interest at 2.00% to 3.60%	3,305,000	3,660,000	3,955,000
\$2,235,000, 2008 Refunding Bonds, due in annual installments of \$30,000 to \$200,000 through August 2016, interest at 3.00% to 5.00%	<u>2,010,000</u>	<u>2,205,000</u>	<u>-</u>
	<u>\$ 10,339,000</u>	<u>\$ 11,139,000</u>	<u>\$ 11,772,000</u>

Assessment Bonds

The Borough pledges revenue from special benefit assessments to pay debt service on assessment bonds issued. The assessment bonds outstanding at December 31 are as follows:

	<u>2009</u> <u>(Unaudited)</u>	<u>2008</u>	<u>2007</u>
\$607,000, 1997 Bonds, due in annual installments of \$57,000 to \$60,000 through August 2008, interest at 4.875%	\$ -	\$ -	\$ 57,000

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 4 MUNICIPAL DEBT (Continued)

General Intergovernmental Loans Payable

The Borough has entered into a loan agreement with the New Jersey Economic Development Authority for the financing relating to the construction of a new municipal building, new 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>(Unaudited)</u>	<u>2008</u>	<u>2007</u>
\$500,100, 1994 Loan due in Semi-annual installments of \$25,005 through August 2013, interest at 1.5%	\$ 100,020	\$ 125,025	\$ 150,030
\$225,000, 1994 Loan due in Semi-annual installments of \$15,000 through August 2008, interest at 1.5%			15,000
\$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	1,645,000
\$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>1,421,801</u>
	<u>\$ 2,455,019</u>	<u>\$ 2,837,117</u>	<u>\$ 3,231,831</u>

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

Calendar Year	<u>General</u>		<u>Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2010	\$ 795,000	\$ 379,622	\$ 392,795	\$ 66,300	\$ 1,633,717
2011	800,000	353,272	403,144	56,426	1,612,842
2012	810,000	327,852	413,145	46,050	1,597,047
2013	825,000	301,186	422,795	35,176	1,584,157
2014-2018	4,455,000	1,035,978	823,140	36,101	6,350,219
2019-2023	<u>2,654,000</u>	<u>318,988</u>	<u>-</u>	<u>-</u>	<u>2,972,988</u>
Total	<u>\$ 10,339,000</u>	<u>\$ 2,716,898</u>	<u>\$ 2,455,019</u>	<u>\$ 240,053</u>	<u>\$ 15,750,970</u>

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years 2009 (Unaudited), 2008 and 2007 were as follows:

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u> (Unaudited)	Due Within <u>One Year</u>
<u>2009 (Unaudited)</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>
	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>205,005</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>\$ 1,005,005</u>
Trust Assessment Fund					
Bonds Payable	<u>\$ 57,000</u>	<u>\$ -</u>	<u>\$ 57,000</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2007</u>	Due Within One Year
<u>2007</u>					
General Capital Fund					
Bonds Payable	\$ 12,277,000		\$ 505,000	\$ 11,772,000	\$ 715,000
Intergovernmental Loans Payable	<u>3,615,323</u>	<u>-</u>	<u>383,492</u>	<u>3,231,831</u>	<u>394,714</u>
General Capital Fund Long-Term Liabilities	<u>\$ 15,892,323</u>	<u>\$ -</u>	<u>\$ 888,492</u>	<u>\$ 15,003,831</u>	<u>\$ 1,109,714</u>
Trust Assessment Fund					
Bonds Payable	<u>\$ 117,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 57,000</u>	<u>\$ 57,000</u>

Short-Term Debt

The Borough's short-term capital debt activity for the years 2009 (Unaudited), 2008 and 2007 was as follows:

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u> (Unaudited)
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>
	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2007</u>
Bond Anticipation Notes				
General Capital Fund	<u>\$ 2,497,870</u>	<u>\$ 3,687,485</u>	<u>\$ 2,497,870</u>	<u>\$ 3,687,485</u>

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

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 (Unaudited), 2008 and 2007.

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2009</u> (Unaudited)
<u>2009 (Unaudited)</u>				
Land and Improvements	\$ 15,893,400	\$ 35,053		\$ 15,928,453
Buildings and Building Improvements	8,651,335	19,080		8,670,415
Machinery and Equipment	<u>6,095,133</u>	<u>13,443</u>	\$ -	<u>6,108,576</u>
	<u>\$ 30,639,868</u>	<u>\$ 67,576</u>	<u>\$ -</u>	<u>\$ 30,707,444</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>6,095,133</u>
	<u>\$ 30,323,063</u>	<u>\$ 316,805</u>	<u>\$ -</u>	<u>\$ 30,639,868</u>
	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2007</u>
<u>2007</u>				
Land and Improvements	\$ 15,893,400			\$ 15,893,400
Buildings and Building Improvements	8,651,335			8,651,335
Machinery and Equipment	<u>5,347,095</u>	<u>\$ 724,518</u>	<u>\$ 293,285</u>	<u>5,778,328</u>
	<u>\$ 29,891,830</u>	<u>\$ 724,518</u>	<u>\$ 293,285</u>	<u>\$ 30,323,063</u>

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 6 DUE TO/FROM OTHER FUNDS

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

	<u>2009 (Unaudited)</u>		<u>2008</u>		<u>2007</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 312,864		\$ 253,577	\$ 3,062	\$ 307,325	\$ 257,799
Trust Funds						
Assessment Trust Fund		13,533				15,391
Animal Control Fund		1,540				2,165
Other Trust Fund		253,186		253,251	257,799	
General Capital Fund		44,605	3,062			288,249
Public Assistance Fund	-	-	-	326	-	1,520
Total	<u>\$ 312,864</u>	<u>\$ 312,864</u>	<u>\$ 256,639</u>	<u>\$ 256,639</u>	<u>\$ 565,124</u>	<u>\$ 565,124</u>

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

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

NOTE 7 FUND BALANCES APPROPRIATED

Under the statutory 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 the current budget for the succeeding year were as follows:

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 7 FUND BALANCES APPROPRIATED (Continued)

	Fund Balance December 31, <u>2009</u> (Unaudited)	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2008</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2007</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund						
Cash Surplus	\$ 2,673,275	\$ 1,350,000	\$ 1,323,275	\$ 1,223,950	\$ 2,464,744	\$ 1,234,000
Non-Cash Surplus	<u>74,340</u>	<u>-</u>	<u>68,930</u>	<u>-</u>	<u>3,415</u>	<u>-</u>
	<u>\$ 2,747,615</u>	<u>\$ 1,350,000</u>	<u>\$ 1,392,205</u>	<u>\$ 1,223,950</u>	<u>\$ 2,468,159</u>	<u>\$ 1,234,000</u>

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>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 (UNAUDITED), 2008 AND 2007

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, \$1,076,126 and \$1,004,533 at December 31, 2009(Unaudited) 2008 and 2007, 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(Unaudited), 2008 and 2007, the Borough had \$257,798, \$257,798 and \$250,000, respectively, reserved for accumulated leave compensation.

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 system (retirement system) 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.

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.

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

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

Basis of Accounting

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

Investment Valuation

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

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

Significant Legislation

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

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

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Employer and Employee Pension Contributions

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

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

During the years ended December 31, 2009 (Unaudited), 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 (Unaudited)	\$ 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.

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.

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

NOTE 12 RISK MANAGEMENT (Continued)

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 (Unaudited)	-0-	\$ 8,205	\$ 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 (UNAUDITED), 2008 AND 2007

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 (Unaudited), 2008 and 2007. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. 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, 2008 and 2007, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these

regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2008 and 2007, the Borough had no estimated arbitrage earnings due to the IRS.

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

The Borough of 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.

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.

BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007

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

The Borough of Westwood has contributed \$1,150 and \$1,150 for 2008 and 2007, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed \$1,150 and \$1,150 for 2008 and 2007, 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 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.

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>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

<u>Capital Project</u>	<u>Estimated Construction Commitment</u>	<u>Date of Completion</u>
<u>2007</u>		
Pedestrian Bikeway	\$384,995	2008
Landfill Closure	190,229	2008
Fairview Ave, Section 7	109,533	2008

**BOROUGH OF WESTWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 (UNAUDITED), 2008 AND 2007**

NOTE 17 DEFEASANCE OF DEBT

On May 6, 2008, the Borough issued \$2,235,000 in General Obligation Refunding Bonds having an interest rate of 3.0% to 5.0%. These Bonds were issued in order to currently refund certain principal maturities of General Improvement Bonds of the Borough. The total principal currently refunded was \$2,123,000. This current refunding resulted in the issuance of an additional \$112,000 in bonds and resulted in an economic gain (difference between the present value of the old and new debt service payments) of \$114,000.

NOTE 18 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.

NOTE 19 SUBSEQUENT EVENTS

Debt Authorized

On February 17, 2009 the Borough adopted a Bond Ordinance authorizing the issuance of \$237,750 in Bonds or Bond Anticipation Notes to fund certain capital projects.

On March 17, 2009 the Borough adopted a Bond Ordinance authorizing the issuance of \$1,350,000 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

APPENDIX C

FORM OF BOND COUNSEL OPINION

*An opinion in substantially the following form
will be delivered at Closing, assuming no
material changes in facts or law.*

_____, 2010

Borough Council of the
Borough of Westwood, in the
County of Bergen, New Jersey

Re: Borough of Westwood, in the County of Bergen, New Jersey
\$3,736,000 General Improvement Bonds, Series 2010

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Borough of Westwood, in the County of Bergen, New Jersey (the "Borough") of its \$3,736,000 General Improvement Bonds, Series 2010 (the "Bonds"). The Bonds are general obligations of the Borough and the full faith, credit and taxing power of the Borough is available to pay the principal of and interest on the Bonds. The Bonds are registered as to principal and interest, are issued in fully registered form, and are dated the date of delivery, mature on April 1 in the amounts and in each of the years, and bear interest at the rates set forth in the tables below:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2011	\$ 25,000		2017	\$455,000	
2012	25,000		2018	450,000	
2013	35,000		2019	475,000	
2014	45,000		2020	530,000	
2015	65,000		2021	575,000	
2016	420,000		2022	636,000	

The Bonds will be initially issued in book-entry form only in the form of one certificate for the aggregate principal amount of Bonds maturing in each year, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$1,000 or any integral multiple thereof through book-entries on the books and records of DTC and its participants.

The Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Act"), a resolution adopted by the Borough Council on April 13, 2010 (the "Resolution") and Bond Ordinances numbered 2000-17, 2002-11, 2004-12, 2004-13, 2004-14, 2004-19, 2004-22, 2005-17, 2005-35, 2006-04, 2006-12, 2007-04, 2007-09, 2007-10, 2007-11, 2007-13 and 2008-01 (the "Ordinances"). The Bonds are issued for the purpose of financing general improvements and purposes as set forth in the Ordinances, and to pay a portion of the costs of issuing the Bonds.

The Bonds are not subject to optional redemption prior to maturity.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including (a) copies of the Resolution and the Ordinances; (b) such matters of law, including, *inter alia*, the Act and the Internal Revenue Code of 1986, as amended (the "Code"); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, issued, executed and sold by the Borough; the Resolution and the Ordinances have been duly authorized and adopted by the Borough; and the Bonds, the Resolution and the Ordinances are legal, valid and binding obligations of the Borough enforceable in accordance with their respective terms.
2. Assuming continuing compliance by the Borough with the provisions of the Code applicable to the Bonds, and subject to certain provisions of the Code, under laws, regulations, rulings and judicial decisions existing on the date of original issuance of the Bonds, interest

received by a holder of the Bonds will be excludable from gross income for federal income tax purposes and will not be treated as a preference item for purposes of the alternative minimum tax imposed individuals or corporations. However, interest on the Bonds may become taxable retroactively if certain requirements of the Code are not complied with.

3. Under the laws of the State of New Jersey as enacted and construed on the date of original issuance of the Bonds, interest on the Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

4. The power and obligation of the Borough to pay the Bonds is unlimited, and the Borough shall be required to levy *ad valorem* taxes upon all taxable real property within the Borough for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 2 and 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.

GLUCKWALRATH LLP

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Borough of Westwood, in the County of Bergen, New Jersey (the "Issuer") in connection with the issuance by the Issuer of \$3,736,000 principal amount of its General Improvement Bonds, Series 2010 (the "Bonds"). The Bonds are being issued pursuant to various bond ordinances (the "Ordinances") duly adopted by the Borough Council of the Issuer (the "Council") and a resolution duly adopted by the Council on April 13, 2010 (the "Resolution"). The Bonds are dated their date of delivery. The Bonds shall mature on April 1 in the years 2011 through 2022, inclusive. The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Continuing Disclosure Information" shall mean: (i) the Annual Report; (ii) any notice required to be filed with the MSRB pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the MSRB pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of the Issuer's fiscal year, commencing with the Annual Report for the fiscal year ending December 31, 2010, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on the MSRB's Internet website, or that has been filed with the SEC.

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements

shall be filed in the same manner as the Annual Report when they become available.

2. The financial information and operating data set forth in the Official Statement dated _____, 2010 prepared in connection with the sale of the Bonds under the following captions "CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT - Debt Limits", "Summary of the Borough of Westwood Budgets – Current Fund", "Comparative Schedule of Fund Balances – Current Fund", "TAX INFORMATION OF THE BOROUGH" – "Current Tax Collections", "Delinquent Taxes and Tax Title Liens", "Assessed Valuations of Property Owned by the Borough Acquired for Taxes", "Ten Largest Taxpayers", "Assessed Valuations – Land and Improvements by Class", "Assessed Valuations – Net Valuation Taxable", "Components of Real Estate Tax Rate", "Debt Incurring Capacity", "Gross and Statutory Net Debt" and "STATEMENT OF INDEBTEDNESS".

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. modifications to rights of Bondholders;
8. optional, contingent or unscheduled Bond calls;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds; and
11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Resolution.

Section 6. Documents to be Provided in Electronic Format and Accompanied by Identifying Information. The Issuer agrees that each Annual Report and each notice pursuant to Section 5(a), 7 and 9 hereof shall be provided to the MSRB in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, 5(a) or 6, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit

of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2010

BOROUGH OF WESTWOOD, IN THE
COUNTY OF BERGEN, NEW JERSEY

By: _____
Chief Financial Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Borough of Westwood, in the County of Bergen, New Jersey

Name of Bond Issue: \$3,736,000 General Improvement Bonds, Series 2010

Date of Issuance: May 7, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated _____, 2010. The Issuer anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, 20__

BOROUGH OF WESTWOOD, IN THE COUNTY OF BERGEN,
NEW JERSEY

By: _____
Name:
Title: