BOROUGH OF WEST CAPE MAY

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2008

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BOROUGH OF WEST CAPE MAY

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS - STATUTORY BASIS

FOR THE YEAR ENDED

DECEMBER 31, 2008

FORD-SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of Borough Commission
Borough of West Cape May
County of Cape May, New Jersey

We have audited the accompanying balance sheets – statutory basis of the various funds and account groups of the Borough of West Cape May, State of New Jersey, as of December 31, 2008 and 2007 and the related statements of operations and changes in fund balance – statutory basis for the years then ended and the related statement of revenues – statutory basis and statement of expenditures – statutory basis for the year ended December 31, 2008, as listed in the accompanying table of contents. These financial statements – statutory basis are the responsibility of the Borough of West Cape May, State of New Jersey's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). 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 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 opinions.

As described in Note 1, the Borough of West Cape May, prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects 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 our opinion, because of the Borough of West Cape May's policy to prepare its financial statements on the prescribed 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 various funds and account groups of the Borough of West Cape May, as of December 31, 2008 and 2007 and the results of operations and changes in fund balance of such funds for the years then ended, and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2008.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Borough of West Cape May, as of December 31, 2008 and 2007 and the results of operations and changes in fund balances of such funds for the years then ended and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2008 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2009 on our consideration of the Borough of West Cape May's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules as listed in the table of contents have been subjected to the auditing procedures applied to the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

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

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

April 30, 2009

EXHIBIT - A
CURRENT FUND

Exhibit A

BOROUGH OF WEST CAPE MAY
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
Assets			
Regular Fund:			
Cash:			
Treasurer	A-4	$ 971,019.78	$ 995,338.20
		971,019.78	995,338.20
Other Receivables:			
Due from State of New Jersey		388.95	1,388.95
		388.95	1,388.95
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	187,259.24	165,327.47
Tax Title Liens Receivable	A-8	50,930.29	45,206.92
Property Acquired for Taxes at Assessed Valuation		230,782.00	230,782.00
Revenue Accounts Receivable	A-9	1,561.13	1,662.99
Interfunds:			
Due from TTL Trust Account		4,092.94	4,092.94
Due from Grant Fund		155,413.29	107,020.22
Due from Animal Control Fund		341.40	341.40
		630,380.29	554,433.94
Deferred Charges:			
Special Emergency Authorization:			
5 Years (40A:4-55)		23,880.00	39,760.00
Emergency Authorization		175,000.00	115,000.00
		198,880.00	154,760.00
		1,800,669.02	1,705,921.09
Federal and State Grant Fund:			
Grant Receivables	A-11	368,653.76	535,849.51
		368,653.76	535,849.51
		$ 2,169,322.78	$ 2,241,770.60

Exhibit A

BOROUGH OF WEST CAPE MAY
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
Liabilities, Reserves and Fund Balance			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	$ 112,139.20	$ 131,547.65
Reserve for Encumbrances	A-3	133,502.71	15,055.94
Accounts Payable		-	7,880.48
Prepaid Taxes		37,677.42	45,627.69
Tax Overpayments		4,871.26	4,722.99
Payroll Taxes payable		581.55	657.08
Reserve for Homeland Security		-	25,000.00
Reserve for Tax Map		4.78	4.78
Reserve for Storm Sewer Emergency		8,176.00	8,176.00
Due to Escrow Trust		800.00	800.00
Due to POAA Trust		125.00	125.00
Due to Water & Sewer Utility Fund		237,388.99	249,538.99
Due to Water & Sewer Utility Capital Fund		6,447.00	-
Due to General Capital Fund		66,000.00	-
Due to Unemployment Trust		534.73	534.73
		608,248.64	489,671.33
Reserve for Receivables and Other Assets		630,380.29	554,433.94
Fund Balance	A-1	562,040.09	661,815.82
		1,800,669.02	1,705,921.09
Federal and State Grant Fund:			
Unappropriated Reserves	A-12	18,469.44	23,383.05
Appropriated Reserves	A-13	177,048.38	294,850.14
Encumbrances Payable		15,898.55	108,772.00
Due to Current Fund		155,413.29	107,020.22
Amount Due to HUD		1,824.10	1,824.10
		368,653.76	535,849.51
		$ 2,169,322.78	$ 2,241,770.60

Exhibit A-1

BOROUGH OF WEST CAPE MAY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
STATUTORY BASIS

	Ref.	Year 2008	Year 2007
Revenue and Other Income Realized			
Fund Balance Utilized		$ 400,000.00	$ 300,000.00
Miscellaneous Revenue Anticipated		296,152.14	476,040.85
Receipts from Delinquent Taxes		160,579.21	144,659.02
Receipts from Current Taxes		4,657,540.81	4,407,369.02
Non-Budget Revenue		77,000.62	75,885.89
Other Credits to Income:			
Cancellation of Accounts Payable		7,880.48	-
Unexpended Balance of Appropriation Reserves		96,332.04	70,195.69
Total Income		5,695,485.30	5,474,150.47
Expenditures			
Budget and Emergency Appropriations:			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages		329,530.00	327,630.00
Other Expenses		896,600.00	736,100.00
Deferred Charges & Statutory Expenditures		103,166.00	29,500.00
Appropriations Excluded from "CAP"			
Operations:			
Other Expenses		575,916.82	696,607.82
Capital Improvements		7,000.00	7,000.00
Municipal Debt Service		141,000.00	130,287.49
Deferred Charges & Statutory Expenditures		57,714.00	32,828.29
County Taxes		936,918.97	886,358.07
County Added and Omitted Taxes		6,202.81	3,100.20
Local District School Tax		882,312.00	851,783.00
Regional High School Tax		1,585,507.36	1,489,836.19
Interfund Created		48,393.07	15,904.09
Total Expenditures		5,570,261.03	5,206,935.15

Exhibit A-1

BOROUGH OF WEST CAPE MAY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
STATUTORY BASIS

	Ref.	Year 2008	Year 2007
Excess In Revenue		$ 125,224.27	$ 267,215.32
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year		175,000.00	115,000.00
		175,000.00	115,000.00
Statutory Excess to Fund Balance		300,224.27	382,215.32
Fund Balance January 1	A	661,815.82	579,600.50
		962,040.09	961,815.82
Decreased by:			
Utilization as Anticipated Revenue		400,000.00	300,000.00
Fund Balance December 31	A	$ 562,040.09	$ 661,815.82

Exhibit A-2

BOROUGH OF WEST CAPE MAY
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS

	Ref.	Anticipated Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated		$ 400,000.00	$	$ 400,000.00	$ -
		400,000.00		400,000.00	-
Miscellaneous Revenues:					
Licenses:					
Other		15,000.00		30,973.00	15,973.00
Fines and Costs:					
Municipal Court		30,000.00		36,092.05	6,092.05
Interest and Costs on Taxes		25,000.00		40,841.59	15,841.59
Consolidated Municipal Property Tax Relief		8,465.00		8,465.00	-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		109,796.00		109,796.00	-
Garden State Trust		783.00		720.36	(62.64)
Municipal Homeland Security Assistance Aid-Reserved		25,000.00		25,000.00	-
Special Items:					
Public & Private Revenues Offset with Appropriations:					
Recycling Tonnage Grant		3,043.08		3,043.08	-
Alcohol Education and Rehabilitation Fund		735.52	803.18	1,538.70	-
Cape May County MUA Mini Grant		3,959.45		3,959.45	-
Clean Communities Grant		4,000.00		4,000.00	-
Hepatitis B			1,275.00	1,275.00	-
Other Special Items:					
Cape May City Lease		30,448.29		30,447.91	(0.38)
Total Miscellaneous Revenues	A-1	256,230.34	2,078.18	296,152.14	37,843.62

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WEST CAPE MAY
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS

	Ref.	Anticipated Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Receipts from Delinquent Taxes	A-1:A-2	$ 68,000.00	$	$ 160,579.21	$ 92,579.21
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes					
Total Amount to be Raised by Taxes for Support		1,425,233.64		1,469,443.57	44,209.93
of Municipal Budget		1,425,233.64	-	1,469,443.57	44,209.93
Budget Totals		2,149,463.98	2,078.18	2,326,174.92	174,632.76
Non-Budget Revenues		-		77,000.62	77,000.62
		$ 2,149,463.98	$ 2,078.18	$ 2,403,175.54	$ 251,633.38

See Accompanying Notes to Financial Statements - Statutory Basis

Exhibit A-2

BOROUGH OF WEST CAPE MAY
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS

Analysis of Realized Revenues			
Allocation of Current Tax Collections:			
Revenues from Collections		$	4,657,540.81
Allocated to:			
School, County and Other Taxes			3,403,712.58
Balance for Support of Municipal Budget Appropriations			1,253,828.23
Add: Appropriation			
"Reserve for Uncollected Taxes"			215,615.34
Amount for Support of Municipal			
Budget Appropriations		$	1,469,443.57
Receipts from Delinquent Taxes:			
Delinquent Tax Collections		$	136,166.24
Tax Title Lien Collections			24,412.97
		$	160,579.21
Analysis of Non-Budget Revenues:			
Miscellaneous Revenue Not Anticipated:			
Assessment Searches	$ 10.00		
Birth Certificates	10.00		
Interest Earned	20,555.55		
Zoning	4,825.00		
Cable Franchise	8,436.51		
COAH Donations	100.00		
Recycling Rebate	5,690.09		
Marriage Licenses	2,902.00		
Planning Board Applications	3,275.00		
Campground and Trailer Park Fees	10,840.00		
Street Openings	300.00		
Senior & Vet Admin Fee	325.00		
Photocopies	274.62		
Auction Proceeds	4,234.00		
Death Certificates	30.00		
Elections	1,800.00		
HPC Permit	940.00		
JIF Reinbursement	1,750.00		
Refunds	840.03		
Miscellaneous	9,862.82		
		$	77,000.62

BOROUGH OF WEST CAPE MAY
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
OPERATIONS WITHIN "CAPS"					
DEPARTMENT OF PUBLIC AFFAIRS AND SAFETY:					
Director's Office					
Salaries and Wages	$ 11,000.00	$ 11,000.00	$ 11,000.00	$	$ -
Other Expenses	1,900.00	1,900.00	1,129.00		771.00
Fire					
Other Expenses:					
Miscellaneous Other Expenses	20,000.00	20,000.00	15,489.59	1,859.31	2,651.10
Aid to Volunteer Fire Company	40,000.00	40,000.00	38,353.36	1,381.39	265.25
Police					
Salaries and Wages	100.00	100.00			100.00
Other Expenses	100.00	100.00			100.00
Municipal Prosecutor					
Salaries and Wages	6,180.00	6,180.00	6,179.94		0.06
Emergency Management Services					
Salaries and Wages	2,100.00	2,100.00	1,900.00		200.00
Other Expenses	1,000.00	1,000.00			1,000.00
Board of Health					
Other Expenses	500.00	500.00			500.00
Emergency Medical Services - Contractual	66,000.00	66,000.00	64,045.48		1,954.52
Fire Safety Division					
Salaries and Wages	100.00	100.00			100.00
Other Expenses	100.00	100.00			100.00
Celebration of Public Events, Anniversary, Holidays					
Other Expenses	1,600.00	1,600.00			1,600.00
Public Employee Awards Program					
(NJSA 40A:9-18) (NJSA 40A:5-31)	200.00	200.00			200.00
Dog Regulation					
Other Expenses	6,000.00	7,000.00	6,698.40		301.60
Municipal Court					
Salaries and Wages	67,500.00	67,500.00	67,319.10		180.90
Other Expenses	6,500.00	6,500.00	5,391.37		1,108.63
Public Defender					
Salaries and Wages	3,700.00	3,700.00	3,604.90		95.10

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WEST CAPE MAY
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
DEPARTMENT OF REVENUE AND FINANCE:					
Director's Office					
Salaries and Wages	$ 15,000.00	$ 15,000.00	$ 15,000.00	$	$ -
Other Expenses	13,000.00	13,000.00	3,130.04		9,869.96
Financial Administration					
Salaries and Wages	27,000.00	26,500.00	22,250.00		4,250.00
Other Expenses:					
Annual Audit	23,000.00	23,000.00	23,000.00		-
Miscellaneous Other Expenses	13,000.00	13,000.00	2,237.17	125.00	10,637.83
Borough Clerk					
Salaries and Wages	60,000.00	60,000.00	58,784.04		1,215.96
Other Expenses	9,000.00	9,000.00	8,401.87	78.64	519.49
Elections					
Other Expenses	2,600.00	2,600.00	1,628.71		971.29
Assessment of Taxes					
Salaries and Wages	9,600.00	9,600.00	9,555.00		45.00
Other Expenses	1,500.00	1,500.00	630.63		869.37
Collection of Taxes					
Salaries and Wages	25,000.00	25,000.00	24,855.12		144.88
Other Expenses	2,000.00	2,000.00	1,093.57		906.43
Liquidation of Tax Title Liens					
Other Expenses	200.00	200.00			200.00
Legal Services and Costs					
Other Expenses:	70,000.00	245,000.00	118,769.77	126,230.23	-
Grant Coordinator - Contractual	1,000.00	1,000.00			1,000.00
Code Enforcement Officer					
Salaries and Wages	4,250.00	4,750.00	3,957.37		792.63
Zoning Officer					
Salaries and Wages	7,000.00	7,000.00	6,522.11		477.89
Other Expenses	500.00	500.00	500.00		-
Municipal Land Use (N.J.S.A. 40:55 D-1)					
Planning and Zoning Board					
Salaries and Wages	9,000.00	9,000.00	6,697.83		2,302.17
Other Expenses	9,000.00	9,000.00	6,385.73		2,614.27

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WEST CAPE MAY
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
DEPARTMENT OF REVENUE AND FINANCE:					
Historic Preservation	$ 3,000.00	$ 3,000.00	$	$	$ 3,000.00
Insurance					
General Liability	17,443.00	17,443.00	16,209.00		1,234.00
Workers Compensation Insurance	39,557.00	39,557.00	39,557.00		-
Employee Group Health	78,000.00	78,000.00	78,000.00		-
DEPARTMENT OF PUBLIC WORKS, PARKS AND PUBLIC PROPERTY:					
Director's Office					
Salaries and Wages	11,000.00	11,000.00	11,000.00		-
Other Expenses	2,000.00	2,000.00	1,047.96		952.04
Public Building and Grounds					
Other Expenses	22,500.00	23,500.00	23,137.78		362.22
Engineering					
Other Expenses	2,000.00	2,000.00			2,000.00
Road Repairs and Maintenance					
Salaries and Wages	42,000.00	42,000.00	42,000.00		-
Other Expenses	7,500.00	7,500.00	4,070.28	2,745.55	684.17
Garbage and Trash Removal					
Other Expenses	140,000.00	140,000.00	106,807.55		33,192.45
Recycling					
Salaries and Wages	29,000.00	29,000.00	27,231.39		1,768.61
Other Expenses	4,000.00	4,500.00	4,366.74		133.26
Parks and Playgrounds					
Other Expenses	500.00	500.00	500.00		-
Recreation					
Other Expenses	300.00	300.00			300.00
Shade Tree Commission					
Other Expenses	500.00	500.00			500.00
Environmental Commission					
Other Expenses	500.00	500.00	261.87		238.13

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WEST CAPE MAY
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
UNCLASSIFIED:					
General Office Operations					
Other Expenses	$ 25,000.00	$ 20,000.00	$ 16,045.64	$ 5.16	$ 3,949.20
UTILITY EXPENSES AND BULK PURCHASES:					
Electric	38,000.00	39,500.00	36,882.12	1,077.43	1,540.45
Street Lighting	22,000.00	23,000.00	21,221.81		1,778.19
Telephone	9,600.00	9,600.00	9,571.75		28.25
Fuel Oil	10,000.00	10,000.00	7,861.66		2,138.34
Gasoline/Diesel Fuel	4,500.00	4,500.00			4,500.00
Postage	6,000.00	6,000.00	5,500.00		500.00
TOTAL OPERATIONS WITHIN "CAPS"	1,051,130.00	1,226,130.00	985,782.65	133,502.71	106,844.64
Contingent	-	-	-	-	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	1,051,130.00	1,226,130.00	985,782.65	133,502.71	106,844.64
Detail:					
Salaries and Wages	329,530.00	329,530.00	317,856.80	-	11,673.20
Other Expenses	721,600.00	896,600.00	667,925.85	133,502.71	95,171.44
DEFERRED CHARGES:					
Emergency Authorizations	73,166.00	73,166.00	73,166.00		-
STATUTORY EXPENDITURES:					
Contributions to:					
Social Security System (O.A.S.I.)	28,500.00	28,500.00	27,406.68		1,093.32
Unemployment Compensation Insurance	1,500.00	1,500.00	1,299.16		200.84
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"	103,166.00	103,166.00	101,871.84	-	1,294.16
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	1,154,296.00	1,329,296.00	1,087,654.49	133,502.71	108,138.80

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WEST CAPE MAY
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
OPERATIONS EXCLUDED FROM "CAPS"					
OTHER OPERATIONS					
Statutory Expenditures:					
Public Employees' Retirement System	$ 25,554.00	$ 25,554.00	$ 25,553.60	$ -	$ 0.40
Appropriation Cap Waiver:					
Legal					
Other Expenses	160,000.00	160,000.00	160,000.00		-
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	185,554.00	185,554.00	185,553.60	-	0.40
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Cape May County Interlocal Service Agreement-					
Police Contractual	372,546.59	372,546.59	372,546.59	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:					
Alcohol Education and Rehabilitation Fund	735.52	1,538.70	1,538.70		-
Recycling Tonnage Grant	3,043.08	3,043.08	3,043.08		-
Matching Funds for Grants	4,000.00	4,000.00			4,000.00
Hepatitis B		1,275.00	1,275.00		-
Cape May County MUA Mini Grant	3,959.45	3,959.45	3,959.45		-
Clean Communities Grant	4,000.00	4,000.00	4,000.00		-
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	15,738.05	17,816.23	13,816.23	-	4,000.00
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	573,838.64	575,916.82	571,916.42	-	4,000.40
Detail:					
Salaries and Wages	-	-	-	-	-
Other Expenses	573,838.64	575,916.82	571,916.42	-	4,000.40

See Accompanying Notes to Financial Statements - Statutory Basis

BOROUGH OF WEST CAPE MAY
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
CAPITAL IMPROVEMENTS:					
Capital Improvement Fund	$ 7,000.00	$ 7,000.00	$ 7,000.00	$ -	$ -
TOTAL CAPITAL IMPROVEMENTS	7,000.00	7,000.00	7,000.00	-	-
MUNICIPAL DEBT SERVICE:					
Payment of Bond Anticipation Notes and Capital Notes	115,000.00	115,000.00	115,000.00		-
Interest on Notes	26,000.00	26,000.00	26,000.00		-
TOTAL DEBT SERVICE	141,000.00	141,000.00	141,000.00	-	-
DEFERRED CHARGES EXCLUDED FROM "CAPS":					
Emergency Authorization	41,834.00	41,834.00	41,834.00		-
Special Emergency Authorization - 5 Years	15,880.00	15,880.00	15,880.00		-
TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"	57,714.00	57,714.00	57,714.00	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	779,552.64	781,630.82	777,630.42	-	4,000.40
SUBTOTAL GENERAL APPROPRIATIONS	1,933,848.64	2,110,926.82	1,865,284.91	133,502.71	112,139.20
Reserve for Uncollected Taxes	215,615.34	215,615.34	215,615.34	-	-
TOTAL GENERAL APPROPRIATIONS	$ 2,149,463.98	$ 2,326,542.16	$ 2,080,900.25	$ 133,502.71	$ 112,139.20

Adopted Budget	$ 2,149,463.98	$ 13,816.23	Federal and State Grants
Added by 40A:4-87	2,078.18	215,615.34	Reserve for Uncollected Taxes
Emergency	175,000.00	130,880.00	Deferred Charges
		1,720,588.68	Cash Disbursed
	$ 2,326,542.16	$ 2,080,900.25	

See Accompanying Notes to Financial Statements - Statutory Basis

EXHIBIT - B
TRUST FUND

Exhibit B

BOROUGH OF WEST CAPE MAY
TRUST FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
Assets			
Animal Control Fund			
Cash and Investments	B-1	$ 1,489.65	$ 890.25
		1,489.65	890.25
Other Funds			
Cash and Investments	B-2	148,556.87	95,524.29
Due from Current Fund:			
Unemployment Compensation		534.73	534.73
POAA Trust		125.00	125.00
Engineering Escrow		800.00	800.00
		150,016.60	96,984.02
		$ 151,506.25	$ 97,874.27

Exhibit B

BOROUGH OF WEST CAPE MAY
TRUST FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
Liabilities, Reserves and Fund Balance			
Animal Control Fund			
Reserve for Animal Control Expenditures	B-3	$ 1,134.45	$ 535.65
Due to State of New Jersey	B-4	13.80	13.20
Due to Current Fund		341.40	341.40
		1,489.65	890.25
Other Funds			
Due to Current - Tax Title Lien Redemption		4,092.94	4,092.94
Reserve for Unemployment Compensation		534.73	534.73
Reserve for Site Plan Escrow		47,621.41	33,029.32
Reserve for TTL Redemption		19,987.02	24,590.04
Reserve for POAA Trust		131.00	125.00
Reserve for COAH		34,991.25	-
Reserve for Shade Tree		8,469.78	8,280.85
Reserve for Public Assistance		6,050.23	6,050.23
Reserve for CDBG		3,819.67	3,760.62
Reserve for Other Trust Accounts		24,318.57	16,520.29
		150,016.60	96,984.02
		$ 151,506.25	$ 97,874.27

EXHIBIT - C
GENERAL CAPITAL FUND

Exhibit C

BOROUGH OF WEST CAPE MAY
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
Assets			
Cash and Investments	C-2,C-3	$ 94,068.11	$ 156,349.31
Due from Current Fund		66,000.00	-
Deferred Charges to Future Taxation:			
Unfunded	C-6	670,950.00	719,450.00
		$ 831,018.11	$ 875,799.31
Liabilities, Reserves and Fund Balance			
Bond Anticipation Notes Payable	C-9	$ 601,000.00	$ 650,000.00
Encumbrance Payable		4,036.88	14,875.00
Improvement Authorizations:			
Funded	C-7	44,952.13	51,800.00
Unfunded	C-7	165,391.43	146,986.64
Reserve for Capital Projects		535.28	535.28
Capital Improvement Fund	C-4	14,900.00	11,400.00
Fund Balance	C-1	202.39	202.39
		$ 831,018.11	$ 875,799.31

Exhibit C-1

BOROUGH OF WEST CAPE MAY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - STATUTORY BASIS

	Ref.		
Balance December 31, 2007	C		$ 202.39
Increased By:			
None		$ -	
			-
			202.39
Decreased By:			
None		-	
			-
Balance December 31, 2008	C		$ 202.39

EXHIBIT - D
WATER & SEWER UTILITY FUND

Exhibit D

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
Assets			
Operating Fund:			
Cash and Investments	D-5	$ 30,545.84	$ 277,013.86
Due from Current Fund		237,388.99	249,538.99
		267,934.83	526,552.85
Receivables With Full Reserves:			
Rents Receivable	D-7	36,477.73	25,341.49
Liens	D-8	-	-
		36,477.73	25,341.49
Deferred Charge:			
Deficit in Operations		19,466.41	-
		19,466.41	-
Total Operating Fund		323,878.97	551,894.34
Capital Fund:			
USDA Grant Receivable		62,016.00	68,463.00
Fixed Capital:			
Completed		3,358,048.56	3,358,048.56
Authorized and Uncompleted		1,654,426.44	1,654,426.44
Due from Current Fund		6,447.00	-
Due from Water & Sewer Operating Fund		249,355.29	340,544.16
Total Capital Fund		5,330,293.29	5,421,482.16
		$ 5,654,172.26	$ 5,973,376.50

Exhibit D

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
Liabilities, Reserves and Fund Balance			
Operating Fund:			
Appropriation Reserves	D-4	$ 17,063.10	$ 33,677.79
Encumbrances Payable		269.00	248.68
Overpayments		1,346.10	1,524.47
Accrued Interest on Bonds and Notes	D-11	15,085.00	12,275.00
Overpayments Due to Lien holders		3,989.20	3,989.20
Due to Water & Sewer Capital Fund		249,355.29	340,544.16
		287,107.69	392,259.30
Reserve for Receivables	D	36,477.73	25,341.49
Fund Balance	D-1	293.55	134,293.55
Total Operating Fund		323,878.97	551,894.34
Capital Fund:			
USDA Bonds Payable	D-13a	553,200.42	559,286.24
USDA Loans Payable	D-13a	236,286.35	241,306.99
Bond Anticipation Notes Payable	D-14	1,424,000.00	1,450,000.00
Encumbrance Payable		214,875.70	83,253.30
Improvement Authorizations:			
Funded	D-12	37,005.16	37,005.16
Unfunded	D-12	134,264.43	357,075.70
Reserve for Amortization		2,607,936.23	2,570,829.77
Deferred Reserve for Amortization		1,500.00	1,500.00
Capital Improvement Fund	D-10	121,000.00	121,000.00
Fund Balance	D-2	225.00	225.00
Total Capital Fund		5,330,293.29	5,421,482.16
		$ 5,654,172.26	$ 5,973,376.50

Exhibit D-1

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN OPERATING FUND BALANCE - STATUTORY BASIS

	Ref.	Year 2008	Year 2007
Revenue and Other Income Realized			
Fund Balance Utilized		$ 134,000.00	$ 195,750.00
Water & Sewer Rents		647,944.58	673,739.26
Miscellaneous		18,667.01	43,334.31
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		7,141.99	54,908.08
Total Income		807,753.58	967,731.65
Expenditures:			
Operations:			
Salaries and Wages		95,000.00	89,000.00
Other Expenses		590,000.00	596,600.00
Debt Service		135,019.99	140,710.00
Deferred Charges and Statutory Expenditures		7,200.00	17,400.00
Capital Improvement Fund		-	-
Total Expenditures		827,219.99	843,710.00
Excess in Revenue (Deficit)		(19,466.41)	124,021.65
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years		19,466.41	-
		-	124,021.65
Fund Balance January 1	D	134,293.55	206,021.90
		134,293.55	330,043.55
Decreased By:			
Utilization as Anticipated Revenue		134,000.00	195,750.00
Balance December 31	D	$ 293.55	$ 134,293.55

Exhibit D-2

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE

	Ref.		
Balance December 31, 2007	D		$ 225.00
Increased By:			
None		$ -	
			-
			225.00
Decreased By:			
None		-	
			-
Balance December 31, 2008	D		$ 225.00

Exhibit D-3

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS

	Anticipated Budget	Realized	Excess or (Deficit)
Operating Fund Balance Anticipated	$ 134,000.00	$ 134,000.00	$ -
Anticipated Revenue:			
Water Rents	342,450.00	330,332.76	(12,117.24)
Sewer Rents	331,000.00	317,611.82	(13,388.18)
Miscellaneous	43,000.00	18,667.01	(24,332.99)
	716,450.00	666,611.59	(49,838.41)
Total Revenue	$ 850,450.00	$ 800,611.59	$ (49,838.41)

Analysis of Realized Revenue:

Water & Sewer Rents		
Consumer Accounts Receivable	$ 647,944.58	
Liens Receivable	-	
Total Water & Sewer Rents		$ 647,944.58
Miscellaneous Revenue		
Interest on Delinquent Accounts	$ 3,012.69	
Interest Earned	3,454.32	
Connection Fees	12,200.00	
Total Miscellaneous		$ 18,667.01

Exhibit D-4

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
Salaries and Wages	$ 95,000.00	$ 95,000.00	$ 87,619.22	$ 7,380.78	$
Other Expenses	590,000.00	590,000.00	581,868.00	8,132.00	
	685,000.00	685,000.00	669,487.22	15,512.78	-
Capital Improvements:					
None		-		-	
	-	-	-	-	-
Debt Service:					
Payment of Bond Anticipation Notes	26,000.00	26,000.00	26,000.00		-
Interest on Notes	84,000.00	84,000.00	60,809.99		23,190.01
USDA Principal & Interest	48,250.00	48,250.00	48,210.00		40.00
	158,250.00	158,250.00	135,019.99	-	23,230.01
Deferred Charges and Statutory Expenditures:					
Social Security System (O.A.S.I.)	7,200.00	7,200.00	5,649.68	1,550.32	
	7,200.00	7,200.00	5,649.68	1,550.32	-
	$ 850,450.00	$ 850,450.00	$ 810,156.89	$ 17,063.10	$ 23,230.01
Ref.	D				D

$ 700,867.90	Disbursed
109,019.99	Accrued Interest on Debt
269.00	Encumbrances Payable
$ 810,156.89	

See Accompanying Notes to Financial Statements - Statutory Basis

EXHIBIT - E
GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit E

BOROUGH OF WEST CAPE MAY
GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2008	Balance Dec. 31, 2007
Assets			
General Fixed Assets:			
Land Improvements		$ 357,226.00	$ 357,226.00
Buildings		1,535,428.00	1,486,162.00
Machinery and Equipment		1,020,376.38	1,016,409.00
Total General Fixed Assets		$ 2,913,030.38	$ 2,859,797.00
Investment in General Fixed Assets		$ 2,913,030.38	$ 2,859,797.00

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements – statutory basis of the Borough of West Cape May have been prepared in conformity with an "Other Comprehensive Basis of Accounting" (OCBOA) as established by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting differs from Accounting Principles Generally Accepted in the United States of America (GAAP). The more significant of the Borough's accounting policies are described below.

Description of Financial Reporting Entity

The Borough of West Cape May is an offshore community located in the County of Cape May, State of New Jersey. The population according to the 2000 census is 1,095.

The Borough is incorporated and operates under a Mayor and Commission form of government. The Mayor is the chief executive officer of the Borough and is appointed by the Borough Commission.

Component Units

The financial statements of the component units of the Borough of West Cape May are not presented in accordance with Governmental Accounting Standards Board Statement (GASB) No. 14. If the provisions of GASB 14 had been complied with the other entity's financial statements would have to be either blended or discretely presented with the financial statements – statutory basis of the Borough of West Cape May, the primary government.

Basis of Presentation, Fund Accounting

The financial statements – statutory basis of the Borough of West Cape May contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of West Cape May accounts for its financial transactions through the following separate funds which differ from the funds required by GAAP.

Current Fund

The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State Grant Funds.

Trust Funds

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

General Capital Funds

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Water and Sewer Utility Operating and Capital Funds

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

Budgets and Budgetary Accounting

The Borough of West Cape May must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. State statutes require the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date of introduction. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

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

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

Cash and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank approved by the State Department of Banking and Insurance and organized under laws of the United States or the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the Borough of West Cape May requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any governmental unit. Public depositories include banks (both state and federal), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

Generally, the Borough considers all investments that mature in one year or less to be cash equivalents.

All certificates of deposit are recorded as cash regardless of date of maturity.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to Fund Balance. 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.

Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

General Fixed Assets

Property and Equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from GAAP. The following is a brief description of the provisions of the Directive. Fixed Assets used in governmental operations ("general fixed assets") are accounted for in the General Fixed Assets Account Group. Public Domain ("Infrastructure") fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, are not capitalized.

All fixed assets are valued at historical cost, or estimated historical cost if actual historical cost is not available.

No depreciation on general fixed assets is recorded in the financial statements – statutory basis.

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

Fixed assets acquired through grants – in – aid or contributed capital, have not been accounted for separately.

Utility Fixed Assets

Property and equipment purchased by a utility fund are recorded in the utility capital fund at cost and are adjusted for disposition or abandonment. The amounts shown do not represent replacement cost or current value. Contributions in aid of construction are not capitalized. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements. GAAP does not require the establishment of a Reserve for Amortization of Fixed Capital, but GAAP does require the recognition of depreciation of property by the utility fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreclosed Property

Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments by returning the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to municipal use, it will be capitalized in the General Fixed Assets Account Group. GAAP requires property to be recorded in the General Fixed Assets Account Group at the market value at the time of acquisition.

Deferred Charges

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

Appropriation Reserves

Appropriation Reserves covering unexpended appropriation balance are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation Reserves are available, until lapsed at the close of the succeeding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

Liens Sold for Other Governmental Units

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

Fund Balance

Fund Balances included in the Current Fund and Utility Operating Funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues

Revenues are recorded as received in cash except for certain amounts that are due from other governmental units. Revenue from Federal and State grants is realized as revenue when anticipated as such in the Borough's budget. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenue be recognized when actual expenditures financed by the grant are made.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1st, May 1st, August 1st, and November 1st. Property taxes unpaid on April 1st of the year following their final due date are subject to tax sale in accordance with statutes. The amount of tax levied includes not only the amount required in support of the Borough's Annual Budget, but also the amounts required in support of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenues to be recognized when they are available and measurable reduced by an allowance for doubtful accounts.

School Taxes

The Borough is responsible for levying, collecting and remitting school taxes for the Borough of West Cape May School District. Fund Balance is charged for the full amount required to be raised from taxation to operate the school districts from January 1st through December 31st. Deferred school taxes arise due to the differences in the municipal and school district fiscal year ends. As of December 31, 2008, the breakdown of the school tax payable and year end deferral is as follows.

Category		Amount
School Tax Payable - Local School	$	-
School Tax Payable - Regional School		-
School Tax Deferred - Local School		448,923.00
School Tax Deferred - Regional School		781,372.40
	$	1,230,295.40

County Taxes

The Borough is responsible for levying, collecting and remitting county taxes for the County of Cape May. Fund balance is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition fund balance is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's Annual Budget protects the Borough from taxes not paid currently. The minimum amount of the reserve, determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A reserve for uncollected taxes is not established under GAAP.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the encumbrance system. Outstanding encumbrances at December 31st are recorded as a cash liability. Appropriations for principal payments on outstanding General Capital and Utility Capital Fund bonds and notes are provided on the cash basis; interest on General Capital Fund indebtedness is on the cash basis, whereas interest on Utility Fund indebtedness is on the accrual basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Compensated Absences and Post – Employment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a "pay as you go" basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a "pay as you go" basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

NOTE 2: LONG-TERM DEBT

Summary of Municipal Debt:

	2008	2007	2006
Issued			
General:			
Bonds and Notes	$ 601,000.00	$ 650,000.00	$ 595,000.00
Water & Sewer Utility:			
Bonds, Notes and Loans	2,213,486.77	2,250,593.23	1,811,192.88
Total Issued	2,814,486.77	2,900,593.23	2,406,192.88
Authorized but not Issued			
Bonds and Notes:			
General	69,950.00	69,450.00	128,750.00
Water & Sewer Utility	189,552.00	189,552.00	689,552.00
Total Authorized but not Issued	259,502.00	259,002.00	818,302.00
Net Bonds, Notes and Loans Issued, and Authorized but not Issued	$ 3,073,988.77	$ 3,159,595.23	$ 3,224,494.88

NOTE 2: LONG-TERM DEBT (Continued)

Summary of Statutory Debt Condition – Annual Debt Statement:

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .22%.

	Gross Debt	Deductions	Net Debt
School Debt	$ 1,272,660.09	$ 1,272,660.09	$ -
Water & Sewer Utility Debt	2,403,038.77	2,013,708.97	389,329.80
Other Bonds and Notes	670,950.00	-	670,950.00
	$ 4,346,648.86	$ 3,286,369.06	$ 1,060,279.80

Net debt $1,060,279.80 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, $482,143,617.00 = .22%.

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

3-1/2% of Equalized Valuation Basis	$ 16,875,026.60
Net Debt	(1,060,279.80)
Remaining Borrowing Power	$ 15,814,746.80

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

Cash Receipts from Fees, Rents or Other Charges for the Year		$ 807,753.50
Deductions:		
Operating & Maintenance Costs	$ 692,200.00	
Debt Service per Utility Funds	135,019.99	
Total Deductions		827,219.99
Excess/(Deficit) in Revenue		$ (19,466.49)

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

NOTE 2: LONG-TERM DEBT (Continued)

Description of Bonds and Loans Payable

General Capital Fund

At December 31, 2008, there were no bonds and loans payable in the General Capital Fund.

Water & Sewer Utility Fund

At December 31, 2008, bonds and loans payable in the Water & Sewer Utility Fund consisted of the following individual issues:

$576,000.00 USDA Bonds dated October 29, 2004, due in semiannual installments through December 2045, bearing interest at 4.5%. The balance remaining as of December 31, 2008 is $553,200.42.

$293,200.00 FmHA Loan dated December 5, 1991, due in semiannual installments through December 2032, bearing interest at 5%. The balance remaining as of December 31, 2008 is $236,286.35.

Changes in Long-Term Debt

The following schedule represents the changes in the Long-Term Debt:

	Outstanding 12/31/07	Payments or Expenditures	Outstanding 12/31/08
General Capital Fund			
None	$	$	$
Utility Capital Fund:			
Loans Payable	800,593.23	11,106.46	789,486.77
Total Utility Capital Fund	800,593.23	11,106.46	789,486.77
Total All Funds	$ 800,593.23	$ 11,106.46	$ 789,486.77

Schedule of Annual Debt Service for Principal and Interest for Bonds Payable

Year Ending December 31	Utility Capital Fund Principal	Utility Capital Fund Interest
2009	$ 6,362.77	$ 24,823.23
2010	6,652.31	24,533.69
2011	6,955.03	24,230.97
2012	7,271.53	23,914.47
2013	7,602.43	23,583.57
2014-2018	43,527.33	112,402.67
2019-2023	54,374.50	101,555.50
2024-2028	67,924.79	88,005.21
2029-2033	84,851.91	71,078.09
2034-2038	105,997.26	49,932.74
2039-2042	132,412.17	23,517.83
2043-2044	29,268.39	981.05
	$ 553,200.42	$ 568,559.02

NOTE 2: LONG-TERM DEBT (Continued)

Schedule of Annual Debt Service for Principal and Interest for Loans Payable

Year Ending December 31	Utility Capital Fund Principal	Utility Capital Fund Interest
2009	$ 5,274.80	$ 11,749.20
2010	5,541.84	11,482.16
2011	5,822.40	11,201.60
2012	6,117.16	10,906.84
2013	6,426.84	10,597.16
2014-2018	37,356.74	47,763.26
2019-2023	47,819.79	37,300.21
2024-2028	61,213.40	23,906.60
2029-2032	60,713.38	6,994.14
	$ 236,286.35	$ 171,901.17

NOTE 3: COMPENSATED ABSENCES

The Borough has permitted employees to accrue unused vacation, personal and sick time, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2008, the Borough estimates this liability to approximate $34,207.84 based on 2008 pay rates and compensated absence balances.

NOTE 4: TAXES COLLECTED IN ADVANCE

Taxes collected in advance include amounts set forth as cash liabilities in the financial statements as follows:

	Balance December 31, 2008	Balance December 31, 2007
Prepaid Taxes - Cash Liability	$ 37,677.42	$ 45,627.69

NOTE 5: RETIREMENT PLANS

Plan Descriptions

All eligible employees participate in the Public Employees' Retirement System (PERS), which has been established by state statute and is administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

NOTE 5: RETIREMENT PLANS (Continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement Sytem (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service. Retirement benefits for age and service are available at age 60 and, under recently enacted legislation are generally determined to be 1/55 of final average salary for each year of service credit. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation, if other than the final three years). Members may seek early retirement after achieving 25 years service credit, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits.

For the Public Employees' Retirement System, the Borough's contribution was $25,553.60 for 2008 and $13,424.40 for 2007.

Three Year Trend Information for PERS

Funding Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	$ 25,553.60	100%	$ -
12/31/07	13,424.40	100%	-
1/6/00	7,354.40	100%	-

NOTE 6: CASH AND INVESTMENTS

Cash

Operating cash, in the form of checking, savings and money market savings accounts, is held in the Borough's name by several commercial banking institutions. At December 31, 2008, the carrying amount of the Borough's deposits was $1,245,580.25 and the bank balance was $1,368,442.68. Of the bank balance, $285,507.19 was insured with Federal Deposit Insurance Corporation. The remaining balance was insured under the Governmental Unit Deposit Protection Act (GUDPA).

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the Borough's bank accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Borough would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2008, all of the Borough's deposits were insured through FDIC or GUDPA and, accordingly, not exposed to custodial credit risk. The Borough does not have a policy for custodial credit risk.

Investments

Pursuant to the Enabling Act, the funds of the Borough may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the Borough may approve. It invests pooled monies from various State and non-State agencies in primarily short-term investments.

As of December 31, 2008, the Borough did not have any investments.

NOTE 7: PROPERTY TAXES

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.

Upon the filing of certified adopted budgets by the municipality, the local and regional school 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 budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof is 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. The taxes are due February 1 and May 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes, due August 1 and November 1 of the succeeding fiscal 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 of the delinquency and 18% per annum on any amount in excess of $1,500. Pursuant to P.L. 1991, c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of $10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency. The interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in the tax sale in accordance with New Jersey Statutes.

NOTE 7: PROPERTY TAXES (Continued)

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 of each year, the municipality must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. Due to errors or delinquencies in notices sent to property owners, the April 1 deadline to file an appeal petition may be extended. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels the County Board of Taxation unsatisfactorily reviewed the petition, appeal may be made to the Tax Court of New Jersey for further hearing. Some Tax Court appeals may take several years prior to settlement and any losses in tax collection from prior years are charged to a reserve set aside for this purpose or directly charged to Fund Balance.

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparative Schedule of Tax Rates

	2008	2007	2006
Tax Rate	$ 0.945	$ 0.900	$ 1.320
Apportionment of Tax Rate:			
Municipal	0.279	0.236	0.334
County	0.184	0.176	0.272
Local and Regional School	0.482	0.488	0.714

Assessed Valuation

2008	$ 511,131,781.00	
2007	507,539,041.00	R
2006	309,976,918.00	

R = Reassessed

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2008	$ 4,857,128.99	$ 4,657,540.81	95.89%
2007	4,583,680.09	4,407,369.02	96.15%
2006	4,129,895.58	3,981,153.66	96.40%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2008	$ 50,930.29	$ 187,259.24	$ 238,189.53	4.90%
2007	45,206.92	165,327.47	210,534.39	5.10%
2006	34,736.81	148,641.03	183,377.84	5.04%

NOTE 7: PROPERTY TAXES (Continued)

Property Acquired by Tax Title Lien Redemption

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

Year	Amount
2008	$ 230,782.00
2007	230,782.00
2006	230,782.00

NOTE 8: ECONOMIC DEPENDENCY

The Borough of West Cape May is not economically dependent on any one funding agency within the Borough or the State of New Jersey.

NOTE 9: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budgets.

	Year	Balance December 31st	Utilized in Budget of Succeeding Year	Percent Utilized
Current Fund	2008 *	$ 562,040.09	$ 390,000.00	69.39%
	2007	661,815.82	400,000.00	60.44%
	2006	579,600.50	300,000.00	51.76%
	2005	525,313.86	360,000.00	68.53%
	2004	542,621.94	380,000.00	70.03%
	2003	630,375.92	355,000.00	56.32%
Water & Sewer Utility	2008 *	293.55	-	0.00%
	2007	134,293.55	134,000.00	99.78%
	2006	206,021.90	195,750.00	95.01%
	2005	418,237.46	265,000.00	63.36%
	2004	559,268.79	215,000.00	38.44%
	2003	573,767.54	148,900.00	25.95%

***** As of the date of this report, the 2009 Budget has been introduced but not yet adopted.

NOTE 10: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Receivables and payables at December 31, 2008 are as follows:

Fund	Interfund Receivable	Interfund Payable
Current Fund	$ 159,847.63	$ 311,295.72
Grant Fund	-	155,413.29
General Capital	66,000.00	-
Animal Control Trust	-	341.40
Trust Funds - Other	1,459.73	4,092.94
Water & Sewer Operating	237,388.99	249,355.29
Water & Sewer Capital	255,802.29	-
	$ 720,498.64	$ 720,498.64

NOTE 11: BUDGETARY DATA

Annually, Borough Commission adopts the annual appropriation budgets for the Current Fund and the Capital Improvement Plan as well as for the Water and Sewer Utility Fund. Once approved, the Borough Commission may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Supplemental appropriations per N.J.S.A. 40A:4-46 and 54, Emergencies and Special Emergencies, become charges against the budget of the following year per N.J.S.A. 40A:4-47 except when financing is provided for by bonding ordinances.

Budget transfers between appropriation accounts are prohibited until the last two months of the year. The Borough Commission approves the transfers by resolution. Budgetary transfers during the year were not significant.

NOTE 12: FEDERAL AND STATE GRANTS

In the normal course of operations, the Borough receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 13: GENERAL FIXED ASSETS

The following schedule is a summarization of the changes in General Fixed Assets for the year ended December 31, 2008:

	Balance as of December 31, 2007	Additions	Deletions	Balance as of December 31, 2008
Land & Improvements	$ 357,226.00	$	$	$ 357,226.00
Buildings	1,486,162.00	49,266.00		1,535,428.00
Machinery & Equipment	1,016,409.00	5,067.38	1,100.00	1,020,376.38
Total	$ 2,859,797.00	$ 54,333.38	$ 1,100.00	$ 2,913,030.38

Note 14: POST-RETIREMENT HEALTH BENEFITS

The Borough of West Cape May provides post-retirement health care benefits for eligible retired Borough employees. During 2008, the City provided post-employment health care benefits of $4,509.52 to one (1) retired employee.

NOTE 15: RISK MANAGEMENT

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

Property and Liability Insurance

The Borough maintains commercial insurance coverage for property, liability and surety bonds.

NOTE 16: LITIGATION

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

SUPPLEMENTARY INFORMATION

Exhibit A-4

BOROUGH OF WEST CAPE MAY
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	Ref.		Current Fund		
Balance December 31, 2007	A			$	995,338.20
Increased By Receipts:					
Current Taxes		$	4,596,663.12		
Prior Taxes			136,166.24		
Tax Title Lien Collections			24,412.97		
Prepaid Taxes			37,677.42		
Tax Overpayments			148.27		
Miscellaneous Revenue Anticipated			257,335.91		
Miscellaneous Revenue Not Anticipated			77,000.62		
Due from Water & Sewer Utility Capital Fund			6,447.00		
Due to State - Marriage Licenses			125.00		
Due from General Capital Fund			66,000.00		
Due to Grant Fund			176,098.37		
Payroll Payable			550,953.94		
Due from State - Senior Citizens & Vets			16,250.00		
					5,945,278.86
					6,940,617.06
Decreased By Disbursements:					
2008 Appropriations			1,720,588.68		
2007 Appropriation Reserves			50,271.55		
County Taxes			943,121.78		
Local District School Tax			882,312.00		
Regional School Tax			1,585,508.90		
Payroll Payable			551,027.93		
Due from Water & Sewer Utility Fund			12,150.00		
Due to Grant Fund			224,491.44		
Due to State - Marriage Licenses			125.00		
					5,969,597.28
Balance December 31, 2008	A			$	971,019.78

BOROUGH OF WEST CAPE MAY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2007	2008 Levy	Added Taxes	Collections 2007	Collections 2008	Adjustments	Transferred To Tax Title Liens	Balance Dec. 31, 2008
2007	$ 165,327.47	$	$	$	$ 136,166.24	$ 4,896.80	$ 24,264.43	$ -
	165,327.47	-	-	-	136,166.24	4,896.80	24,264.43	-
2008		4,830,197.80	26,931.19	45,627.69	4,611,913.12	11,203.94	1,125.00	187,259.24
	$ 165,327.47	$ 4,830,197.80	$ 26,931.19	$ 45,627.69	$ 4,748,079.36	$ 16,100.74	$ 25,389.43	$ 187,259.24
Ref.	A							A

	$ 4,757,242.33	Cash Receipts
	15,250.00	Senior Citizens and Veterans
	$ 4,772,492.33	

Analysis of 2007 Property Tax Levy

Tax Yield:			
General Property Tax		$ 4,830,197.80	
Added Taxes (54:4-63.1 et seq.)		26,931.19	
			$ 4,857,128.99
Tax Levy:			
Local District School Tax:			
Levy	$ 897,846.00		
		$ 897,846.00	
Regional High School Tax		1,562,744.80	
County Taxes		936,918.97	
County Taxes Added and Omitted		6,202.81	
Local Tax for Municipal Purposes	1,425,233.64		
Add: Additional Tax Levied	28,182.77		
		1,453,416.41	
			$ 4,857,128.99

Exhibit A-8

BOROUGH OF WEST CAPE MAY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	Ref.				
Balance December 31, 2007	A			$	45,206.92
Increased By Receipts:					
Transfers from Taxes Receivable		$	25,389.43		
Interest and Costs			4,746.91		
					30,136.34
					75,343.26
Decreased By Disbursements:					
Collections			24,412.97		
					24,412.97
Balance December 31, 2008	A			$	50,930.29

Exhibit A-9

BOROUGH OF WEST CAPE MAY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance Dec. 31, 2007	Accrued In 2008	Collected	Balance Dec. 31, 2008
Miscellaneous Revenue Anticipated:					
Licenses:					
Other		$ -	$ 30,973.00	$ 30,973.00	$ -
Municipal Court:					
Fines and Costs		1,662.99	34,950.31	35,052.17	1,561.13
Interlocal		-	1,039.88	1,039.88	-
Interest and Costs on Taxes		-	40,841.59	40,841.59	-
Energy Receipts Tax		-	109,796.00	109,796.00	-
Garden State Trust Fund		-	720.36	720.36	-
Consolidated Municipal Property Tax Relief		-	8,465.00	8,465.00	-
Cape May City Interlocal Services Agreement - Lease		-	30,447.91	30,447.91	-
Miscellaneous Revenue Not Anticipated:					
Miscellaneous Non-Budget Revenue		-	77,000.62	77,000.62	-
TOTALS		$ 1,662.99	$ 334,234.67	$ 334,336.53	$ 1,561.13
	Ref.	A		A-4	A

BOROUGH OF WEST CAPE MAY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2007	Balance After Transfers	Paid or Charged	Balance Lapsed
Department of Public Affairs & Safety:				
Director's Office				
Other Expenses	$ 909.05	$ 909.05	$	$ 909.05
Fire				
Other Expenses:				
Miscellaneous Other Expenses	48.39	4,048.39	958.40	3,089.99
Aid to Volunteer Fire Company	10,100.60	10,100.60	10,100.60	-
Public Safety (Police)				
Salaries & Wages	100.00	100.00		100.00
Other Expenses	100.00	100.00		100.00
Fire Safety Division				
Salaries & Wages	2,220.00	220.00		220.00
Other Expenses	950.00	950.00		950.00
Public Defender				
Salaries and Wages	95.00	95.00		95.00
Dog Regulation				
Other Expenses	1,608.21	1,608.21	1,608.21	-
Emergency Management Services				
Salaries & Wages	200.00	200.00		200.00
Other Expenses	570.00	570.00		570.00
Board of Health				
Other Expenses	500.00	500.00		500.00
Emergency Medical Services-Contractual	10,412.00	10,412.00		10,412.00
Celebration of Public Events, Anniversary, Holidays				
Other Expenses	1,600.00	1,600.00	(100.00)	1,700.00
Public Employee Rewards Program	200.00	200.00		200.00

BOROUGH OF WEST CAPE MAY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2007	Balance After Transfers	Paid or Charged	Balance Lapsed
Department of Revenue and Finance:				
Director's Office				
Other Expenses	$ 2,731.02	$ 2,731.02	$	$ 2,731.02
Financial Administration				
Other Expenses:				
Miscellaneous Other Expenses	2,967.82	2,967.82	150.00	2,817.82
Borough Clerk				
Salaries and Wages	1,171.65	1,171.65		1,171.65
Other Expenses	1,014.17	1,014.17	1,014.00	0.17
Elections				
Other Expenses	962.61	962.61		962.61
Assessment of Taxes				
Salaries & Wages	45.00	45.00		45.00
Other Expenses	992.37	992.37		992.37
Collection of Taxes				
Salaries & Wages	3,513.26	3,513.26		3,513.26
Other Expenses	555.35	555.35		555.35
Liquidation of Tax Title Liens				
Other Expenses	200.00	200.00		200.00
Legal Services and Costs				
Other Expenses	22,033.67	22,033.67	20,585.40	1,448.27
Code Enforcement Officer				
Salaries & Wages	1,036.00	1,036.00		1,036.00
Zoning Officer				
Salaries & Wages	877.98	877.98		877.98
Other Expenses	500.00	500.00		500.00
Planning and Zoning				
Salaries & Wages				
Other Expenses	3,033.79	3,033.79		3,033.79
Historic Preservation	3,840.00	3,840.00		3,840.00

BOROUGH OF WEST CAPE MAY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2007	Balance After Transfers	Paid or Charged	Balance Lapsed
Department of Public Works, Parks & Public Property:				
Director's Office				
Other Expenses	$ 180.66	$ 180.66	$	$ 180.66
Public Building and Grounds				
Other Expenses	2,534.52	2,534.52	975.00	1,559.52
Engineering				
Other Expenses	2,000.00	2,000.00		2,000.00
Road Repairs and Maintenance				
Salaries & Wages	2,844.30	2,844.30		2,844.30
Other Expenses	6,571.03	6,571.03		6,571.03
Garbage and Trash Removal				
Other Expenses	17,656.53	15,656.53	12,715.67	2,940.86
Recycling				
Other Expenses	3,980.38	3,980.38	1,951.27	2,029.11
Shade Tree Commission				
Other Expenses	395.89	395.89		395.89
Parks and Playgrounds				
Other Expenses	500.00	500.00		500.00
Recreation				
Other Expenses	300.00	300.00		300.00
Environmental Commission				
Other Expenses	500.00	500.00		500.00
Electric	8,908.82	8,908.82		8,908.82
Street Lighting	6,266.77	6,266.77		6,266.77
Telephone	1,383.55	1,383.55		1,383.55
Fuel Oil	1,997.73	1,997.73		1,997.73
Gasoline/Diesel Fuel	4,500.00	4,500.00		4,500.00
Postage	1,300.00	1,300.00		1,300.00
General Office Operations	227.00	227.00	115.00	112.00

BOROUGH OF WEST CAPE MAY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2007	Balance After Transfers	Paid or Charged	Balance Lapsed
Statutory Expenditures				
Social Security System (O.A.S.I)	$ 644.92	$ 644.92	$	$ 644.92
Unemployment Compensation Insurance	381.29	381.29	48.00	333.29
Municipal Court				
Salaries & Wages	951.25	951.25		951.25
Other Expenses	2,077.70	2,077.70	150.00	1,927.70
Insurance				
General Liability	1,413.00	1,413.00		1,413.00
Cape May County Interlocal Service Agreement-				
Police Contractual	0.31	0.31		0.31
Matching Funds for Grants	4,000.00	4,000.00		4,000.00
TOTALS	$ 146,603.59	$ 146,603.59	$ 50,271.55	$ 96,332.04
Ref.	A		A-4	A-1

Appropriation Reserves	$ 131,547.65
Encumbrances Payable	15,055.94
	$ 146,603.59

Exhibit A-11

BOROUGH OF WEST CAPE MAY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Purpose	Balance Dec. 31, 2007	Anticipated Revenues	Received	Balance Dec. 31, 2008
State:				
New Jersey Transportation Trust Fund Authority Act of 1984:				
Park Avenue	$ 27,979.01	$	$	$ 27,979.01
Stevens Street	17,250.00			17,250.00
Fifth Avenue	11,838.08			11,838.08
Columbia Avenue	50,908.87			50,908.87
Fow Avenue	50,000.00			50,000.00
Second Avenue	16,023.95			16,023.95
Bike Path	140,000.00		85,248.00	54,752.00
NJDOT: 2007	143,000.00		77,697.75	65,302.25
NJ DEPE Green Acres Grant	2,000.00			2,000.00
Jersey Fresh Grant	500.00			500.00
Clean Communities		4,000.00	4,000.00	-
Green Communities	3,010.00			3,010.00
Statewide Livable Communities Grant- ADA Municipal Building Upgrade	11,187.40			11,187.40
DEP Community Stewardship Program	4,948.20			4,948.20
Smart Growth	35,000.00			35,000.00
Court Consolidation Study	15,000.00			15,000.00
Federal:				
Small Cities	4,371.00		4,250.00	121.00
Sewage Infrastructure	2,833.00			2,833.00
TOTALS	$ 535,849.51	$ 4,000.00	$ 171,195.75	$ 368,653.76
Ref.	A			A

Exhibit A-12

BOROUGH OF WEST CAPE MAY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

Purpose	Balance Dec. 31, 2007	Received	Anticipated Revenues	Balance Dec. 31, 2008
State:				
Alcohol Education Rehabilitation	$ 735.52	$ 803.18	$ 1,538.70	$ -
Recycling Tonnage	3,043.08	1,119.44	3,043.08	1,119.44
Hepatitis B		1,275.00	1,275.00	-
Stormwater Management Grant		1,705.00		1,705.00
Cape May County MUA	3,959.45		3,959.45	-
Federal:				
Small Cities Program - 2002	15,645.00			15,645.00
TOTALS	$ 23,383.05	$ 4,902.62	$ 9,816.23	$ 18,469.44
Ref.	A			A

Exhibit A-13

BOROUGH OF WEST CAPE MAY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

Purpose	Balance Dec. 31, 2007	Budget Appropriations	Expended	Balance Dec. 31, 2008
State:				
New Jersey Transportation Trust:				
Fund Authority Act of 1984:				
Park Avenue	$ 11,804.56	$	$	$ 11,804.56
Stevens Street	8,594.70			8,594.70
Fifth Avenue	8,067.83			8,067.83
Columbia Avenue	41,163.22			41,163.22
Second Avenue	10,494.94			10,494.94
Bike Path	125,587.92		125,587.92	-
NJDOT: 2007	8,578.00		(4,719.38)	13,297.38
Clean Communities	5,044.58	4,000.00	3,959.45	5,085.13
Green Communities	1,472.40			1,472.40
Stormwater Regulations	506.02			506.02
DCA Smart Future Planning Grant	16.59			16.59
Alcohol Education and Rehabilitation	1,355.58	1,538.70		2,894.28
Solid Waste Recycling	4,597.35	3,043.08		7,640.43
Recycling Tonnage	14,190.41			14,190.41
Jersey Fresh	500.00			500.00
Environmental Services	5,000.00			5,000.00
Emergency Management Relief	5,042.38		2,290.00	2,752.38
Municipal Alliance - Local Share	2,836.00			2,836.00
NJ DEPE Green Acres Grant	2,000.00			2,000.00
DEP Community Stewardship Program	1,489.11			1,489.11
Special Purpose Grant-Volunteer Fire Co.	4.13			4.13
Court Consolidation Study	4,500.00		4,500.00	-
Hepatitis B		1,275.00		1,275.00
Cape May County Recycling	268.32			268.32
Cape May County MUA		3,959.45		3,959.45

Exhibit A-13

BOROUGH OF WEST CAPE MAY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

Purpose	Balance Dec. 31, 2007	Budget Appropriations	Expended	Balance Dec. 31, 2008
Federal:				
Small Cities	$ 8,223.49	$	$	$ 8,223.49
Small Cities - 2002 Program	10,479.31			10,479.31
Sewage Infrastructure	13,033.30			13,033.30
TOTALS	$ 294,850.14	$ 13,816.23	$ 131,617.99	$ 177,048.38
Ref.	A			A

Cash Disbursed	$ 115,719.44	A-4
Net Encumbrances	15,898.55	A
	$ 131,617.99	

Exhibit B-1

BOROUGH OF WEST CAPE MAY
TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

	Ref.				
Balance December 31, 2007	B			$	890.25
Increased By Receipts:					
Dog Licenses Fees		$	598.80		
State License Fees			70.20		
					669.00
					1,559.25
Decreased By Disbursements:					
State of New Jersey			69.60		
					69.60
Balance December 31, 2008	B			$	1,489.65

Exhibit B-2

BOROUGH OF WEST CAPE MAY
TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

	Ref.			
Balance December 31, 2007	B		$	95,524.29
Increased By Receipts:				
Tax Title Liens		$ 17,780.25		
Site Plan Escrow Deposits		45,951.79		
COAH Fees		34,991.25		
CDBG Interest		59.05		
Shade Tree		188.93		
Other Trust Fund Receipts		7,804.28		
				106,775.55
				202,299.84
Decreased By Disbursements:				
Tax Title Lien Redemptions		22,383.27		
Site Plan Escrow Deposits Returned		31,359.70		
				53,742.97
Balance December 31, 2008	B		$	148,556.87

Exhibit B-3

BOROUGH OF WEST CAPE MAY
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

	Ref.		
Balance December 31, 2007	B		$ 535.65
Increased By:			
Dog Licenses Fees Collected		$ 598.80	
			598.80
			1,134.45
Decreased By Disbursements:			
None		-	
			-
Balance December 31, 2008	B		$ 1,134.45

License Fees Collected	Year	
	2006	603.09
	2007	563.09
		$ 1,166.18

Exhibit B-4

SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

	Ref.		
Balance December 31, 2007	B		$ 13.20
Increased By:			
Collected in 2008		$ 70.20	
			70.20
			83.40
Decreased By:			
Paid to State of New Jersey		69.60	
			69.60
Balance December 31, 2008	B		$ 13.80

Exhibit C-2

BOROUGH OF WEST CAPE MAY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	Ref.				
Balance December 31, 2007	C			$	156,349.31
Increased By Receipts:					
Due from Current Fund		$	7,000.00		
Net Proceeds from Bond Anticipation Notes			66,000.00		
Proceeds from County of Cape May			50,000.00		
					123,000.00
					279,349.31
Decreased By Disbursements:					
Improvement Authorizations			104,406.20		
Encumbrances Payable			14,875.00		
Due to Current Fund			66,000.00		
					185,281.20
Balance December 31, 2008	C			$	94,068.11

Exhibit C-3

BOROUGH OF WEST CAPE MAY
GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Receipts		Disbursements		Transfers		
	Balance Dec. 31, 2007	Notes Issued	Misc.	Improvement Authorizations	Misc.	From	To	Balance Dec. 31, 2008
Fund Balance	$ 202.39	$	$	$	$	$	$	$ 202.39
Capital Improvement Fund	11,400.00		7,000.00			3,500.00		14,900.00
Due to (from) Current Fund	-				66,000.00			(66,000.00)
Encumbrances Payable	14,875.00				14,875.00		4,036.88	4,036.88
Reserve for:								
Purchase of Fire Equipment	535.28							535.28
Improvement Authorizations								
Ord. Number								
292-01 Improvements to Municipal Buildings	177.10							177.10
308-02 Various Improvements	(15,000.00)							(15,000.00)
324-03 Various Improvements	2,225.95							2,225.95
337-04 Various Improvements	(250.00)							(250.00)
349-05 Public Safety Equipment	2.89							2.89
355-05 Various Improvements	15,365.98			7,706.00				7,659.98
374-06 Various Improvements	29,335.50			2,490.00				26,845.50
390-07 Various Improvements	45,679.22			28,894.67		4,036.88		12,747.67
406-07 Various Improvements	1,800.00			6,764.77				(4,964.77)
389-07 Solar Panels - County	50,000.00			49,266.00				734.00
413-08 Various Improvements - County		66,000.00	50,000.00	9,284.76			3,500.00	110,215.24
	$ 156,349.31	$ 66,000.00	$ 57,000.00	$ 104,406.20	$ 80,875.00	$ 7,536.88	$ 7,536.88	$ 94,068.11
Ref.	C							C

Exhibit C-4

BOROUGH OF WEST CAPE MAY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2007	C		$ 11,400.00
Increased By:			
Budget Appropriation		$ 7,000.00	
			7,000.00
			18,400.00
Decreased By:			
Improvement Authorizations Funded		3,500.00	
			3,500.00
Balance December 31, 2008	C		$ 14,900.00

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	Ref.		
Balance December 31, 2007	C		$ -
Increased By:			
None		$ -	
			-
			-
Decreased By:			
None		-	
			-
Balance December 31, 2008	C		$ -

Exhibit C-6

BOROUGH OF WEST CAPE MAY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. Number	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2008	Analysis of Balance: Bond Anticipation Note	Analysis of Balance: Expenditures	Analysis of Balance: Unexpended Improvement Authorization
292-01	Improvements to Municipal Buildings	$ 40,000.00	$	$ 20,000.00	$ 20,000.00	$ 20,000.00	$	$
308-02	Various Improvements	82,679.33		20,000.00	62,679.33	50,000.00	12,679.33	
321-02	Purchase of Fire Truck	80,000.00		20,000.00	60,000.00	60,000.00		
324-03	Various Improvements	187,820.67		25,000.00	162,820.67	160,000.00	94.72	2,725.95
337-04	Various Improvements	45,250.00		10,000.00	35,250.00	35,000.00	250.00	
355-05	Various Improvements	71,000.00		10,000.00	61,000.00	60,000.00	(7,659.98)	8,659.98
367-06	Various Improvements	11,300.00			11,300.00			11,300.00
374-06	Various Improvements	100,700.00		5,000.00	95,700.00	90,000.00	2,490.00	3,210.00
390-07	Various Improvements	66,500.00		5,000.00	61,500.00	60,000.00		1,500.00
406-07	Various Improvements	34,200.00			34,200.00		4,964.77	29,235.23
413-08	Various Improvements - County		66,500.00		66,500.00	66,000.00		500.00
		$ 719,450.00	$ 66,500.00	$ 115,000.00	$ 670,950.00	$ 601,000.00	$ 12,818.84	$ 57,131.16
	Ref.	C			C			

Improvement Authorizations - Unfunded	C-7	$ 165,391.43
Less - Unexpended Note Proceeds:		
Ordinance 292-01		(177.10)
Ordinance 374-06		(29,335.50)
Ordinance 390-07		(12,747.67)
Ordinance 413-08		(66,000.00)
		$ 57,131.16

BOROUGH OF WEST CAPE MAY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2007 Funded	Balance December 31, 2007 Unfunded	2008 Authorizations: Capital Improvement Fund	2008 Authorizations: Deferred Charges to Future Taxation	2008 Authorizations: Other	Paid or Charged	Balance December 31, 2008 Funded	Balance December 31, 2008 Unfunded
292-01	Improvements to Municipal Buildings	04/03/01	$ 125,000	$	$ 177.10	$	$	$	$	$	$ 177.10
324-03	Various Improvements	03/04/04	250,000		2,725.95						2,725.95
349-05	Public Safety Equipment	10/04/05	8,243		2.89					2.89	
355-05	Various Improvements	10/04/05	80,000		16,365.98				7,706.00		8,659.98
367-06	Various Improvements	12/13/06	61,300		11,300.00						11,300.00
374-06	Various Improvements	06/08/06	106,000		35,035.50				2,490.00		32,545.50
390-07	Various Improvements	07/25/07	70,000		47,179.22				32,931.55		14,247.67
406-07	Various Improvements	12/19/07	36,000	1,800.00	34,200.00				6,764.77	-	29,235.23
389-07	Solar Panels - County	07/25/07	50,000	50,000.00					49,266.00	734.00	-
413-08	Various Improvements - County	07/23/08	120,000			3,500.00	66,500.00	50,000.00	9,284.76	44,215.24	66,500.00
				$ 51,800.00	$ 146,986.64	$ 3,500.00	$ 66,500.00	$ 50,000.00	$ 108,443.08	$ 44,952.13	$ 165,391.43
			Ref.	C	C					C	C

Cash Disbursed	C-2	$ 104,406.20
Encumbered	C-2	4,036.88
		$ 108,443.08

Exhibit C-9

BOROUGH OF WEST CAPE MAY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2007	Increased	Decreased	Balance Dec. 31, 2008
292-01	Improvements to Municipal Buildings	11/02/01	10/02/08	10/02/09	3.67%	$ 40,000.00	$ 20,000.00	$ 40,000.00	$ 20,000.00
308-02	Various Improvements	10/31/02	10/02/08	10/02/09	3.67%	70,000.00	50,000.00	70,000.00	50,000.00
321-02	Purchase of Ladder Truck	10/30/03	10/02/08	10/02/09	3.67%	80,000.00	60,000.00	80,000.00	60,000.00
324-03	Various Capital Improvements	10/30/03	10/02/08	10/02/09	3.67%	185,000.00	160,000.00	185,000.00	160,000.00
337-04	Various Capital Improvements	10/22/04	10/02/08	10/02/09	3.67%	45,000.00	35,000.00	45,000.00	35,000.00
355-05	Various Improvements	10/05/06	10/02/08	10/02/09	3.67%	70,000.00	60,000.00	70,000.00	60,000.00
374-06	Various Improvements	10/03/07	10/02/08	10/02/09	3.67%	95,000.00	90,000.00	95,000.00	90,000.00
390-07	Various Improvements	10/03/07	10/02/08	10/02/09	3.67%	65,000.00	60,000.00	65,000.00	60,000.00
413-08	Various Improvements - County	10/02/08	10/02/08	10/02/09	3.67%		66,000.00		66,000.00
						$ 650,000.00	$ 601,000.00	$ 650,000.00	$ 601,000.00
					Ref.	C			C

Exhibit C-10

BOROUGH OF WEST CAPE MAY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. Number	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Bonds, Notes or Grants Issued	Balance Dec. 31, 2008
308-02	Various Improvements	$ 15,000.00	$	$	$ 15,000.00
324-03	Various Improvements	500.00			500.00
337-04	Various Improvements	250.00			250.00
355-05	Various Improvements	1,000.00			1,000.00
367-06	Various Improvements	11,300.00			11,300.00
374-06	Various Improvements	5,700.00			5,700.00
390-07	Various Improvements	1,500.00			1,500.00
406-07	Various Improvements	34,200.00			34,200.00
413-08	Various Improvements - County		66,500.00	66,000.00	500.00
		$ 69,450.00	$ 66,500.00	$ 66,000.00	$ 69,950.00
	Ref.	C			C

Exhibit D-5

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY FUNDS
SCHEDULE OF CASH

	Ref.	Operating	
Balance December 31, 2007	D		$ 277,013.86
Increased by Receipts:			
Water & Sewer Rent Collected		$ 646,420.11	
Water & Sewer Overpayments		1,346.10	
Miscellaneous		18,667.01	
Due from Current Fund		12,150.00	
			678,583.22
			955,597.08
Decreased by Disbursements:			
Current Appropriations		700,867.90	
Appropriation Reserves		26,784.48	
Due from Water Sewer Capital Fund		91,188.87	
Accrued Interest on Notes and Loans		106,209.99	
			925,051.24
Balance December 31, 2008	D		$ 30,545.84

Exhibit D-6

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

		Receipts		Disbursements		Transfers		
	Balance Dec. 31, 2007	Notes Issued	Misc.	Improvement Authorizations	Misc.	From	To	Balance Dec. 31, 2008
Capital Improvement Fund	$ 121,000.00	$	$	$	$	$	$	$ 121,000.00
Capital Fund Balance	225.00							225.00
USDA Grant Receivable	(68,463.00)		6,447.00					(62,016.00)
Due to/(from):								
Current Fund					6,447.00			(6,447.00)
Water & Sewer Operating Fund	(340,544.16)		91,188.87					(249,355.29)
Encumbrances Payable	83,253.30				83,253.30		214,875.70	214,875.70
Improvement Authorizations								
Ord. Number								
171-91 Various Improvements	(800.00)							(800.00)
243-96 Various Improvements	(28,500.00)							(28,500.00)
314-02 Sewer Main Replacement - 2002		500,000.00			500,000.00			-
330-03 Sewer Main Replacement - 2003	(151,252.00)							(151,252.00)
356-05 USDA Phase II Sewer & Water	217,012.45	924,000.00	26,000.00	(1,771.93)	950,000.00	137,456.20		81,328.18
383-07 Equipment and Software	98,790.40			9,707.50		77,419.50		11,663.40
384-07 Equipment and Software	37,005.16							37,005.16
387-07 Equipment and Software	32,272.85							32,272.85
	$ -	$ 1,424,000.00	$ 123,635.87	$ 7,935.57	$ 1,539,700.30	$ 214,875.70	$ 214,875.70	$ -
Ref.	E							E

Exhibit D-7

BOROUGH OF WEST CAPE MAY
WATER& SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2007	D		$ 25,341.49
Increased By:			
Water & Sewer Levy		$ 659,080.82	
			659,080.82
			684,422.31
Decreased By:			
Collections		646,420.11	
Overpayments Applied		1,524.47	
			647,944.58
Balance December 31, 2008	D		$ 36,477.73

Exhibit D-8

SCHEDULE OF UTILITY LIENS

	Ref.		
Balance December 31, 2007	D		$ -
Increased By:			
None		$ -	
			-
			-
Decreased By:			
None		-	
			-
Balance December 31, 2008	D		$ -

Exhibit D-9

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

		Balance Dec. 31, 2007	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages		$ 5,537.86	$ 5,537.86	$	$ 5,537.86
Other Expenses		26,784.48	26,784.48	26,784.48	-
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		1,604.13	1,604.13		1,604.13
TOTALS		$ 33,926.47	$ 33,926.47	$ 26,784.48	$ 7,141.99
	Rep.	D		D-5	D-1

Appropriation Reserves	$ 33,677.79
Encumbrances Payable	248.68
	$ 33,926.47

Exhibit D-10

BOROUGH OF WEST CAPE MAY
WATER& SEWER UTILITY CAPITAL FUND
SCHEDULE OF UTILITY CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2007	D		$ 121,000.00
Increased By:			
None		$ -	
			-
			121,000.00
Decreased By:			
None		-	
			-
Balance December 31, 2008	D		$ 121,000.00

Exhibit D-11

BOROUGH OF WEST CAPE MAY
WATER & SEWER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES AND ANALYSIS OF BALANCE

	Ref.		
Balance December 31, 2007	D		$ 12,275.00
Increased By:			
USDA & BAN Interest		$ 109,019.99	
			109,019.99
			121,294.99
Decreased By:			
USDA & BAN Interest Paid		106,209.99	
			106,209.99
Balance December 31, 2008	D		$ 15,085.00

Analysis of Accrued Interest December 31, 2007

Principal Outstanding Dec. 31, 2007	Interest Rate	From	To	Days	Amount
$ 236,286.35	5.00%	12/03/08	12/31/08	28	$ 920.00
553,200.42	4.50%	12/15/08	12/31/08	16	1,180.00
1,424,000.00	3.67%	10/02/08	12/31/08	90	12,985.00
$ 2,213,486.77					$ 15,085.00

Exhibit D-12

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2007 Funded	Balance December 31, 2007 Unfunded	Paid or Charged	Balance December 31, 2008 Funded	Balance December 31, 2008 Unfunded
356-05	USDA Phase II Sewer & Water	10/04/05	$ 1,609,000	$	$ 226,012.45	$ 135,684.27	$	$ 90,328.18
383-07	Equipment and Software	05/23/07	100,000		98,790.40	87,127.00		11,663.40
384-07	Equipment and Software	05/23/07	37,005	37,005.16			37,005.16	
387-07	Equipment and Software	06/27/07	32,273		32,272.85			32,272.85
				$ 37,005.16	$ 357,075.70	$ 222,811.27	$ 37,005.16	$ 134,264.43
			Ref.	D	D		D	D

Cash Disbursed	$ 7,935.57
Encumbered	214,875.70
	$ 222,811.27

Exhibit D-13

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2007 Date	Amount	Interest Rate	Balance Dec. 31, 2006	Decreased	Balance Dec. 31, 2008
Replace Septic System	12/05/91	$ 293,200	06/03/09	$ 2,604.84	5.000%	$ 241,306.99	$ 5,020.64	$ 236,286.35
			12/03/09	2,669.96				
			06/03/10	2,736.71				
			12/03/10	2,805.13				
			06/03/11	2,875.26				
			12/03/11	2,947.14				
			06/03/12	3,020.82				
			12/03/12	3,096.34				
			06/03/13	3,173.75				
			12/03/13	3,253.09				
			06/03/14	3,334.42				
			12/03/14	3,417.78				
			06/03/15	3,503.22				
			12/03/15	3,590.80				
			06/03/16	3,680.57				
			12/03/16	3,772.59				
			06/03/17	3,866.90				
			12/03/17	3,693.57				
			06/03/18	4,062.66				
			12/03/18	4,164.23				
			06/03/19	4,268.34				
			12/03/19	4,375.04				
			06/03/20	4,484.42				
			12/03/20	4,596.53				
			06/03/21	4,711.44				
			12/03/21	4,829.23				

Exhibit D-13

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2007 Date	Amount	Interest Rate	Balance Dec. 31, 2006	Decreased	Balance Dec. 31, 2008
			06/03/22	$ 4,949.96				
			12/03/22	5,073.71				
			06/03/23	5,200.55				
			12/03/23	5,330.57				
			06/03/24	5,463.83				
			12/03/24	5,600.43				
			06/03/25	5,740.44				
			12/03/25	5,883.95				
			06/03/26	6,031.05				
			12/03/26	6,181.82				
			06/03/27	6,336.37				
			12/03/27	6,494.78				
			06/03/28	6,657.15				
			12/03/28	6,823.58				
			06/03/29	6,994.17				
			12/03/29	7,169.02				
			06/03/30	7,348.28				
			12/03/30	7,531.95				
			06/03/31	7,720.25				
			12/03/31	7,913.26				
			06/03/32	8,111.09				
			12/03/32	8,195.36				
						$ 241,306.99	$ 5,020.64	$ 236,286.35
					Ref.	D		D

Exhibit D-13a

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS PAYABLE

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2008 Date	Amount	Interest Rate	Balance Dec. 31, 2007	Decreased	Balance Dec. 31, 2008
Sanitary Sewer System Improvements	10/29/04	$ 576,000	06/03/09	$ 3,145.99	4.500%	$ 559,286.24	$ 6,085.82	$ 553,200.42
			12/03/09	3,216.78				
			06/03/10	3,289.15				
			12/03/10	3,363.16				
			06/03/11	3,438.83				
			12/03/11	3,516.20				
			06/03/12	3,595.32				
			12/03/12	3,676.21				
			06/03/13	3,758.93				
			12/03/13	3,843.50				
			06/03/14	3,929.98				
			12/03/14	4,018.41				
			06/03/15	4,108.82				
			12/03/15	4,201.27				
			06/03/16	4,295.80				
			12/03/16	4,392.45				
			06/03/17	4,491.28				
			12/03/17	4,592.34				
			06/03/18	4,695.66				
			12/03/18	4,801.32				
			06/03/19	4,909.35				
			12/03/19	5,019.81				
			06/03/20	5,132.75				
			12/03/20	5,248.24				
			06/03/21	5,366.33				
			12/03/21	5,487.07				
			06/03/22	5,610.53				
			12/03/22	5,736.76				

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS PAYABLE

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2008 Date	Amount	Interest Rate	Balance Dec. 31, 2007	Decreased	Balance Dec. 31, 2008
			06/03/23	$ 5,865.84				
			12/03/23	5,997.82				
			06/03/24	6,132.77				
			12/03/24	6,270.76				
			06/03/25	6,411.85				
			12/03/25	6,556.12				
			06/03/26	6,703.63				
			12/03/26	6,854.46				
			06/03/27	7,008.69				
			12/03/27	7,166.38				
			06/03/28	7,327.63				
			12/03/28	7,492.50				
			06/03/29	7,661.08				
			12/03/29	7,833.46				
			06/03/30	8,009.71				
			12/03/30	8,189.93				
			06/03/31	8,374.20				
			12/03/31	8,562.62				
			06/03/32	8,755.28				
			12/03/32	8,952.27				
			06/03/33	9,153.70				
			12/03/33	9,359.66				
			06/03/34	9,570.25				
			12/03/34	9,785.58				
			06/03/35	10,005.75				
			12/03/35	10,230.88				
			06/03/36	10,461.08				
			12/03/36	10,696.45				
			06/03/37	10,937.12				
			12/03/37	11,183.21				

Exhibit D-13a

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS PAYABLE

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2008 Date	Amount	Interest Rate	Balance Dec. 31, 2007	Decreased	Balance Dec. 31, 2008
			06/03/38	$ 11,434.83				
			12/03/38	11,692.11				
			06/03/39	11,955.19				
			12/03/39	12,224.18				
			06/03/40	12,499.22				
			12/03/40	12,780.46				
			06/03/41	13,068.02				
			12/03/41	13,362.05				
			06/03/42	13,662.69				
			12/03/42	13,970.10				
			06/03/43	14,284.43				
			12/03/43	14,605.83				
			06/03/44	14,934.46				
			12/03/44	14,333.93				
						$ 559,286.24	$ 6,085.82	$ 553,200.42
					Ref.	D		D

Exhibit D-14

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2007	Increased	Decreased	Balance Dec. 31, 2008
356-05	USDA Phase II Sewer & Water Mains	10/05/06	10/02/08	10/02/09	3.670%	$ 950,000.00	$ 924,000.00	$ 950,000.00	$ 924,000.00
314-02	Sewer Main Replacement - 2002	10/03/07	10/02/08	10/02/09	3.670%	500,000.00	500,000.00	500,000.00	500,000.00
						$ 1,450,000.00	$ 1,424,000.00	$ 1,450,000.00	$ 1,424,000.00
					Ref.	D		D-4	D

Exhibit D-15

BOROUGH OF WEST CAPE MAY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. Number	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Bond, Notes or Grants Issued	Cancelled	Balance Dec. 31, 2008
171-91	Various Improvements	$ 800.00	$	$	$	$ 800.00
243-96	Sanitary Sewer System	28,500.00				28,500.00
330-03	Sewer Main Replacement - 2003	151,252.00				151,252.00
356-05	USDA Phase II Sewer & Water	9,000.00				9,000.00
		$ 189,552.00	$ -	$ -	$ -	$ 189,552.00
	Ref.	D				D

BOROUGH OF WEST CAPE MAY

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2008

FORD-SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710

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

To the Honorable Mayor and
Members of the Borough Commission
Borough of West Cape May
County of Cape May, New Jersey

We have audited the financial statements – statutory basis of the Borough of West Cape May, State of New Jersey, as of and for the year ended December 31, 2008, and have issued our report thereon dated April 30, 2009. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of West Cape May prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and 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.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with the statutory basis of accounting prescribed by the Division, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of West Cape May's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division.

We noted certain matters that we reported to the Borough of West Cape May's management in a separate letter dated April 30, 2009.

This report is intended solely for the information and use of management, the Borough of West Cape May's Commissioners, others within the entity, and the Division as well as other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

April 30, 2009

BOROUGH OF WEST CAPE MAY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2008

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	**Unqualified Opinion issued on the Financial Statements – Statutory Basis, presented in accordance with an "Other Comprehensive Basis of Accounting" dated April 30, 2009.**
Internal control over financial reporting:	
1) Material Weakness identified?	**NO**
2) Significant Deficiencies identified that are not considered to be a Material Weakness?	**None Reported**
Non-Compliance material to Financial Statements – Statutory Basis noted?	**NO**

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – STATUTORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements – statutory basis that are required to be reported. We have issued a Management Letter.

MANAGEMENT RESPONSES

Not applicable.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

BOROUGH OF WEST CAPE MAY

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Effective July 1, 2005, the bid threshold was $21,000.

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

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

Park Boulevard Bike Lanes
Refuse Truck
Installation of Solar Panels

Collection of Interest on Delinquent Taxes and Assessments

The statutes provide the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Borough Commissioners of the Borough of West Cape May, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Borough of West Cape May, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first $1,500 of delinquency and 18 per cent per annum on any amount in excess of $1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

BE IT FURTHER RESOLVED by the Borough Commissioners of the Borough of West Cape May, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than $10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the year 2008.

This Resolution shall take effect January 1, 2008.

It appears from an examination of the collector's records that interest was charged in accordance with the forgoing resolution.

GENERAL COMMENTS (Continued)

Delinquent Taxes and Tax Title Liens

The tax sale was held and was complete.

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

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

Year	Number
2008	11
2007	8
2006	7

It is essential to good management that all means provided by the statutes be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent taxes and charges as well as current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

Type	Number Mailed
Payments of 2008 and 2009 Taxes	25
Delinquent Taxes	10
Payment of Water and Sewer Rents	25
Delinquent Water and Sewer Rents	10
Total	70

Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

> "All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either
>
> a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
> b. be deposited to the credit of the local unit in its designated legal depository."

Our examination revealed that deposits were made within 48 hours.

BOROUGH OF WEST CAPE MAY

FINDINGS AND RECOMMENDATIONS

None.

In accordance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and Division of Local Government Services Regulations, a corrective action plan must be prepared and filed by Borough Council in response to my recommendations.

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Certified Public Accountant
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No. 393

April 30, 2009