

**TOWN OF WEST NEW YORK
HUDSON COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2013**

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TOWN OF WEST NEW YORK

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**TOWN OF WEST NEW YORK
HUDSON COUNTY, NEW JERSEY**

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Commissioners
Town of West New York
West New York, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Town of West New York, as of December 31, 2013, and the related statements of operations and changes in fund balance - regulatory basis, statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared and presented by the Town of West New York on the basis of financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey for municipal government entities.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the requirement that the Town of West New York prepare and present its financial statements on the regulatory basis of accounting as discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph above, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Town of West New York as of December 31, 2013, or changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Town of West New York as of December 31, 2013 and the results of operations and changes in fund balance – regulatory basis and the revenues – regulatory basis and expenditures – regulatory basis of the Current Fund for the year then ended in accordance with the basis of financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Prior Year's Financial Statements Audited by Other Auditors

The financial statements of the Town of West New York as of and for the year ended December 31, 2012 were audited by other auditors whose report dated October 28, 2013 expressed an adverse opinion on the financial statements because they were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather the regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey for municipal government entities. Their report also expressed an unmodified opinion on those financial statements – regulatory basis prepared and presented in accordance with the regulatory basis of accounting.

Required Supplementary Information

The Town has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to supplement the regulatory basis financial statements and therefore it has not been presented by management. Our opinion on the financial statements – regulatory basis is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Town of West New York as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, schedule of expenditures of state financial assistance as required by NJ OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Town of West New York.

The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2014 on our consideration of the Town of West New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of West New York's internal control over financial reporting and compliance.

Lerch, Vinci & Higgins LLP

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

Gary W. Higgins

Gary W. Higgins
Registered Municipal Accountant
RMA Number CR00405

Fair Lawn, New Jersey
June 30, 2014

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2013 AND 2012

ASSETS	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Regular Fund			
Cash	A-4	\$ 12,857,257	\$ 18,465,787
Cash - Change Funds	A-5	500	500
Prepaid Debt Service	A-7	2,322,703	1,685,325
Due from Board of Education	A-8	<u>24,366</u>	<u>24,366</u>
		<u>15,204,826</u>	<u>20,175,978</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	26,473	29,016
Tax Title Liens	A-10	297,075	368,341
Revenue Accounts Receivable	A-11	162,424	212,421
Due from Other Trust Fund	B-7	167,632	
Due from Community Development Block Grant Fund	B-21	<u>-</u>	<u>20,820</u>
		<u>653,604</u>	<u>630,598</u>
Deferred Charges			
Emergency Authorizations	A-12	515,000	1,688,200
Special Emergency Authorizations	A-13	294,000	395,000
Overexpenditure of Appropriations	A-12	<u>-</u>	<u>58,617</u>
		<u>809,000</u>	<u>2,141,817</u>
Total Regular Fund		<u>16,667,430</u>	<u>22,948,393</u>
Federal and State Grant Fund			
Cash - Treasurer	A-26	1,924,361	1,018,436
Federal and State Grant Receivables	A-29	404,152	1,062,265
Due from Current Fund	A-28	166,040	309,584
Due from Community Development Block Grant Fund	A-27	100,000	250,000
Due from Other Trust Fund	A-33	<u>1,546</u>	<u>1,546</u>
Total Federal and State Grant Fund		<u>2,596,099</u>	<u>2,641,831</u>
Total Assets		<u>\$ 19,263,529</u>	<u>\$ 25,590,224</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2013 AND 2012

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Regular Fund			
Appropriation Reserves	A-3,A-14	\$ 3,226,538	\$ 2,964,249
Due to North Hudson Sewerage Authority	A-15	1,077,565	3,665,185
Encumbrances Payable	A-16	462,945	224,513
Prepaid Taxes	A-17	319,032	1,639
Tax Overpayments	A-18	508,724	645,862
County Taxes Payable	A-19	27,809	
Due to Federal and State Grant Fund	A-28	166,040	309,584
Due to Other Trust Fund	B-7		216,385
Due to Animal Control Fund	B-2	5,641	5,713
Due to Community Development Block Grant Fund	B-21	16,470	
Due to General Capital Fund	C-14	38,824	53,369
Miscellaneous Reserve	A-21	29,897	29,897
Reserve for PILOT and Tax Appeals	A-23		601,730
Reserve for Master Tax Plan	A-24	203,544	275,000
Reserve for Retro Pay	A-25	120,567	
Due to State of New Jersey for Senior Citizens' and Veterans' Deductions	A-6	56,130	54,005
Special Emergency Notes Payable	A-22	184,000	230,000
Emergency Notes Payable	A-22	<u>-</u>	<u>1,688,000</u>
		6,443,726	10,965,131
Reserve for Receivables and Other Assets	A	653,604	630,598
Fund Balance	A-1	<u>9,570,100</u>	<u>11,352,664</u>
Total Regular Fund		<u>16,667,430</u>	<u>22,948,393</u>
Federal and State Grant Fund			
Reserve for Federal and State Grants - Appropriated	A-30	1,861,846	1,949,333
Reserve for Federal and State Grants - Unappropriated	A-31	45,091	24,293
Due to Grantor	A-34	20,957	
Due to General Capital Fund	A-32	<u>668,205</u>	<u>668,205</u>
Total Federal and State Grant Fund		<u>2,596,099</u>	<u>2,641,831</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 19,263,529</u>	<u>\$ 25,590,224</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF WEST NEW YORK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 7,280,000	\$ 5,034,194
Miscellaneous Revenue Anticipated	A-2	32,762,156	34,487,756
Receipts from Delinquent Taxes	A-2	209,236	152,015
Receipts from Current Taxes	A-2	60,602,950	58,809,661
Non-Budget Revenue	A-2	1,562,014	877,432
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-14	1,947,154	2,426,800
Cancellation of Grants	A-1		1,102,412
Interfunds Liquidated	A	20,820	
Statutory Excess - Animal Control Fund	B-2	72	
Cancellation of Tax Overpayments	A-1	-	698,028
		<u>104,384,402</u>	<u>103,588,298</u>
EXPENDITURES			
Budget Appropriations			
Operations Within "CAPS"			
Salaries and Wages	A-3	21,923,053	20,466,513
Other Expenses	A-3	22,226,904	21,594,962
Operations Excluded from "CAPS"			
Salaries and Wages	A-3	87,149	62,149
Other Expenses	A-3	15,025,672	15,051,173
Capital Improvements	A-3	55,000	50,000
Municipal Debt Service	A-3	6,674,122	7,405,231
Local School District Purposes	A-3	112,250	112,250
Statutory Expenditures and Deferred Charges	A-3	6,189,066	4,881,836
Total Budget Expenditures		<u>72,293,216</u>	<u>69,624,114</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF WEST NEW YORK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
EXPENDITURES (Continued)			
County Taxes	A-19	\$ 12,342,459	\$ 12,200,639
Open Space Preservation	A-19	46,127	245,038
Local District School Tax	A-20	14,469,214	14,369,214
Refund of Prior Year Revenue	A-4	83,318	
Interfunds Advanced	A	<u>167,632</u>	<u>20,817</u>
Total Expenditures		<u>99,401,966</u>	<u>96,459,822</u>
Excess in Revenue		4,982,436	7,128,476
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget in Succeeding Fiscal Year	A-12	515,000	1,688,200
Special Emergency - NJSA 40A:4-55	A-1	<u>-</u>	<u>230,000</u>
Statutory Excess to Fund Balance		5,497,436	9,046,676
Fund Balance, January 1	A	<u>11,352,664</u>	<u>7,340,182</u>
		16,850,100	16,386,858
Utilization as Anticipated Revenue	A-2	<u>7,280,000</u>	<u>5,034,194</u>
Fund Balance, December 31	A	<u>\$ 9,570,100</u>	<u>\$ 11,352,664</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Reference</u>	<u>Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
SURPLUS ANTICIPATED					
Surplus Anticipated	A-1	\$ 7,280,000	-	\$ 7,280,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	114,972		109,200	\$ (5,772)
Other	A-2	147,893		146,595	(1,298)
Fees and Permits	A-2	62,272		64,670	2,398
Fines and Costs					
Municipal Court	A-11	2,000,000		2,288,021	288,021
Interest and Costs on Taxes	A-11	414,000		643,735	229,735
Interest on Investments and Deposits	A-11	3,000		5,137	2,137
Payment in Lieu of Taxes					
Overlook Terrace, Parkview and Housing Authority	A-11	2,300,000		139,018	(2,160,982)
Waterfront	A-11	15,100,000		18,195,862	3,095,862
Cable T.V. Franchise Tax	A-11	411,661		411,661	
Pool Membership Fees	A-11	135,000		96,808	(38,192)
EMT Service Fees	A-11	650,000		783,974	133,974
Consolidated Municipal Property Tax Relief Aid	A-11	2,774,727		2,357,925	(416,802)
Energy Receipts Tax	A-11	4,035,652		4,452,454	416,802
Uniform Construction Code Fees (N.J.S.A.40A:4-36)					
Uniform Construction Code Fees	A-11	850,000		704,115	(145,885)
Interlocal Agreements					
Reimbursement for Health Services					
Weehawken	A-11	15,000		15,000	
Guttenberg	A-11	15,000		15,000	
Secaucus	A-11	20,000			(20,000)
Bayonne	A-11	35,000		35,000	
North Bergen	A-11	35,000		35,000	
Harrison	A-11	35,000		35,000	
West New York Board of Education					
Reimbursement for Recreation Services	A-11	1,012,000		1,012,052	52
Reimbursement for Police Security	A-11	515,568		498,050	(17,518)
Reimbursement for Fuel	A-11	100,000		72,100	(27,900)

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Reference</u>	<u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or (<u>Deficit</u>)
Municipal Alliance on Alcoholism and Drug Abuse	A-29	\$ 34,333		\$ 34,333	
Summer Food Program	A-29	120,000	\$ 49,165	169,165	
Clean Communities	A-29	52,473	9,135	61,608	
Drive Sober or Get Pulled Over	A-29	4,400	4,400	8,800	
Drive Sober or Get Pulled Over -Year End Crackdown	A-29		4,400	4,400	
Federal Highway Traffic 2013	A-29	15,000		15,000	
State Highway Traffic 2013	A-29	15,000		15,000	
Safe and Secure 2010	A-29	60,000		60,000	
Safe and Secure 2011	A-29	51,867		51,867	
Municipal Alliance on Alcoholism and Drug Abuse-2013	A-29		11,445	11,445	
Enforcing Underage Drinking Laws 2011	A-29		3,248	3,248	
Edward Byrne Memorial Justice Assistance Grant-2013	A-29		17,883	17,883	
Body Armor Fund-2013	A-29		12,145	12,145	
County of Hudson-Community Development Block Gran	A-29		20,885	20,885	
Formula One Race Contractual Revenue	A-11	300,000			\$ (300,000)
UEZ Reserve - Other Trust Fund	A-11	160,000	-	160,000	-
Total Miscellaneous Revenues	A-1	<u>31,594,818</u>	<u>\$ 132,706</u>	<u>32,762,156</u>	<u>1,034,632</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-2	<u>163,580</u>	-	<u>209,236</u>	<u>45,656</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET:					
Local Tax for Municipal Purposes	A-2	33,099,000		33,995,088	896,088
Addition to Local District School Tax	A-2	112,500		112,500	-
Minimum Library Tax	A-2	760,028	-	760,028	-
TOTAL AMOUNT TO BE RAISED BY TAXES BY FOR SUPPORT OF MUNICIPAL BUDGET		<u>33,971,528</u>	-	<u>34,867,616</u>	<u>896,088</u>
Total General Revenues	A-3	<u>\$ 73,009,926</u>	<u>\$ 132,706</u>	75,119,008	<u>\$ 1,976,376</u>
Non-Budget Revenue	A-1,A-2,A-4			<u>1,562,014</u>	
				<u>\$ 76,681,022</u>	

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-1,A-9	\$ 60,602,950
Less: Allocated to School and County Taxes	A-19,A-20	<u>26,857,800</u>
Balance for Support of Municipal Budget Appropriations		33,745,150
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,122,466</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 34,867,616</u>
Licenses- Other		
Borough Clerk		\$ 240
Police		56,500
Board of Health		<u>89,855</u>
	A-2,A-11	<u>\$ 146,595</u>
Fees and Permits - Other		
Zoning Board		\$ 38,425
Recreation		2,443
Police		<u>23,802</u>
	A-2,A-11	<u>\$ 64,670</u>
Receipts from Delinquent Taxes		
Taxes Receivable	A-9	\$ 34,866
Tax Title Liens	A-10	<u>174,370</u>
	A-2	<u>\$ 209,236</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Reference

ANALYSIS OF NON-BUDGET REVENUES

Waterfront Developers	\$ 705,899
State of New Jersey - Hurricane Sandy	138,725
State of New Jersey - Hurricane Irene	10,558
Riverwalk G Urban Renewal	500,000
Uniform Fire Safety Act	16,886
Administrative Fees for Off Duty Police Hire	41,115
Shared Service Agreement - Tax Assessor	17,500
Miscellaneous	78,847
Assessor's Office - Certified Property Lists	1,090
Town Clerk	2,327
Rent Control Board	32,381
Municipal Court - Filing fee/Unclaimed Bail	2,581
Tower Viewer - Donnelly Park	949
Public Health Priority Funding	12,101
Administrative Fee Senior and Veteran	<u>1,055</u>
	A-1,A-2,A-4 \$ <u>1,562,014</u>

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

OPERATIONS - WITHIN "CAPS" GENERAL GOVERNMENT	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Department of Public Affairs					
Director's Office					
Salaries and Wages	\$ 242,914	\$ 232,912	\$ 154,079	\$ 78,833	
Other Expenses	49,000	61,846	55,907	5,939	
Town Clerk					
Salaries and Wages	308,128	337,646	332,646	5,000	
Other Expenses					
Legal Advertising and Publications	15,000	8,991	7,491	1,500	
Miscellaneous Other Expenses	20,000	30,360	27,200	3,160	
Codifications of Ordinances	6,000				
Elections					
Salaries and Wages	25,000	5,000		5,000	
Other Expenses	54,000	57,737	57,737		
Community Development					
Salaries and Wages	108,960	101,488	80,288	21,200	
Other Expenses	100				
Board of Health					
Salaries and Wages	475,985	400,985	354,494	46,491	
Other Expenses	50,860	16,860	2,266	14,594	
Blood Borne Pathogens	5,000				
Prosecutor					
Salaries and Wages	40,000	34,846	23,846	11,000	
Other Expenses	8,195				
Public Relations					
Other Expenses	65,000	82,061	77,223	4,838	
Rent Control Board					
Salaries and Wages	129,018	111,018	103,756	7,262	
Other Expenses	8,100	7,845	7,132	713	
Town Funding Program					
Other Expenses	58,550	44,895	39,525	5,370	

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

OPERATIONS - WITHIN "CAPS" GENERAL GOVERNMENT	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Housing Inspection					
Salaries and Wages	\$ 197,515	\$ 193,515	\$ 181,787	\$ 11,728	
Other Expenses	1,000				
Tenants Relations					
Other Expenses	33,920	61,292	35,792	25,500	
Law Department					
Salaries and Wages	241,200	222,200	200,378	21,822	
Other Expenses	700,000	528,724	442,723	86,001	
Supervised Play Activity					
Salaries and Wages	763,134	762,134	756,449	5,685	
Other Expenses	245,000	252,510	193,016	59,494	
Senior Citizens Coordinator of Events					
Salaries and Wages	163,375	190,367	190,367		
Other Expenses	50,000	61,329	51,620	9,709	
Administrative Offices					
Salaries and Wages	152,357	139,357	125,478	13,879	
Other Expenses	8,000	7,875	7,875		
Insurance/Personnel Department					
Salaries and Wages	47,481	45,481	43,173	2,308	
Other Expenses	500				
Zoning Board					
Other Expenses	10,000	4,458	3,838	620	
Planning Board					
Salaries and Wages	44,955	44,955	44,617	338	
Other Expenses	22,500	22,267	22,047	220	
North Hudson Regional Council of Mayors					
Town Share	39,100	39,100	39,100		

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

OPERATIONS - WITHIN "CAPS" GENERAL GOVERNMENT	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
North Hudson Regional Council of Mayors Aid Task Force					
Town Share	\$ 11,193	\$ 11,193	\$ 11,193		
Urban Enterprise Zone					
Other Expenses	8,000	2,202	551	\$ 1,651	
Department of Revenue and Finance					
Director's Office					
Salaries and Wages	60,400	82,315	41,038	41,277	
Other Expenses	35,000	31,059	28,209	2,850	
Treasurer's Office					
Salaries and Wages	501,922	505,940	498,440	7,500	
Other Expenses					
Annual Audit	120,000	120,000	75,000	45,000	
Miscellaneous Other Expenses	369,845	267,618	172,419	95,199	
Payroll Service Fee	35,000	35,000		35,000	
Assessment of Taxes					
Salaries and Wages	270,132	272,135	272,135		
Other Expenses	26,000	28,507	26,257	2,250	
Collection of Taxes					
Salaries and Wages	244,593	243,593	242,414	1,179	
Other Expenses	29,000	31,857	29,107	2,750	
Insurance					
General Liability Insurance	965,000	864,695	839,695	25,000	
Workers Compensation Insurance	770,000	670,499	596,499	74,000	
Employee Group Health	10,090,500	10,958,399	10,723,589	234,810	
Unemployment Insurance	260,237	360,237	100,000	260,237	
Health Waiver	10,000				
Purchasing Agent					
Salaries and Wages	150,748	143,748	138,224	5,524	
Other Expenses	3,965	4,589	3,255	1,334	
DEPARTMENT OF PUBLIC SAFETY					
Director's Office					
Salaries and Wages	373,030	423,030	395,766	27,264	
Other Expenses	137,150	48,781	21,899	26,882	
Police					
Salaries and Wages	12,426,522	12,574,055	12,353,699	220,356	
Other Expenses	425,000	507,453	436,402	71,051	
Public Safety Mechanics					
Salaries and Wages	175,060	200,960	200,206	754	
Juvenile Aid					
Other Expenses	4,000	4,000		4,000	

**TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance Cancelled
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
DEPARTMENT OF PUBLIC SAFETY (Continued)					
Uniform Fire Safety					
Salaries and Wages	\$ 188,738	\$ 165,738	\$ 152,590	\$ 13,148	
Ambulance Squad					
Salaries and Wages	725,000	756,060	755,172	888	
Other Expenses	81,000	135,053	103,553	31,500	
Office of Emergency Management					
Other Expenses	13,000	21,524	20,434	1,090	
Department of Public Works					
Director's Office					
Salaries and Wages	91,839	159,139	65,283	93,856	
Other Expenses	18,690	24,166	22,616	1,550	
Streets and Sewers					
Salaries and Wages	2,033,276	1,983,276	1,848,198	135,078	
Other Expenses	280,000	364,113	355,585	8,528	
Snow Removal	40,000	40,000		40,000	
Street Lighting					
Other Expenses	655,000	586,604	491,604	95,000	
Fire Hydrant Rental					
Other Expenses	225,500	246,132	227,132	19,000	
Recycling					
Other Expenses	300,000	299,867	264,867	35,000	
Garbage and Trash					
Salaries and Wages	66,163	66,163	65,995	168	
Other Expenses					
Contractual	2,880,000	2,837,299	2,582,555	254,744	
Miscellaneous Other Expenses	180,000	220,664	205,224	15,440	
Engineering Services and Costs					
Other Expenses	500,000	295,721	262,696	33,025	

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
DEPARTMENT OF PUBLIC SAFETY (Continued)					
Department of Parks and Public Property					
Director's Office					
Salaries and Wages	\$ 103,913	\$ 133,713	\$ 123,550	\$ 10,163	
Other Expenses	9,000	12,424	10,924	1,500	
Divisions of Parks					
Salaries and Wages	102,840	76,840	56,036	20,804	
Other Expenses	100,000	102,144	85,418	16,726	
Celebration of Public Events Anniversary or Holiday					
Other Expenses	46,500	34,075	10,445	23,630	
Public Buildings and Ground Maintenance					
Salaries and Wages	176,582	173,582	122,199	51,383	
Other Expenses	160,000	194,646	173,351	21,295	
Light and Power					
Other Expenses	445,000	326,285	244,745	81,540	
Centralized Postage					
Other Expenses	55,000	77,131	66,224	10,907	
Fuel					
Other Expenses	330,800	405,095	335,095	70,000	
Telephone					
Other Expenses	210,000	190,000	137,719	52,281	
Water					
Other Expenses	134,850	150,925	119,925	31,000	
Sewerage					
Other Expenses	144,955	123,256	87,256	36,000	
Signal Bureau					
Other Expenses	19,700	10,454	5,453	5,001	

**TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
UNIFORM CONSTRUCTION CODE					
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries and Wages	\$ 293,357	\$ 289,357	\$ 268,909	\$ 20,448	
Other Expenses	50,000	44,759	41,106	3,653	
UNCLASSIFIED					
Municipal Court					
Salaries and Wages	859,505	851,505	801,996	49,509	
Other Expenses	82,000	128,853	52,520	76,333	
Reserve for Tax Appeals	50,000	50,000	50,000		
Public Defender					
Other Expenses	27,605	21,475	15,475	6,000	-
Total Operations Within "CAPS"	<u>43,571,957</u>	<u>44,099,957</u>	<u>41,099,697</u>	<u>3,000,260</u>	-
Contingent	50,000	50,000	16,992	33,008	-
Total Operations Including Contingent Within "CAPS"	<u>43,621,957</u>	<u>44,149,957</u>	<u>41,116,689</u>	<u>3,033,268</u>	-
Detail:					
Salaries and Wages	21,783,642	21,923,053	20,993,208	929,845	-
Other Expenses (Including Contingent)	21,838,315	22,226,904	20,123,481	2,103,423	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
DEFERRED CHARGES:					
Overexpenditure of Appropriations	58,617	58,617	58,617		
Prior Year Bills	39,991	39,991			\$ 39,991
STATUTORY CHARGES					
Contribution to:					
Public Employees Retirement System	807,389	807,389	807,389		
Police and Fireman's Pension Fund	2,591,860	2,591,860	2,591,859	1	
Social Security System (O.A.S.I.)	955,000	942,000	921,486	20,514	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>4,452,857</u>	<u>4,439,857</u>	<u>4,379,351</u>	<u>20,515</u>	<u>39,991</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>48,074,814</u>	<u>48,589,814</u>	<u>45,496,040</u>	<u>3,053,783</u>	<u>39,991</u>

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library	\$ 760,028	\$ 760,028	\$ 587,389	\$ 172,639	
Employee Group Insurance	496,600	496,600	496,600		
Interlocal Municipal Service Agreements					
Reimbursements for Health Services					
Board of Health - Weehawken					
Salaries and Wages	15,000	15,000	15,000		
Board of Health - Guttenberg					
Salaries and Wages	15,000	15,000	15,000		
Board of Health - Secaucus					
Salaries and Wages	20,000	20,000	20,000		
Board of Health- North Bergen					
Salaries and Wages	8,333	8,333	8,333		
Other Expenses	26,667	26,667	26,667		
Board of Health- Bayonne					
Salaries and Wages	8,333	8,333	8,333		
Other Expenses	26,667	26,667	26,667		
Board of Health- Harrison					
Salaries and Wages	8,333	8,333	8,333		
Other Expenses	26,667	26,667	26,667		
Board of Health - Chapter 226 Nursing Services					
Salaries and Wages	12,150	12,150	12,150		
Contribution to North Hudson Regional Fire	13,191,819	13,191,819	13,191,703	116	
Public and Private Programs Offset by Revenues					
Municipal Alliance 2013	34,333	45,778	45,778		
Municipal Alliance - Grant Cash Match	11,445	11,445	11,445		
Summer Food Program	120,000	120,000	120,000		
Drive Sober Get Pulled Over	4,400	8,800	8,800		
Drive Sober Get Pulled Over - Year End Crackdown		4,400	4,400		
Clean Communities	52,473	52,473	52,473		
Safe and Secure - 2010	60,000	60,000	60,000		
Safe and Secure - 2011	51,867	51,867	51,867		
Federal Highway Traffic - 2013	15,000	15,000	15,000		
State Highway Traffic - 2013	15,000	15,000	15,000		

**TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Appropriated</u>	<u>Expended</u>		<u>Unexpended</u>	
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Public and Private Programs Offset by Revenues					
(Continued)					
Summer Food Program		\$ 49,165	\$ 49,165		
Clean Communities		9,135	9,135		
Enforcing Underage Drinking Laws		3,248	3,248		
Edward Byrne Memorial Justice Assistance Grant-2013		17,883	17,883		
Body Armor Fund-2013		12,145	12,145		
County of Hudson-Community Development Block Grant	-	20,885	20,885	-	-
	<u>-\$14,980,115</u>	<u>15,112,821</u>	<u>14,940,066</u>	<u>\$ 172,755</u>	<u>-</u>
Total Operations - Excluded from "CAPS"					
Detail:					
Salaries and Wages	87,149	87,149	87,149	-	-
Other Expenses	14,892,966	15,025,672	14,852,917	172,755	-
	<u>14,892,966</u>	<u>15,025,672</u>	<u>14,852,917</u>	<u>172,755</u>	<u>-</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	55,000	55,000	55,000	-	-
	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvement Excluded from "CAPS"					
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	3,665,000	3,665,000	3,665,000		
Payment of Note Principal	69,700	69,700	69,700		
Interest on Bonds	1,141,007	1,141,007	1,141,007		
Interest on Notes	160,000	160,000	121,567		\$ 38,433
Green Trust Loan Program					
Loan Repayments for Principal and Interest	147,690	147,690	147,690		
Casino Reinvestment Development Authority	31,944	31,944	31,944		
North Hudson Regional Fire Debt Service	1,015,740	1,015,740	1,015,740		
HCIA Loan Payment	160,000	160,000	160,000		
Capital Lease Obligations Approved After 7/1/07-DPW Garage Principal	485,000	485,000	321,474	-	163,526
	<u>6,876,081</u>	<u>6,876,081</u>	<u>6,674,122</u>	<u>-</u>	<u>201,959</u>
Total Municipal Debt Service Excluded from "CAPS"					

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Deferred Charges - Municipal - Excluded from "CAPS"					
Deferred Charges					
Emergency Authorizations	\$ 1,688,200	\$ 1,688,200	\$ 1,688,200		
Special Emergency Authorizations	<u>101,000</u>	<u>101,000</u>	<u>101,000</u>	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>1,789,200</u>	<u>1,789,200</u>	<u>1,789,200</u>	-	-
Total Operations - Excluded from "CAPS"	<u>23,700,396</u>	<u>23,833,102</u>	<u>23,458,388</u>	<u>\$ 172,755</u>	<u>\$ 201,959</u>
For Local School District Purposes - Excluded from "CAPS"					
Type I School District Debt Service					
Interest on School Bonds	<u>112,250</u>	<u>112,250</u>	<u>112,250</u>	-	-
Total Type I School District Debt Service	<u>112,250</u>	<u>112,250</u>	<u>112,250</u>	-	-
Total General Appropriations	71,887,460	72,535,166	69,066,678	3,226,538	241,950
Reserve for Uncollected Taxes	<u>1,122,466</u>	<u>1,122,466</u>	<u>1,122,466</u>	-	-
Total General Appropriations	<u>\$73,009,926</u>	<u>\$73,657,632</u>	<u>\$70,189,144</u>	<u>\$ 3,226,538</u>	<u>\$ 241,950</u>
<u>Reference</u>	A-2			A	A-1

**TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	<u>Budget After Modification</u>	
Budget as Adopted	A-2,A-3	\$73,009,926	
Added Per N.J.S.A. 40A:4-87	A-2	132,706	
Emergency Authorizations	A-12	<u>515,000</u>	
		<u>\$73,657,632</u>	
			<u>Paid or Charged</u>
Cash Disbursed	A-4		\$ 64,311,546
Due to Federal and State Grant Fund	A-30		497,224
Deferred Charges			
Overexpenditures of Appropriations	A-12		58,617
Emergency Authorizations	A-12		1,688,200
Special Emergency Authorizations	A-13		101,000
Reserve for Uncollected Taxes	A-3		1,122,466
Encumbrances Payable	A-16		462,945
Prepaid Expense	A-7		1,685,325
Reserve for PILOT and Tax Appeals	A-23		50,000
Expenditures Paid by Community Development Block Grant Fund	B-21		37,290
Current Fund Expenditures Paid by General Capital Fund	C-14		104,531
General Capital Fund - Paydown of BAN Principal	C-14		<u>70,000</u>
			<u>\$ 70,189,144</u>

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUND
AS OF DECEMBER 31, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 271	
Due from Other Trust Fund	B-6	702	
Due from Dog Official	B-3	11	
Due from Current Fund	B-2	<u>5,641</u>	\$ <u>5,713</u>
		<u>6,625</u>	<u>5,713</u>
OTHER TRUST FUND			
Cash	B-1	7,241,757	4,647,622
Due from Current Fund	B-7		216,385
Due from General Capital Fund	B-8	151,779	151,779
Due from Animal Control Fund	B-9		2,385
Due from State of New Jersey	B-11	<u>50,840</u>	<u>50,840</u>
		<u>7,444,376</u>	<u>5,069,011</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Cash	B-1	5,661	430,675
Due from Current Fund	B-21	16,470	
Due from General Capital Fund	B-23	58,678	
Due from County of Hudson Community Development Block Grant	B-19	<u>488,031</u>	<u>969,123</u>
		<u>568,840</u>	<u>1,399,798</u>
Total Assets		<u>\$ 8,019,841</u>	<u>\$ 6,474,522</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUND
AS OF DECEMBER 31, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Reserve for Animal Control Expenditures	B-4	\$ 6,599	\$ 3,306
Due to State of New Jersey	B-5	26	22
Due to Other Trust Fund	B-6	-	2,385
		<u>6,625</u>	<u>5,713</u>
OTHER TRUST FUND			
Various Trust Reserves	B-12	3,337,742	3,445,129
Due to Current Fund	B-7	167,632	
Due to Federal and State Grant Fund	B-10	1,546	1,546
Due to Animal Control Fund	B-9	702	
Due to Third Party Lienholders	B-15	3,751,687	1,474,712
Due to State of New Jersey - Unemployment	B-16	155,790	118,347
Due to County of Hudson	B-17	2,037	2,037
Due to West New York Parking Authority	B-18	27,240	27,240
		<u>7,444,376</u>	<u>5,069,011</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Reserve for Community Development Block Grant	B-20	468,840	915,754
Due to Current Fund	B-21		20,819
Due to State and Federal Grant Fund	B-22	100,000	250,000
Due to General Capital Fund	B-23	-	213,225
		<u>568,840</u>	<u>1,399,798</u>
Total Liabilities and Reserves		<u>\$ 8,019,841</u>	<u>\$ 6,474,522</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2013 AND 2012

ASSETS	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Cash	C-2,C-3	\$ 4,460,791	\$ 1,909,342
Deferred Charges to Future Taxation - Funded	C-4	34,897,066	27,911,570
Deferred Charges to Future Taxation - Unfunded	C-5	8,814,800	5,614,750
Grants Receivable	C-12	2,894,860	700,000
Due from Community Development Block Grant Fund	C-15		213,225
Due from Current Fund	C-14	38,824	53,369
Due from Federal and State Grant Fund	C-16	668,205	668,205
Due from Board of Education	C-17	45,346	45,346
Due from Depository	C-18	<u>3,770</u>	<u>3,770</u>
 Total Assets		 <u>\$ 51,823,662</u>	 <u>\$ 37,119,577</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Casino Reinvestment Development Authority			
Loan Payable	C-6	28,727	58,727
General Serial Bonds	C-7	30,983,000	24,013,000
School Serial Bonds	C-8	2,650,000	2,650,000
State of New Jersey - Green Acres Loans Payable	C-9	1,235,339	1,189,843
Bond Anticipation Notes Payable	C-10	4,627,000	5,710,450
Contracts Payable	C-21	316,651	49,136
Due to Other Trust Fund	C-19	151,779	151,779
Due to Community Development Block Grant Fund	C-15	58,678	
Capital Improvement Fund	C-11	99,715	121,215
Reserve for Payment of Debt	C-20	957,025	
Improvement Authorizations			
Funded	C-13	2,423,702	330,846
Unfunded	C-13	8,187,645	2,753,647
Fund Balance	C-1	<u>104,401</u>	<u>90,934</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 51,823,662</u>	 <u>\$ 37,119,577</u>

There were bonds and notes authorized but not issued on December 31, 2013 and 2012 of \$4,187,800 and \$861,325 respectively. (Exhibit C-22)

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF WEST NEW YORK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Balance, January 1	C	\$ 90,934	\$ 63,774
Increased by:			
Premium on Bond Anticipation Notes	C-2	6,981	27,160
Premium on Serial Bonds	C-14	<u>6,486</u>	<u>-</u>
		<u>13,467</u>	<u>27,160</u>
Balance, December 31	C	<u>\$ 104,401</u>	<u>\$ 90,934</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
General Fixed Assets:		
Land	\$ 2,095,513	\$ 2,095,513
Buildings	2,408,050	2,408,050
Building Improvements	11,244,742	11,233,542
Machinery and Equipment	1,366,419	1,162,439
Vehicles	<u>4,238,714</u>	<u>4,065,143</u>
 Total General Fixed Assets	 <u>\$ 21,353,438</u>	 <u>\$ 20,964,687</u>
 Investment in General Fixed Assets	 <u>\$ 21,353,438</u>	 <u>\$ 20,964,687</u>

The Accompanying Notes are an Integral Part of These Financial Statements

NOTES TO FINANCIAL STATEMENTS

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of West New York (the "Town") was incorporated in 1898 and operates under an elected Commission form of government. The Town's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

B. Description of Regulatory Basis of Accounting

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

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

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Town has the following funds and account group:

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

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

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

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

Community Development Block Grant Fund - This fund is used to account for grant proceeds and related expenditures for Block grant entitlements.

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

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

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

Financial Statements – Regulatory Basis

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

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Town. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Town also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Town may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

Prepaid Debt Service - The town has been allotted and has realized certain state aid that is pledged to the payment of certain debt service in the subsequent calendar year which were issued pursuant to the Municipal Qualified Bond Act. These debt service payments reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items in the current fund, except for prepaid debt service, are offset by a reserve, created by a charge to operations. GAAP does not require the establishment of a reserve for prepaid items.

Deferred Charges - Certain expenditures and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures and certain other items generally to be recognized when incurred, if measurable.

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

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

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

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

**TOWN OF WEST NEW YORK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Incurred But Not Reported (IBNR) Reserves and Claims Payable - The Town has not created a reserve for any potential unreported self-insurance losses which have taken place but in which the Town has not received notices or report of losses (i.e. IBNR). Additionally, the Town has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining potential claims are recorded as a long-term obligation in the government-wide financial statements.

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

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Town of West New York has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Town as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years.

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

Fixed Assets purchased after June 30, 2008 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to June 30, 2008 are stated as follows:

Land and Buildings	Assessed Value
Building Improvements	Estimated Historical Cost
Machinery and Equipment	Estimated Historical Cost
Vehicles	Estimated Historical Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

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

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2012 balances to conform to the December 31, 2013 presentation.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds
General Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2013 and 2012 the Town Commissioners increased the original budget by \$647,706 and \$2,691,179, respectively. The 2013 increase was attributed to additional aid allotted of \$132,706 and emergency authorizations totaling \$515,000. The 2012 increase was attributed to additional aid allotted of \$772,979, a special emergency of \$230,000 and emergency authorizations totaling \$1,688,200. In addition, the governing body approved several budget transfers during 2013 and 2012.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 3 DEPOSITS AND INVESTMENTS

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

A. Deposits

The Town's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Town is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2013 and 2012, the book value of the Town's deposits were \$26,490,598 and \$26,472,362 and bank and brokerage firm balances of the Town's deposits amounted to \$27,490,292 and \$25,972,247, respectively. The Town's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2013</u>	<u>2012</u>
Insured	\$ 26,489,974	\$ 24,896,636
Uninsured and Uncollateralized	<u>1,000,318</u>	<u>1,075,611</u>
	<u>\$ 27,490,292</u>	<u>\$ 25,972,247</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town does not have a formal policy for custodial credit risk. As of December 31, 2013 and 2012, the Town's bank balances of \$1,000,318 and \$1,075,611 respectively, were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2013</u>	<u>2012</u>
Uninsured and Uncollateralized	<u>\$ 1,000,318</u>	<u>\$ 1,075,611</u>

B. Investments

The Town is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Town or bonds or other obligations of the school districts which are a part of the Town or school districts located within the Town, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

**TOWN OF WEST NEW YORK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Town does not have an investment policy that would further limit its investment choices.

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

As of December 31, 2013 and 2012 the Town had no outstanding investments.

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

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2013 and 2012 consisted of the following:

<u>2013</u>	
Property Taxes	26,473
Tax Title Liens	<u>297,075</u>
	<u>\$ 323,548</u>
<u>2012</u>	
Property Taxes	\$ 29,016
Tax Title Liens	<u>368,341</u>
	<u>\$ 397,357</u>

In 2013 and 2012, the Town collected \$209,236 and \$152,015 from delinquent taxes, which represented 51.8% and 22.7% of the prior year adjusted delinquent taxes receivable balance.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2013</u>		<u>2012</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund:				
Regular	\$ 167,632	\$ 226,975	\$ 20,820	\$ 585,051
Federal and State Grant	267,586	668,205	561,130	668,205
Trust Fund:				
Animal Control	6,343		5,713	2,385
Other Trust	151,779	169,880	370,549	1,546
Community Development Block Grant Fund	75,148	100,000		484,045
General Capital Fund	<u>707,029</u>	<u>210,457</u>	<u>934,799</u>	<u>151,779</u>
 Total	 <u>\$ 1,375,517</u>	 <u>\$ 1,375,517</u>	 <u>\$ 1,893,011</u>	 <u>\$ 1,893,011</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

The Town expects all interfund balances to be liquidated within one year

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance</u>
<u>2013</u>			
Current Fund			
Special Emergency Authorizations (40A:4-53)	\$ 294,000	\$ 101,000	\$ 193,000
Emergency Authorization	<u>515,000</u>	<u>515,000</u>	<u>-</u>
	<u>\$ 809,000</u>	<u>\$ 616,000</u>	<u>\$ 193,000</u>
 <u>2012</u>			
Current Fund			
Special Emergency Authorizations (40A:4-53)	\$ 395,000	\$ 101,000	\$ 294,000
Emergency Authorizations	1,688,200	1,688,200	
Overexpenditure of Appropriations	<u>58,617</u>	<u>58,617</u>	<u>-</u>
	<u>\$ 2,141,817</u>	<u>\$ 1,847,817</u>	<u>\$ 294,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 7 FUND BALANCES APPROPRIATED

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

	Fund Balance December 31, <u>2013</u>	Utilized in Subsequent Year's Budget (A)	Fund Balance December 31, <u>2012</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 6,598,031	\$ 4,900,000	\$ 9,419,156	\$ 7,280,000
Non-Cash Surplus	<u>2,972,069</u>	<u>-</u>	<u>1,933,508</u>	<u>-</u>
	<u>\$ 9,570,100</u>	<u>\$ 4,900,000</u>	<u>\$ 11,352,664</u>	<u>\$ 7,280,000</u>

(A) The above fund balance amount appropriated represent the surplus anticipated in the 2014 introduced municipal budget. The 2014 municipal budget has not been legally adopted as of the date of audit.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2013 and 2012.

	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Land	\$ 2,095,513			\$ 2,095,513
Buildings	2,408,050			2,408,050
Building Improvements	11,233,542	\$ 11,200		11,244,742
Machinery and Equipment	1,162,439	203,980		1,366,419
Vehicles	<u>4,065,143</u>	<u>173,571</u>	<u>-</u>	<u>4,238,714</u>
	<u>\$ 20,964,687</u>	<u>\$ 388,751</u>	<u>\$ -</u>	<u>\$ 21,353,438</u>
	Balance December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2012</u>
<u>2012</u>				
Land	\$ 2,095,513			\$ 2,095,513
Buildings	2,408,050			2,408,050
Building Improvements	11,233,542			11,233,542
Machinery and Equipment	938,426	\$ 224,013		1,162,439
Vehicles	<u>4,065,143</u>	<u>-</u>	<u>-</u>	<u>4,065,143</u>
	<u>\$ 20,740,674</u>	<u>\$ 224,013</u>	<u>\$ -</u>	<u>\$ 20,964,687</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 9 MUNICIPAL DEBT

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

The Town's debt is summarized as follows:

	<u>2013</u>	<u>2012</u>
Issued		
General		
Bonds, Notes and Loans	\$ 36,874,066	\$ 30,972,022
Less Funds Temporarily Held to Pay Bonds and Notes	<u>957,025</u>	<u>-</u>
Net Debt Issued	35,917,041	30,972,022
Authorized But Not Issued		
General		
Bonds and Notes	<u>3,854,800</u>	<u>528,325</u>
	<u>39,771,841</u>	<u>31,500,347</u>
Title I Local School District Debt		
Issued and Outstanding		
General Serial Bonds	2,650,000	2,650,000
Authorized But Not Issued	<u>333,000</u>	<u>333,000</u>
	<u>2,983,000</u>	<u>2,983,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 42,754,841</u>	<u>\$ 34,483,347</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Town's Annual Debt Statement and indicates a statutory net debt of 1.46% and 1.12% at December 31, 2013 and 2012, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2013</u>			
Local School District Debt - Type I	\$ 2,983,000	\$ 2,983,000	
Debt Guarantees	16,462,064	16,462,064	
General Debt	<u>40,728,866</u>	<u>3,992,025</u>	\$ 36,736,841
Total	<u>\$ 60,173,930</u>	<u>\$ 23,437,089</u>	<u>\$ 36,736,841</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2012</u>			
Local School District Debt - Type I	\$ 2,983,000	\$ 2,983,000	
Debt Guarantees	26,906,736	26,906,736	
General Debt	<u>31,500,345</u>	<u>3,530,000</u>	\$ 27,970,345
Total	<u>\$ 61,390,081</u>	<u>\$ 33,419,736</u>	<u>\$ 27,970,345</u>

Statutory Borrowing Power

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

	<u>2013</u>	<u>2012</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 87,691,819	\$ 87,691,819
Net Debt	<u>36,736,841</u>	<u>27,970,345</u>
Remaining Borrowing Power	<u>\$ 50,954,978</u>	<u>\$ 59,721,474</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

<u>General Obligation Bonds</u>	<u>2013</u>	<u>2012</u>
\$5,350,000, 2003 Pension Refunding Bonds, due in annual installments of \$565,000 to \$810,000 through March 15, 2017, interest at 4.92%	\$ 2,735,000	\$ 3,230,000
\$8,100,000, 2006A Refunding Bonds, due in annual installments of \$1,175,000 to \$1,350,000 through April 15, 2019, interest at 4.00%	6,300,000	7,200,000
\$3,590,000, 2006C Refunding Bonds, due in annual installments of \$755,000 to \$800,000 through April 15, 2015, interest at 5.12% to 5.18%	1,555,000	2,270,000
\$6,100,000, 2007 General Improvement Bonds, due in annual installments of \$240,000 to \$695,000 through April 15, 2025, interest at 4.00% to 5.00%	6,100,000	6,100,000
\$6,888,000, 2008 General Improvement Bonds, due in annual installments of \$925,000 to \$1,088,000 through June 15, 2016, interest at 5.00%	3,013,000	3,913,000
\$4,595,000, 2008 General Improvement Bonds, due in annual installments of \$645,000 through June 15, 2014, interest at 5.00%	645,000	1,300,000
\$3,910,000 2013 Series A Qualified General Obligation Bonds, due in annual installments of \$165,000 to \$330,000 through May 15, 2029, interest at 2.00% to 3.00%	3,910,000	
\$6,725,000 2013 Series B Qualified General Obligation Bonds (Taxable), due in annual installments of \$315,000 to \$630,000 through May 15, 2028, interest at 3.00% to 5.00%	<u>6,725,000</u>	<u>-</u>
	<u>\$ 30,983,000</u>	<u>\$ 24,013,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

School Debt

The West New York Board of Education is a Type 1 School District. As such, the members of the Board of Education are appointed by the Mayor and school appropriations are set by a Board of School Estimate. Bonds and notes authorized by the Board of School Estimate to finance capital expenditures are general obligations of the Town and are reported on the balance sheet of the Town's General Capital Fund.

School Bonds

	<u>2013</u>	<u>2012</u>
\$2,650,000, 2007 School Bonds, due in annual installments of \$110,000 to \$295,000 through April 1, 2025, interest at 4.00% to 5.00%	\$ 2,650,000	\$ 2,650,000

General Intergovernmental Loans Payable

The Town has entered into a loan agreement with the State under the New Jersey Green Trust Bond Act of 1983 and Casino Reinvestment Development Authority for the financing relating to various improvements. The Town levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

Green Trust Loans

	<u>2013</u>	<u>2012</u>
\$289,313, 1997 Loan, due in Semi-Annual installments of \$8,390 to \$8,906 through January 8, 2017, interest at 2%	\$ 60,521	\$ 77,053
\$500,000, 2000 Loan, due in Semi-Annual installments of \$14,093 to \$15,724 through December 20, 2019, interest at 2%	178,739	206,509
\$475,000, 2001 Loan, due in Semi-Annual installments of \$12,848 to \$14,622 through September 6, 2020, interest at 2%	192,044	217,360
\$425,000, 2001 Loan, due in Semi-Annual installments of \$11,496 to \$13,083 through September 16, 2020, interest at 2%	171,829	194,480
\$675,000, 2006 Loan, due in Semi-Annual installments of \$16,365 to \$20,779 through February 9, 2026, interest at 2%	462,196	494,441
\$170,010, 2013 Loan, due in Semi-Annual installments of \$3,586 to \$5,233 through July 21, 2033, interest at 2%	170,010	-
	<u>\$ 1,235,339</u>	<u>\$ 1,189,843</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable (Continued)

Casino Reinvestment Development Authority Loans	<u>2013</u>	<u>2012</u>
\$478,727, 1994 Loan, due in Semi-Annual installments of \$28,727 through May 1, 2014, interest at 4.446%.	\$ <u>28,727</u>	\$ <u>58,727</u>

The Town's principal and interest for long-term debt issued and outstanding as of December 31, 2013 is as follows:

Calendar Year	General		School		Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2014	\$ 4,240,000	\$ 1,172,261	\$ 110,000	\$ 112,250	\$ 159,328	\$ 24,291	\$ 5,818,130
2015	3,820,000	987,045	135,000	106,750	136,848	21,414	5,207,057
2016	3,818,000	810,582	170,000	100,000	139,599	18,663	5,056,844
2017	3,015,000	657,969	210,000	91,500	133,409	15,857	4,123,735
2018	2,350,000	548,543	220,000	81,000	127,007	13,266	3,339,816
2019-2023	7,695,000	1,753,976	1,230,000	267,000	370,632	35,786	11,352,394
2024-2028	5,715,000	535,945	575,000	34,800	147,180	10,613	7,018,538
2029-2033	330,000	4,950	-	-	50,063	2,794	387,807
Total	\$ <u>30,983,000</u>	\$ <u>6,471,271</u>	\$ <u>2,650,000</u>	\$ <u>793,300</u>	\$ <u>1,264,066</u>	\$ <u>142,684</u>	\$ <u>42,304,321</u>

Debt Guarantees

Hudson County Improvement Authority – Lease Revenue Bonds North Hudson Regional Fire and Rescue

In August, 2003, the Town guaranteed an amount not to exceed \$3,828,000 for its proportionate share of \$15,000,000 debt authorized by the HCIA in connection with the HCIA's financing of the costs of the public facilities as defined in that ordinance. On January 11, 2004 the HCIA issued Variable Rate Lease Revenue Bonds (federally taxable) in connection with this authorization. The Town's share in the debt service on these bonds is approximately 25.52%, which is proportionate to the Town's share in the contribution to create the NHRFR. These bonds are not considered as bonds payable of the Town, but rather a lease agreement between the Town (acting on behalf of the NHRFR) and the HCIA. Pursuant to the terms of the lease agreement, the town is required to make rental payments sufficient to pay for its proportionate share of the debt service on the HCIA Series 2003 Lease Revenue Bonds.

The 2004 Bonds had an interest rate of 3.01% (the "Initial Interest Rate") until January 1, 2007 (the "Initial Interest Rate Period"). At January 2007 a variable rate of 5.33% was issued for a one year period. Subsequent to year end the bond rate was fixed at rates ranging between 5.80% and 6.640%.

In January 2006, the Town guaranteed an amount not exceed \$2,194,720 for its proportionate share of \$8,600,000 debt authorized as Series A (tax-exempt) and Series B (taxable), and allocated each in accordance with each NHRFR participating municipality's proportionate share as defined above Pursuant to the terms of the lease agreement, the Town is required to make rental payments sufficient to pay for its proportionate share of the debt service on the HACIA Series 2006A and 2006B Lease Revenue Bonds, plus an administrative fee payable to the HCUA (one tenth of one percent of the outstanding principal on the Town's share of the bonds).

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Debt Guarantees (Continued)

**Hudson County Improvement Authority – Lease Revenue Bonds North Hudson Regional Fire and Rescue
(Continued)**

On October 18, 2011, the Town guaranteed and amount not to exceed \$2,804,648 for its proportionate share of the \$15,750,000. The HCIA, at the consent of the NHRFR, as lessee, issued the \$4,760,000 Lease Revenue Refunding Bonds, (North Hudson Regional Fire and Rescue Project Guaranteed Tax-Exempt Series) Series 2011A and to \$10,990,000 Lease Revenue Bonds, (North Hudson Regional Fire and Rescue Project Guaranteed Taxable Series) Series 2011B to call all of the outstanding \$7,010,000 Lease Revenue Bonds Series 1999A Original Parties Tax Exempt Series) and \$15,070,000 Lease Revenue Bonds, Series 1999B (Original Parties Guaranteed Taxable Series). Pursuant to the terms of the lease agreement, the Town is required to make rental payments sufficient to pay for its proportionate share of the debt service on the Series 2011A and Series 2011B.

The Town's proportionate share of the North Hudson Region Fire and Rescue Bonds are as follows:

	<u>2013</u>	<u>2012</u>
HCIA 2004 (Taxable) lease revenue bonds, originally issued on January 1, 2004 for \$3,828,000, maturing annually from January 2009 through 2024, bearing an initial rate of 3.01%. Following expiration of the Initial Interest Rate Period, and rates variable of 5.80% to 6.64%.	\$ 3,394,160	\$ 3,521,760
HCIA 2006A (tax-exempt) lease revenue bonds, originally issued on January 1, 2006 for \$1,143,296, maturing annually from January 1, 2008 through 2024, bearing interest rates of 4.0% to 5.0%.	837,056	894,476
HCIA 2006B (Taxable) lease revenue bonds, originally issued on January 1, 2006 for \$1,051,424, maturing annually from January 1, 2008 to 2015. At January 1, 2015 the issue requires term bond optional redemptions or sinking funds to 2020 and 2024. The bond bears interest of 4.99% to 5.4%.	779,636	830,676
HCIA 2011A (tax-exempt) lease revenue bonds, originally issued on September 1, 2011 for \$1,214,752, maturing annually from September 1, 2012 to 2023. The bond bears interest of 5.4% to 5.7%.	1,062,908	1,140,744
HCIA 2011B (Taxable) lease revenue bonds, originally issued on September 1, 2011 for \$2,804,648, maturing annually from September 1, 2012 to 2023. The bond bears interest of 5.4% to 5.7%.	<u>2,493,304</u>	<u>2,654,080</u>
	<u>\$ 8,567,064</u>	<u>\$ 9,041,736</u>