

TOWN OF WEST NEW YORK
FINANCIAL STATEMENTS
WITH ADDITIONAL INFORMATION THEREIN
FOR THE YEAR ENDED
DECEMBER 31, 2012

TOWN OF WEST NEW YORK

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets – regulatory basis of the individual funds and account group of the Town of West New York (the “Town”), State of New Jersey as of December 31, 2012 and 2011, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the statement of realized revenue – regulatory basis and statement of expenditures – regulatory basis for the years then ended, and the related notes to the financial statements which collectively comprise the Town’s financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions and accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). 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 misstatement, whether due to error or fraud.

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, audit requirements prescribed by the Division. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 opinion.

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

As described in Note 1, the Town has prepared these financial statements in accordance with accounting practices prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division.

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 matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles 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 each fund of the Town of West New York as of December 31, 2012 and 2011, or changes in financial position for the years 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 of each fund type of the Town of West New York, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's financial statements as a whole. The supplementary schedules and statistical data presented for the various funds are presented for the purpose of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2013 on our consideration of the Town of West New York, State of New Jersey's internal control 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* in considering the Town's internal control over financial reporting and compliance.



Judith L. Tutela, CPA
Registered Municipal Accountant No. 522



Livingston, New Jersey
October 28, 2013

CURRENT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011

<u>ASSETS</u>	<u>REF</u>	<u>2012</u>	<u>2011</u>
Cash	A-4	\$ 18,465,787	\$ 14,716,270
Cash - Change Fund	A-5	500	500
Prepaid Debt Expense	A-6	1,685,325	1,698,575
Due from Board of Education	A-7	24,366	24,366
		<u>20,175,978</u>	<u>16,439,711</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivables	A-8	29,016	312,529
Tax Title Liens	A-9	368,341	278,822
Revenue Accounts Receivable	A-11	212,421	133,571
Due From Trust - Community Block Grant Fund	A-10	20,820	-
		<u>630,598</u>	<u>724,922</u>
Deferred Charges			
Emergency Authorizations	A-12	1,688,200	-
Special Emergency Authorizations	A-13	395,000	220,000
Overexpenditure of Appropriations	A-12	58,617	218,474
Overexpenditure of Grant Appropriations	A-12	-	105,639
Overexpenditure of Appropriation Reserves	A-12	-	33,823
		<u>2,141,817</u>	<u>577,936</u>
Total Deferred Charges			
		<u>2,141,817</u>	<u>577,936</u>
Total Current Fund		<u>22,948,393</u>	<u>17,742,569</u>
Federal and State Grant Fund			
Cash- Treasurer	A-26	1,018,436	4,350,305
Federal and State Grant Receivables	A-27	1,062,265	2,553,906
Due from Current Fund	A-28	309,584	94,075
Due from Community Development Block Grant Fund	A-29	250,000	100,000
Due to Trust Fund - Other	A-33	1,546	-
		<u>2,641,831</u>	<u>7,098,286</u>
Total Federal and State Grant Fund			
		<u>2,641,831</u>	<u>7,098,286</u>
Total Assets		\$ <u>25,590,224</u>	\$ <u>24,840,855</u>

See Accompanying Notes to the Financial Statements.

CURRENT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF</u>	<u>2012</u>	<u>2011</u>
Liabilities			
Appropriation Reserves	A-3, A-14	\$ 2,964,249	\$ 4,542,045
Accounts Payable	A-15	3,665,185	-
Encumbrances Payable	A-16, A-14	224,513	410,964
Prepaid Taxes	A-17	1,639	65,125
Tax Overpayments	A-18	645,862	781,794
County Taxes Payable	A-19	-	34,001
Due to Federal and State Grant Fund	A-10	309,584	94,075
Due to Other Trust Fund	A-10	216,385	100,356
Due to Trust Animal Control Fund	A-10	5,713	5,713
Due to Trust - Community Block Grant Fund	A-10	-	94,604
Due to General Capital Fund	A-10	53,369	1,630,570
Miscellaneous Reserve	A-21	29,897	29,897
Reserve for PILOT and Tax Appeals	A-23	601,730	1,558,816
Reserve for Master Tax Plan	A-24	275,000	275,000
Due to State of New Jersey for Senior Citizens' and Veterans' Deductions	A-25	54,005	54,505
Emergency Notes Payable	A-22	1,918,000	-
		<u>10,965,131</u>	<u>9,677,465</u>
Reserve for Receivables and Other Assets	Contra	630,598	724,922
Fund Balance	A-1	<u>11,352,664</u>	<u>7,340,182</u>
Total Current Fund		<u>22,948,393</u>	<u>17,742,569</u>
Federal and State Grant Fund			
Reserve for Federal and State Grants- Appropriated	A-30	1,949,333	5,113,041
Reserve for Federal and State Grants- Unappropriated	A-31	24,293	514,052
Due to General Capital Fund	A-32	668,205	239,256
Due to Trust Fund - Other	A-33	-	1,231,937
Total Federal and State Grant Fund		<u>2,641,831</u>	<u>7,098,286</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 25,590,224</u>	<u>\$ 24,840,855</u>

See Accompanying Notes to the Financial Statements.

CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF</u>	<u>2012</u>	<u>2011</u>
Fund Balance Utilized	A-2	\$ 5,034,194	\$ 6,130,794
Miscellaneous Revenue Anticipated	A-2	34,487,756	31,843,969
Receipts From Delinquent Taxes	A-2, A-8	152,015	1,332,629
Receipts From Current Taxes	A-2, A-8	58,809,661	60,121,949
Non-Budget Revenue	A-2	877,432	1,069,804
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	2,426,800	795,178
Cancellation of Grants	A-10	1,102,412	-
Cancellation of Tax Overpayments	A-18	698,028	-
Cancellation of Prior Year Accounts Payable	A-15	-	40,753
Interfunds Returned		-	106,288
Total Revenue		<u>103,588,298</u>	<u>101,441,364</u>
<u>EXPENDITURES</u>			
Budget Appropriations			
Operations Within "CAPS"			
Salaries and Wages	A-3	20,466,513	20,911,816
Other Expenses	A-3	26,421,798	22,097,130
Regulatory Expenditures and Deferred Charges		-	5,067,129
Operations Excluded from "CAPS"			
Salaries and Wages	A-3	62,149	101,000
Other Expenses	A-3	15,051,173	13,975,749
Capital Improvements	A-3	50,000	473,438
Municipal Debt Service	A-3	7,405,231	6,162,855
For Local District School Purposes	A-3	112,250	1,237,089
Deferred Charges	A-3	55,000	185,000
Judgments		-	10,000
County Taxes	A-19	12,200,639	12,620,682
Open Space Preservation	A-19	245,038	138,977
Due to County for Added and Omitted Taxes		-	34,002
Local District School Tax	A-20	14,369,214	14,369,214
Overexpenditure of Appropriation Reserves		-	33,823
Overexpenditure of Grant Appropriations		-	105,639
Interfunds Advanced		20,817	-
Total Expenditures		<u>96,459,822</u>	<u>97,523,543</u>
Excess in Revenue		7,128,476	3,917,821
Adjustments to Income Before Fund Balance			
Expenditures Included above which are by Statute			
Deferred Charges to Budget in Succeeding Years	A-12	1,688,200	198,079
Special Emergency - NJSA 40A:4-55	A-13	230,000	-
		<u>1,918,200</u>	<u>198,079</u>
Statutory Excess to Fund Balance		9,046,676	4,115,900
Fund Balance, January 1	A	<u>7,340,182</u>	<u>9,355,076</u>
		16,386,858	13,470,976
Utilization as Anticipated Revenue	A-2	<u>5,034,194</u>	<u>6,130,794</u>
Fund Balance, December 31	A	<u>\$ 11,352,664</u>	<u>\$ 7,340,182</u>

See Accompanying Notes to the Financial Statements.

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF REALIZED REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

Exhibit A-2
1 of 3

	<u>REF</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
<u>SURPLUS ANTICIPATED</u>				
Surplus Anticipated with Prior Written Consent	A-1	\$ 5,034,194	\$ 5,034,194	\$ -
		<u>5,034,194</u>	<u>5,034,194</u>	<u>-</u>
<u>MISCELLANEOUS REVENUES</u>				
Licenses				
Alcoholic Beverage	A-11	115,000	112,572	(2,428)
Other	A-2; A-11	135,000	147,068	12,068
Fees and Permits	A-2; A-11	50,000	62,241	12,241
Fines and Costs				
Municipal Court	A-11	1,750,000	2,005,245	255,245
Interest and Costs on Taxes	A-11	645,000	414,478	(230,522)
Interest on Investments and Deposits	A-11	20,000	13,833	(6,167)
Payment in Lieu of Taxes				
Overlook Terrace, Parking and Housing Authority	A-11	2,300,000	69,379	(2,230,621)
Waterfront	A-11	14,000,000	17,367,287	3,367,287
Rental of Hudson Hall	A-11	150,000	112,500	(37,500)
Cable T.V. Franchise Fee	A-11	100,000	139,150	39,150
Pool Membership Fees	A-11	115,000	135,300	20,300
EMT Service Fees	A-11	575,000	406,283	(168,717)
Consolidated Municipal Property Tax Relief Aid	A-11	2,774,727	2,513,394	(261,333)
Energy Receipts Tax	A-11	4,035,652	4,296,985	261,333
Uniform Construction Code				
Fees (N.J.S.A. 40A:4-36)				
Uniform Construction Code Fees	A-11	500,000	1,302,596	802,596
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	-
West New York Board of Education				
Reimbursement for Recreation Services	A-11	1,000,000	1,012,100	12,100
Reimbursement for Police Security	A-11	470,000	534,754	64,754
Reimbursement for Fuel	A-11	40,000	44,200	4,200
Reserve for Clean Communities Program	A-27	53,265	53,265	-
Reserve for Alcohol Education and Rehabilitation Fund	A-27	701	701	-
Municipal Alliance on Alcoholism and Drug Abuse	A-27	67,864	67,864	-
Reserve for Summer Food Program	A-27	66,900	66,900	-
Reserve for UEZ Administration	A-27	81,301	81,301	-
Miscellaneous Revenues -				
Subtotal Forward		\$ 29,095,410	\$ 31,009,396	\$ 1,913,986

See Accompanying Notes to the Financial Statements.

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF REALIZED REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

Exhibit A-2
2 of 3

	<u>REF</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Miscellaneous Revenues -				
Subtotal - Forward		\$ 29,095,410	\$ 31,009,396	\$ 1,913,986
Reserve for Recycling Tonnage Grant	A-27	40,394	40,394	-
Reserve for UEZ Litter Clean-Up	A-27	70,785	70,785	-
Reserve for Justice Assistance Grant	A-27	16,699	16,699	-
Reserve for Body Armor Replacement Fund	A-27	9,788	9,788	-
Reserve for Safe and Secure Grant	A-27	60,000	60,000	-
Cops in Shops	A-27	8,236	8,236	-
Cops in Shops	A-27	6,825	6,825	-
Recycling Tonnage Grant	A-27	60,546	60,546	-
New Jersey DOT Safe Routes	A-27	286,375	286,375	-
Body Armor Grant	A-27	9,344	9,344	-
Summer Food Program	A-27	26,538	26,538	-
Hudson County JAG	A-27	18,379	18,379	-
Hudson County JAG	A-27	23,463	23,463	-
New Jersey DOT Various Streets	A-27	280,800	280,800	-
Clean Communities	A-27	52,473	52,473	-
Uniform Fire Safety Act	A-11	30,000	30,000	-
Formula One Racing	A-11	1,000,000	1,000,000	-
Developers Contractual New Construction	A-11	600,000	600,000	-
Developer Reimbursement - Waterfront HCIA Bonds	A-11	541,252	540,202	(1,050)
UEZ Reserve	A-11	133,500	133,500	-
Reserve for Payment of Debt	A-11	204,013	204,013	-
Total Miscellaneous Revenues	A-1	<u>32,574,820</u>	<u>34,487,756</u>	<u>1,912,936</u>
<u>Receipts From Delinquent Taxes</u>	A-1, A-8	<u>506,601</u>	<u>152,015</u>	<u>(354,586)</u>
<u>Local Tax for Municipal Purposes</u>	A-2	<u>32,577,997</u>	<u>34,716,721</u>	<u>2,138,724</u>
Total General Revenues	A-3	<u>\$ 70,693,612</u>	69,356,492	<u>\$ 3,697,074</u>
Non-Budget Revenue	A-1, A-2, A-4		<u>877,432</u>	
			<u>\$ 70,233,924</u>	

See Accompanying Notes to the Financial Statements.

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF REALIZED REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

Exhibit A-2
3 of 3

Analysis of Realized Revenues	<u>REF</u>	<u>2012</u>
Allocation of Current Tax Collection		
Revenue from Collections	A-1, A-8	\$ 58,809,661
Less:		
Allocated to County Taxes	A-19	\$ 12,445,677
Allocated to School Taxes	A-20	<u>14,369,214</u>
		<u>26,814,891</u>
Balance for Support of Municipal Budget Appropriations		31,994,770
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	2,721,951
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 34,716,721</u>
Licenses - Other		
Borough Clerk		\$ 300
Police		60,415
Board of Health		<u>86,353</u>
	A-2, A-11	<u>\$ 147,068</u>
Fees and Permits - Other		
Zoning Board		\$ 45,725
Fire Safety - LEA		10,070
Police		<u>6,446</u>
	A-2, A-11	<u>\$ 62,241</u>
Analysis of Non-Budget Revenues	<u>REF</u>	
CMS Retiree Drug Subsidy		\$ 221,744
Verizon		57,646
State of New Jersey - Hurricane Irene		12,193
County of Hudson - JAG Grant		29,022
Donation - BNY Mellon		28,000
Port Imperial North Retail, LLC		303,901
MEDCO Health Solutions, Inc.		125,306
MRNA Miscellaneous		13,742
Assessor's Office - Certified Property Lists		730
Town Clerk		27,332
Rent Control Board		39,340
Municipal Court - Filing Fee/Unclaimed Bail		4,211
Tower Viewer - Donnelly Park		931
Public Health Priority Funding		12,149
Administrative Fee Senior and Veteran		<u>1,185</u>
	A-1, A-2	<u>\$ 877,432</u>

See Accompanying Notes to the Financial Statements.

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF EXPENDITURES -REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	ORIGINAL BUDGET	MODIFIED BUDGET	PAID OR CHARGED	RESERVED	CANCELLED
<u>OPERATIONS WITHIN "CAPS"</u>					
Department of Public Affairs					
Director's Office					
Salaries and Wages	\$ 142,000	\$ 120,533	\$ 118,533	\$ 2,000	\$ -
Other Expenses	45,000	51,770	47,781	3,989	-
Town Clerk					
Salaries and Wages	251,900	325,985	323,981	2,004	-
Other Expenses					
Legal Advertising & Publications	16,000	14,545	11,745	2,800	-
Miscellaneous Other Expenses	13,000	23,870	21,066	2,804	-
Codifications of Ordinances	7,500	6,801	5,801	1,000	-
Elections					
Other Expenses	28,000	54,000	27,306	26,694	-
Salaries and Wages	93,900	93,900	88,824	5,076	-
Other Expenses	3,000	24	-	24	-
Board of Health					
Salaries and Wages	494,000	383,432	380,433	2,999	-
Other Expenses	63,000	50,860	45,955	4,905	-
Blood Borne Pathogens	5,000	5,000	-	5,000	-
Prosecutor					
Salaries and Wages	40,000	39,234	36,154	3,080	-
Other Expenses	5,000	8,195	7,395	800	-
Public Relations					
Other Expenses	60,000	71,780	50,377	21,403	-
Rent Control Board					
Salaries and Wages	132,800	131,495	124,495	7,000	-
Other Expenses	18,000	8,030	6,530	1,500	-
Town Funding Program					
Other Expenses	55,000	58,550	33,550	25,000	-

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF EXPENDITURES -REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

OPERATIONS WITHIN "CAPS" (continued)	ORIGINAL	MODIFIED	PAID OR	RESERVED	CANCELLED
	BUDGET	BUDGET	CHARGED		
Housing Inspection					
Salaries and Wages	\$ 118,500	\$ 197,615	\$ 192,614	\$ 5,001	\$ -
Other Expenses	1,000	1,075	74	1,001	-
Tenant Relations					
Other Expenses	15,000	33,920	21,833	12,087	
Law Department					
Salaries and Wages	175,000	180,965	175,961	5,004	-
Other Expenses	500,000	701,220	570,616	130,604	-
Supervised Play Activity					
Salaries and Wages	819,475	832,125	794,263	37,862	-
Other Expenses	245,000	200,576	184,271	16,305	-
Senior Citizens Coordinator of Events					
Salaries and Wages	128,000	124,562	122,062	2,500	-
Other Expenses	50,000	54,300	48,574	5,726	-
Administrative Offices					
Salaries and Wages	185,000	116,610	112,104	4,506	-
Other Expenses	9,000	7,423	6,823	600	-
Insurance/Personnel Department					
Salaries and Wages	46,200	25,850	23,350	2,500	-
Other Expenses	500	500	-	500	-
Zoning Board					
Other Expenses	15,000	5,506	4,906	600	-
Planning Board					
Salaries and Wages	43,700	43,646	43,646	-	-
Other Expenses	15,000	22,480	20,280	2,200	-
North Hudson Regional Council of Mayors					
Town Share	39,100	39,100	39,100	-	-

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF EXPENDITURES -REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>ORIGINAL</u>	<u>MODIFIED</u>	<u>PAID OR</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>CHARGED</u>	<u>CANCELLED</u>
<u>OPERATIONS WITHIN "CAPS" (continued)</u>				
North Hudson Regional Council of Mayors Aids				
Task Force	\$	11,200	\$	11,193
Town Share				\$ -
Urban Enterprise Zone				
Salaries and Wages	155,600	85,098	84,898	200
Other Expenses	8,000	8,035	7,283	752
Department of Revenue and Finance				
Director's Office				
Salaries & Wages	65,000	31,968	30,768	1,200
Other Expenses	13,000	35,190	7,880	27,310
Treasurer's Office				
Salaries & Wages	350,400	396,555	394,055	2,500
Other Expenses				
Annual Audit	115,000	121,075	71,075	50,000
Miscellaneous Other Expenses	395,000	469,845	430,398	39,447
Payroll Service Fee	35,000	46,985	9,483	37,502
Assessment of Taxes				
Salaries & Wages	169,000	176,100	173,597	2,503
Other Expenses	26,000	29,055	18,275	10,780
Collection of Taxes				
Salaries & Wages	238,000	258,345	256,844	1,501
Other Expenses	29,000	29,545	26,896	2,649
Insurance				
General Liability Insurance	540,000	865,800	815,357	50,443
Workers Compensation Insurance	580,000	580,000	455,399	124,601
Employee Group Health	9,550,000	10,527,100	10,430,511	96,589
Unemployment Insurance	350,000	260,237	200,237	60,000
Health Waiver	50,000	-	-	-

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF EXPENDITURES -REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>ORIGINAL</u>	<u>MODIFIED</u>	<u>PAID OR</u>		<u>RESERVED</u>	<u>CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET</u>	<u>CHARGED</u>			
<u>OPERATIONS WITHIN "CAPS" (continued)</u>						
Purchasing Agent						
Salaries & Wages	\$ 151,000	\$ 150,840	\$ 149,840	\$	1,000	-
Other Expenses	3,500	3,965	3,129		836	-
Department of Public Safety						
Director's Office						
Salaries and Wages	488,500	453,249	448,249		5,000	-
Other Expenses	140,000	137,150	124,850		12,300	-
Police						
Salaries and Wages	11,340,000	11,420,560	11,381,410		39,150	-
Other Expenses	425,000	425,000	358,704		66,296	-
Juvenile Aid						
Other Expenses	4,000	4,000	(5,039)		9,039	-
Uniform Fire Safety						
Salaries and Wages	75,000	53,833	52,333		1,500	-
Ambulance Squad						
Salaries and Wages	670,000	661,889	657,389		4,500	-
Other Expenses	80,000	86,555	78,086		8,469	-
Office of Emergency Management						
Salaries and Wages	16,500	-	-		-	-
Other Expenses	13,500	24,795	16,795		8,000	-
Department of Public Works						
Director's Office						
Salaries and Wages	235,000	161,793	158,493		3,300	-
Other Expenses	11,000	18,690	17,086		1,604	-
Streets and Sewers						
Salaries and Wages	1,850,000	1,923,640	1,922,637		1,003	-
Other Expenses	370,000	256,562	176,942		79,620	-
Snow Removal	50,000	20,000	-		20,000	-
Street Lighting						
Other Expenses	625,000	654,391	603,591		50,800	-

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF EXPENDITURES -REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>ORIGINAL</u>	<u>MODIFIED</u>	<u>PAID OR</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>CHARGED</u>	<u>CANCELLED</u>
<u>OPERATIONS WITHIN "CAPS" (continued)</u>				
Fire Hydrant Rental	\$ 180,000	\$ 225,580	\$ 206,678	\$ -
Other Expenses				
Recycling				
Other Expenses	300,000	120,807	60,807	60,000
Garbage and Trash				
Salaries and Wages	215,000	206,304	204,804	1,500
Other Expenses				
Contractual				
Miscellaneous Other Expenses	2,650,000	2,829,530	2,206,530	623,000
Engineering Services and Costs	140,000	111,939	100,649	11,290
Other Expenses				
Department of Parks and Public Property	150,000	535,300	511,428	23,872
Director's Office				
Salaries and Wages	89,000	87,761	87,261	500
Other Expenses	4,500	9,315	8,468	847
Division of Parks				
Salaries and Wages	89,000	54,549	54,050	499
Other Expenses	100,000	73,346	64,872	8,474
Celebration of Public Events Anniversary or Holiday				
Other Expenses	45,000	50,730	46,120	4,610
Public Buildings and Grounds Maintenance				
Salaries and Wages	640,000	556,557	555,057	1,500
Other Expenses	160,000	147,933	129,512	18,421
Light and Power				
Other Expenses	445,000	443,256	316,611	126,645
Centralized Postage				
Other Expenses	85,000	37,803	29,079	8,724

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF EXPENDITURES -REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>ORIGINAL</u>	<u>MODIFIED</u>	<u>PAID OR</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>CHARGED</u>	<u>CANCELLED</u>
<u>OPERATIONS WITHIN "CAPS" (continued)</u>				
Fuel	\$ 200,000	\$ 330,740	\$ 265,740	\$ -
Other Expenses				
Telephone				
Other Expenses	210,000	204,782	146,049	58,733
Water				
Other Expenses	90,000	134,850	96,320	38,530
Sewerage				
Other Expenses	50,000	144,955	111,503	33,452
Signal Bureau				
Other Expenses	25,000	19,697	15,337	4,360
Uniform Construction Code - Appropriations				
Offset By Dedicated Revenues (N.J.A.C. 5:23-4:17)				
Construction Code Department				
Salaries and Wages	417,000	340,315	337,315	3,000
Other Expenses	60,000	30,532	21,251	9,281
Unclassified				
Municipal Court				
Salaries and Wages	825,000	831,205	795,189	36,016
Other Expenses	82,000	81,569	62,745	18,824
<u>OPERATIONS WITHIN "CAPS" (continued)</u>				
Public Defender				
Other Expenses	15,000	27,605	25,094	2,511
TOTAL OPERATIONS WITHIN "CAPS"	<u>40,373,275</u>	<u>42,061,475</u>	<u>39,717,516</u>	<u>2,343,959</u>
				<u>-</u>

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TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF EXPENDITURES -REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	ORIGINAL BUDGET	MODIFIED BUDGET	PAID OR CHARGED	RESERVED	CANCELLED
Other Operations - Excluded from "CAPS" (continued)					
Board of Health - Guttentberg	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	-
Salaries and Wages					
Board of Health - Secaucus	20,000	20,000	20,000	-	-
Salaries and Wages					
Board of Health-Chapter 226 Nursing Serv.	51,000	51,000	12,149	-	38,851
Salaries and Wages	12,990,000	12,990,000	12,773,589	216,411	-
Contribution to North Hudson Regional Fire					
	<u>13,911,497</u>	<u>13,911,497</u>	<u>13,335,743</u>	<u>536,903</u>	<u>38,851</u>
Public and Private Programs Offset by Revenues					
Reserve for Clean Communities Grant	53,265	53,265	53,265	-	-
County Share	67,864	67,864	67,864	-	-
State of New Jersey					
Reserve for Summer Food Program	66,900	66,900	66,900	-	-
Reserve for UEZ Administration	81,301	81,301	81,301	-	-
Reserve for Alcohol Education and Rehabilitation Fund	701	701	701	-	-
Reserve for Body Armor Replacement	9,788	9,788	9,788	-	-
Reserve for Safe and Secure Grant	60,000	60,000	60,000	-	-
Reserve for Recycling Tonnage Grants	40,394	40,394	40,394	-	-
Reserve for UEZ Litter Clean-Up	70,785	70,785	70,785	-	-
Reserve for Justice Assistance Grant	16,699	16,699	16,699	-	-
Cops in Shops	-	8,236	8,236	-	-
Cops in Shops	-	6,825	6,825	-	-
Recycling Tonnage Grant	-	60,546	60,546	-	-
New Jersey DOT Safe Routes	-	286,375	286,375	-	-

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF EXPENDITURES -REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	ORIGINAL BUDGET	MODIFIED BUDGET	PAID OR CHARGED	RESERVED	CANCELLED
Other Operations - Excluded from "CAPS" (continued)					
Body Armor Grant	\$ -	\$ 9,344	\$ 9,344	-	\$ -
Summer Food Program	-	26,538	26,538	-	-
Hudson County JAG	-	18,379	18,379	-	-
Hudson County JAG	-	23,463	23,463	-	-
New Jersey DOT Various Streets	-	280,800	280,800	-	-
Clean Communities	-	52,473	52,473	-	-
Total Public and Private Programs Offset by Revenues	467,697	1,240,676	1,240,676	-	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	14,379,194	15,152,173	14,576,419	536,903	38,851
Detail:					
Salaries and Wages	101,000	101,000	62,149	-	38,851
Other Expenses	14,278,194	15,051,173	14,514,270	536,903	-
	<u>14,379,194</u>	<u>15,152,173</u>	<u>14,576,419</u>	<u>536,903</u>	<u>38,851</u>
<u>CAPITAL IMPROVEMENTS</u>					
Capital Improvement Fund	50,000	50,000	50,000	-	-
<u>MUNICIPAL DEBT SERVICE</u>					
Payment of Bond Principal	3,540,000	3,540,000	3,540,000	-	-
Payment of Note Principal	185,500	185,500	185,500	-	-
Interest on Bonds	1,161,092	1,161,092	1,161,092	-	-
Interest on Notes	154,654	154,654	154,654	-	-
Green Trust Loan Program					
Loan Repayments For Principal and Interest	147,691	147,691	147,691	-	-
Casino Reinvestment Development Authority	33,278	33,278	33,278	-	-
Lease Payable NHRFR					
Other Expenses	1,020,000	1,020,000	970,450	-	49,550
HCIA Lease (included on Cap. Lease approved after 7/1/07)	133,500	133,500	-	-	133,500

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF EXPENDITURES -REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>ORIGINAL</u>	<u>MODIFIED</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET</u>	<u>CHARGED</u>		
<u>MUNICIPAL DEBT SERVICE (continued)</u>					
Capital Lease Obligations Approved after 7/1/07					
Principal	\$ 240,000	\$ 240,000	\$ 240,000	\$ -	-
Interest	475,159	475,159	432,364	-	42,795
Developers Waterfront HCLIA Bonds					
Principal	541,253	541,253	540,202	-	1,051
TOTAL MUNICIPAL DEBT SERVICE	<u>7,632,127</u>	<u>7,632,127</u>	<u>7,405,231</u>	<u>-</u>	<u>226,896</u>
 <u>DEFERRED CHARGES - MUNICIPAL -</u>					
<u>EXCLUDED FROM "CAPS"</u>					
Deferred Charges					
Special Deferred Emergency Authorizations	55,000	55,000	55,000	-	-
TOTAL DEFERRED CHARGES - MUNICIPAL -	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>-</u>
 <u>FOR LOCAL DISTRICT SCHOOL PURPOSES -</u>					
<u>EXCLUDED FROM "CAPS"</u>					
Type 1 School District Debt Service					
Interest on School Bonds	112,250	112,250	112,250	-	-
Total Type 1 School District Debt Service	<u>112,250</u>	<u>112,250</u>	<u>112,250</u>	<u>-</u>	<u>-</u>
 Reserve for Uncollected Taxes	2,721,951	2,721,951	2,721,951	-	-

TOWN OF WEST NEW YORK
CURRENT FUND
STATEMENT OF EXPENDITURES -REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	ORIGINAL BUDGET	MODIFIED BUDGET	PAID OR CHARGED	RESERVED	CANCELLED
TOTAL GENERAL APPROPRIATIONS	\$ 69,920,633	\$ 72,611,812	\$ 69,381,816	\$ 2,964,249	\$ 265,747
		Below	Below	A	
Reference					
Adopted Budget	Ref.	\$ 69,920,633			
Adopted by Chapter 159-NJSA 40A:4-87		772,979			
	A-2	70,693,612			
		230,000			
Special Emergency Authorizations		1,688,200			
Emergency Authorizations		\$ 72,611,812			
		Above			
Cash Disbursements	A-4	\$ 62,826,585			
Grants Appropriated	A-30	1,240,676			
Deferred Charges					
Overexpenditures of Appropriation Reserves	A-12	33,823			
Overexpenditures of Appropriations	A-12	159,857			
Overexpenditures of Grant Appropriations	A-12	105,639			
Special Emergency Authorizations	A-13	55,000			
Reserve for Uncollected Taxes	A-2	2,721,951			
Encumbrances Payable	A-16	224,513			
Prepaid Expense	A-6	1,698,575			
Due to General Capital Fund - BAN Principal and Interest	A-10	265,197			
Due to General Capital Fund - Budget Appropriation	A-10	50,000			
		\$ 69,381,816			
		Above			

**TOWN OF WEST NEW YORK
TRUST FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011**

B

<u>ASSETS</u>	<u>REF</u>	<u>2012</u>	<u>2011</u>
<u>Animal Control Fund:</u>			
Due from Current Fund	B-2	\$ 5,713	\$ 5,713
		<u>5,713</u>	<u>5,713</u>
<u>Other Trust Fund:</u>			
Cash	B-1	4,647,622	2,946,925
Due from Current Fund	B-7	216,385	100,356
Due from General Capital Fund	B-8	151,779	151,779
Due from Animal Control Fund	B-9	2,385	5,691
Due from Federal and State Grant Fund	B-10	-	1,231,937
Due From State of New Jersey	B-11	50,840	50,840
		<u>5,069,011</u>	<u>4,487,528</u>
<u>Community Development Block Grant Fund:</u>			
Cash	B-1	430,675	5,396
Due from Hudson County	B-19	969,123	987,266
Due from Current Fund	B-21	-	94,604
		<u>1,399,798</u>	<u>1,087,266</u>
Total Assets		\$ <u>6,474,522</u>	\$ <u>5,580,507</u>
 <u>LIABILITIES AND RESERVES</u>			
<u>Animal Control Fund:</u>			
Reserve for Animal Control	B-4	\$ 3,306	\$ -
Due to State of New Jersey	B-5	22	22
Due to Other Trust Fund	B-6	2,385	5,691
		<u>5,713</u>	<u>5,713</u>
<u>Trust Other Fund:</u>			
Reserve for Various Trust Activities	B-12	3,445,129	4,244,683
Accrued Salaries and Wages	B-13	-	6,983
Due to Federal and State Grants	B-10	1,546	-
Due to Third Party Lienholders	B-15	1,474,712	11,160
Due to State of New Jersey - Unemployment	B-16	118,347	195,425
Due to Hudson County	B-17	2,037	2,037
Due to West New York Parking Authority	B-18	27,240	27,240
		<u>5,069,011</u>	<u>4,487,528</u>
<u>Trust Community Development Block Grant Fund:</u>			
Reserve for Community Development Block Grant	B-20	915,754	987,266
Due to Current Fund	B-21	20,819	-
Due to State and Federal Grant Fund	B-22	250,000	100,000
Due to General Capital Fund	B-23	213,225	-
		<u>1,399,798</u>	<u>1,087,266</u>
Total Liabilities and Reserves		\$ <u>6,474,522</u>	\$ <u>5,580,507</u>

See Accompanying Notes to Financial Statements

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND**

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2012 AND 2011**

C

<u>ASSETS</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Cash	C-2, C-3	\$ 1,909,342	\$ 885,248
Deferred Charges to Future Taxation - Funded	C-4	27,911,570	31,603,632
Deferred Charges to Future Taxation - Unfunded	C-5	5,614,750	5,800,250
Grants Receivable	C-12	700,000	1,000,000
Due from Community Development Block Grant	C-15	213,225	-
Due From Current Fund	C-14	53,369	1,630,570
Due From Federal and State Grant Fund	C-16	668,205	239,256
Due From Board of Education	C-17	45,346	45,346
Due From Depository	C-18	3,770	3,770
TOTAL ASSETS		\$ 37,119,577	\$ 41,208,072
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Casino Reinvestment Development Authority			
Loan Payable	C-6	\$ 58,727	\$ 88,727
General Serial Bonds	C-7	24,013,000	27,553,000
School Serial Bonds	C-8	2,650,000	2,650,000
State of New Jersey - Green Acres Loans Payable	C-9	1,189,843	1,311,905
Bond Anticipation Notes	C-10	5,710,450	5,895,950
Contracts Payable	C-21	49,136	48,137
Due to Other Trust Fund	C-19	151,779	151,779
Capital Improvement Fund	C-11	121,215	71,215
Reserve for Bonds Payable	C-20	-	204,013
Reserve for Grants Receivable		-	300,000
Improvement Authorizations:			
Funded	C-13	330,846	478,561
Unfunded	C-13	2,753,647	2,391,011
Fund Balance	C-1	90,934	63,774
		\$ 37,119,577	\$ 41,208,072

There were bonds and notes authorized but not issued on December 31, 2012 and 2011 in the amount of \$861,325. (Exhibit "C-22")

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND**

**STATEMENT OF FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2012 AND 2011**

C-1

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	C	\$ 63,774
Increased By		
Premium on Bonds Anticipation Notes	C-2	<u>27,160</u>
<u>Balance - December 31, 2012</u>	C	<u><u>\$ 90,934</u></u>

TOWN OF WEST NEW YORK

GENERAL FIXED ASSETS

D

**COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
GENERAL FIXED ASSETS		
Land	\$ 2,095,513	\$ 2,095,513
Buildings	2,408,050	2,408,050
Building Improvements	11,233,542	11,223,542
Machinery and Equipment	1,162,439	938,426
Vehicles	<u>4,065,143</u>	<u>4,065,143</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 20,964,687</u>	<u>\$ 20,730,674</u>
 LIABILITIES AND RESERVES		
Investments in General Fixed Assets	\$ <u>20,964,687</u>	\$ <u>20,730,671</u>
TOTAL LIABILITIES AND RESERVES	<u>\$ 20,964,687</u>	<u>\$ 20,730,671</u>

See Accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 principals. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

A. Reporting Entity

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

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.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town has the following funds:

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.

Trust Funds – Trust 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 NJSA 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 disbursements of funds used and related financial transactions related to the acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

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.

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:

Property Tax Revenues – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the third and fourth installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the first and second 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.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Miscellaneous Revenues – Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the 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 Awards Revenue – 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.

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 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

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Budgets and Budgetary Accounting (Continued)

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.

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 judgments, which are recognized when due.

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

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

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 N.J.S.A. 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 long-term obligation in the government-wide financial statements.

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

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

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

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (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 payment 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
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

C. Basic Financial Statements

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

NOTE 2: DEPOSITS AND INVESTMENTS

The 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.

Deposits

The Town's deposits are insured through 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 75% of its capital funds or \$200 million not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. At December 31, 2012, the book values of the Town's deposits were \$26,157,994 and bank balances of the Town's deposits amounted to \$25,972,247. The Town's deposits are displayed on the various fund balance sheets as "cash". Deposits held in the bank accounts of outside departments (i.e., Municipal Court) are displayed in the financial statements in the Current Fund as "Accounts Receivable Due From State and Other". The Town's deposits are categorized as:

<u>Depository Account</u>	<u>Bank Balance at December 31, 2012</u>
Insured	<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 other than depositing all of its funds in banks covered by GUDPA. As of December 31, 2012, none of the Town's bank balances were exposed to custodial credit risk.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

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 N.J.S.A 40A:5-15.1 (8a – 8e).

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

Interest earnings 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 3: TAXES RECEIVABLE

Receivables at December 31, 2012 consisted of the following:

Property Taxes	\$	29,016
Tax Title Liens		368,341
	\$	<u>397,357</u>

In the year ended December 31, 2012, the Town collected \$152,015 from delinquent taxes, which represented 48.6% of the prior year adjusted delinquent taxes receivable balance.

NOTE 4: MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the 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.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

The Town's debt at December 31, 2012 and 2011 is summarized as follows:

	<u>2012</u>	<u>2011</u>
<u>Municipal Debt</u>		
Issued and Outstanding		
General Serial Bonds	24,013,000	27,553,000
Bond Anticipation Notes	5,710,450	5,895,950
Loan Payable - Green Trust	1,189,845	1,311,905
Loan Payable – Casino Development Authority	58,727	88,727
	<u>30,972,022</u>	<u>34,849,582</u>
Authorized but Not Issued	528,325	528,325
Total Municipal Debt	<u>31,500,347</u>	<u>35,377,907</u>
<u>Type I Local School District Debt</u>		
Issued and Outstanding		
General Serial Bonds	2,650,000	2,650,000
Authorized but Not Issued	333,000	333,000
Total Type I Local School District Debt	<u>2,983,000</u>	<u>2,983,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>34,483,347</u>	<u>38,360,907</u>

Statutory Net Debt

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt - Type I	\$ 2,983,000	\$ 2,983,000	\$ -
Debt Guarantees	26,906,736	26,906,736	-
General Debt	31,500,347	3,530,000	27,970,347
Total	<u>\$ 61,390,083</u>	<u>\$ 33,419,736</u>	<u>\$ 27,970,347</u>

Statutory Borrowing Power

The Town's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2012 was as follows:

	<u>2012</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 87,691,819
Net Debt	<u>27,970,347</u>
Remaining Borrowing Power	<u>\$ 59,721,472</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 4: MUNICIPAL DEBT (Continued)

Long Term Debt

The Town levies ad valorem taxes to pay debt service on general obligation bonds, school bonds and loans payable. The general obligation bonds payable at December 31, 2012 and 2011 are as follows:

<u>General Obligation Bonds</u>	<u>2012</u>	<u>2011</u>
\$5,350,000, 2003 Pension Refunding Bonds, due in annual installments of \$375,000 to \$810,000 through March 15, 2017, interest at 4.92%	\$ 3,230,000	\$ 3,665,000
\$8,100,000, 2006A Refunding Bonds, due in annual installments of \$900,000 to \$1,350,000 through April 15, 2019, interest at 3.505 to 4.25%	7,200,000	8,100,000
\$3,590,000, 2006C Refunding Bonds, due in annual installments of \$645,000 to \$800,000 through April 15, 2015, interest at 5.04% to 5.18%	2,270,000	2,945,000
\$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 \$850,000 to \$1,088,000 through June 15, 2016, interest at 5.00%.	3,913,000	4,788,000
\$4,595,000 2008 General Improvements Bonds, due in annual installments of \$645,000 to \$655,000 through June 15, 2014, interest at 5.00%	1,300,000	1,955,000
	<u>\$ 24,013,000</u>	<u>\$ 27,553,000</u>

School Debt

The West New York Board of Education is a Type I 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 payable at December 31, 2012 and 2011 are as follows:

<u>School Bonds</u>	<u>2012</u>	<u>2011</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%.	\$ <u>2,650,000</u>	\$ <u>2,650,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 4: MUNICIPAL DEBT (Continued)

Long Term Debt (Continued)

General Intergovernmental Loans Payable

The Town has entered into loan agreements with the State under the New Jersey Green Trust Bond Act of 1983 and Casino Reinvestment Development Authority for the financing relating to the various improvements. The town levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31, 2012 and 2011 are as follows:

<u>Green Trust Loans</u>	<u>2012</u>	<u>2011</u>
\$289,313, 1997 Loan, due in Semi-Annual installments of \$8,063 to \$8,906 through January 8, 2017, interest at 2%.	\$ 77,053	\$ 93,260
\$500,000, 2000 Loan, due in Semi-Annual installments of \$13,543 to \$15,724 through December 20, 2019, interest at 2%.	206,509	233,731
\$475,000, 2001 Loan, due in Semi-Annual installments of \$12,347 to \$14,622 through September 6, 2020, interest at 2%.	217,360	242,178
\$425,000, 2001 Loan due in Semi-Annual installments of \$11,047 to \$13,083 through September 16, 2020, interest at 2%.	194,480	216,685
\$675,000, 2006 Loan, due in Semi-Annual installments of \$15,726 to \$20,779 through February 9, 2026, interest at 2%.	494,441	526,051
	\$ <u>1,189,843</u>	\$ <u>1,311,905</u>
 <u>Casino Reinvestment Development Authority Loans</u>	 <u>2012</u>	 <u>2011</u>
\$478,727, 1994 Loan, due in Semi-Annual installments of \$28,727 to \$30,000 through May 1, 2014, interest at 4.446%.	\$ <u>58,727</u>	\$ <u>88,727</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 4: MUNICIPAL DEBT (Continued)

The Town's principal and interest for long-term debt issued and outstanding as of December 31, 2012 is as follows:

Calendar Year	General Principal	School Principal	Loans Principal	Total Principal
2013	\$ 3,665,000	\$ -	\$ 154,514	\$ 3,819,514
2014	3,760,000	110,000	155,742	4,025,742
2015	3,330,000	135,000	129,568	3,594,568
2016	3,318,000	170,000	132,173	3,620,173
2017	2,505,000	210,000	125,834	2,840,834
2018-2022	5,445,000	1,180,000	409,537	7,034,537
2023-2026	1,990,000	845,000	141,202	2,976,202
	<u>\$ 24,013,000</u>	<u>\$ 2,650,000</u>	<u>\$ 1,248,570</u>	<u>\$ 27,911,570</u>

Calendar Year	General Interest	School Interest	Loans Interest	Total Interest
2013	\$ 991,007	\$ 112,250	\$ 25,122	\$ 1,128,379
2014	816,131	112,250	21,313	949,694
2015	646,990	106,750	18,122	771,862
2016	490,102	100,000	15,517	605,619
2017	354,939	91,500	12,861	459,300
2018-2022	791,700	314,200	31,749	1,137,649
2023-2026	122,000	68,600	5,705	196,305
	<u>\$ 4,212,869</u>	<u>\$ 905,550</u>	<u>\$ 130,389</u>	<u>\$ 5,248,808</u>

Calendar Year	Total Principal	Total Interest	Total Debt Service
2013	\$ 3,819,514	\$ 1,128,379	\$ 4,947,893
2014	4,025,742	949,694	4,975,436
2015	3,594,568	771,862	4,366,430
2016	3,620,173	605,619	4,225,792
2017	2,840,834	459,300	3,300,134
2018-2022	7,034,537	1,137,649	8,172,186
2023-2026	2,976,202	196,305	3,172,507
	<u>\$ 27,911,570</u>	<u>\$ 5,248,808</u>	<u>\$ 33,160,378</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 4: MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Town's long-term capital debt activity for the year ended December 31, 2012 and 2011 was as follows:

<u>2012</u>	Balance December 31, 2011	Retired	Balance, December 31, 2012	Due Within One Year
General Capital Fund				
Series Bonds Payable	\$ 27,553,000	\$ 3,540,000	\$ 24,013,000	\$ 3,665,000
Schools Bonds Payable	2,650,000	-	2,650,000	-
Intergovernmental Loans Payable	1,400,632	152,062	1,248,570	154,514
General Capital Fund Long-Term Liabilities	<u>\$ 31,603,632</u>	<u>\$ 3,692,062</u>	<u>\$ 27,911,570</u>	<u>\$ 3,819,514</u>
<u>2011</u>	Balance December 31, 2010	Retired	Balance, December 31, 2011	Due Within One Year
General Capital Fund				
Series Bonds Payable	\$ 30,078,000	\$ 2,525,000	\$ 27,553,000	\$ 3,540,000
Schools Bonds Payable	3,745,000	1,095,000	2,650,000	-
Intergovernmental Loans Payable	1,550,286	149,654	1,400,632	152,060
General Capital Fund Long-Term Liabilities	<u>\$ 35,373,286</u>	<u>\$ 3,769,654</u>	<u>\$ 31,603,632</u>	<u>\$ 3,692,060</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 HCIA Series 2006A and 2006B Lease Revenue Bonds, plus an administrative fee payable to the HCIA (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
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 4: MUNICIPAL 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 leasee, 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 Refunding 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>2012</u>	<u>2011</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%.	\$ 3,521,760	\$ 3,713,160
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%.	894,476	891,924
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%.	830,676	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%.	1,140,744	1,214,752
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>2,654,080</u>	<u>2,804,648</u>
	\$ <u>9,041,736</u>	\$ <u>9,455,160</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 4: MUNICIPAL DEBT (Continued)

Debt Guarantees (Continued)

Hudson County Improvement Authority DPW Garage Lease Revenue Bonds

On October 17, 2007, the Town adopted an ordinance in which the Town is guaranteeing an amount not to exceed \$8,000,000 in debt authorized by the Hudson County Improvement Authority ("HCIA") in connection with the project ("Project") known as West New York Garage Project. On June 30, 2009 the HCIA issued the DPW Garage Project Lease Revenue Bonds in the amount of \$8,000,000. A lease agreement was issued to the Town of West New York DPW Garage Project as the guarantor.

The Town's guarantee under the lease agreement is as follows:

	<u>2012</u>	<u>2011</u>
HCIA 2008 (taxable) DPW Garage Project Bonds issued on June 30, 2008 2008 for \$8,000,000, maturing annually from December 15, 2009 through June 15, 2023, bearing a variable interest rate. The interest rate is calculated at 4% above the Libor rate determined as of June 30 and December 30 preceding the respective interest payment dates of December 15 and June 15. Issues has a mandatory tender on June 15, 2013.	\$ <u>7,240,000</u>	\$ <u>7,480,000</u>

The calculated interest rate for the year ended December 31, 2012 ranged from 4.51% and 4.73%.

On May 15, 2013 the Town issued qualified general obligation bonds debt in the amount of \$6,725,000 and reserved funds necessary to pay the mandatory tender due on June 15, 2013.

West New York Parking Authority

On October 4, 2006, the Town adopted a guaranty ordinance #17/06, in which the Town is guaranteeing an amount not to exceed \$9,000,000 in Guaranteed Revenue Bonds for the construction of parking decks. On October 19, 2006, the Parking Authority of the Town of West New York issued \$9,000,000 in Parking Revenue Bonds, Series 2006. As the Guarantor, the Town's responsibility is limited to the extent of the amounts outstanding in the event of default.

The Town's guarantee under the loan agreement is as follows:

	<u>2012</u>	<u>2011</u>
Parking Revenue Bonds, Series 2006 issued on October 19, 2006 for \$9,000,000, maturing annually beginning July 1, 2008 through 2024. The Bonds maturing on July 1, 2030 and 2036 are subject to mandatory sinking fund redemptions on July 1 from 2025 through 2036. Interest is paid semi-annually at interest rates ranging from 3.5% to 5%.	\$ <u>8,090,000</u>	\$ <u>8,285,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 4: MUNICIPAL DEBT (Continued)

Debt Guarantees (Continued)

Hudson County Improvement Authority – Lease Financing Agreement

On June 15, 1997, the Town and the West New York Parking Authority (the “Authority”) entered into a lease financing agreement with the Hudson County Improvement Authority (HCIA). The Agreement is for the HCIA to provide \$6,400,000 of funding to be shared equally between the Town and the Authority; however, the Town has ultimate responsibility for all amounts due pursuant to the lease. The proceeds of the lease were received equally by the Town and Authority and both entities are responsible for their share of rental payments in connection with the lease.

The Town, as a participant in the Agreement, has received funding of \$4,200,000 from the HCIA for the renovations/rehabilitation of Bergenline Avenue from 48th Street through 68th Street, both east and west sides. In consideration for the funding received, the Town will lease the land to the HCIA and then in turn lease the entire completed improvements from the HCIA for a term to expire July 1, 2025.

Upon the satisfaction of certain criteria, which must include the approval of the Town of West New York, the Authority can elect to purchase the facility from the HCIA. Under the terms of the agreement, it is estimated that the exercise date of the purchase option would be July 1, 2025, the expiration date of the original lease term. The Authority will receive significant credit for the value of net minimum lease payments made to such date to be applied toward the option purchase price. As such, this agreement has been recorded as a capital lease obligation.

The Town is the lessee of the improvements thereto, referred to as the Renovation of Bergenline Avenue, under a capital lease that expires July 1, 2025. The assets and liabilities under capital lease are recorded at the present value of the minimum lease payments.

The capital lease obligation for the year ended December 31, 2012 was \$150,000.

Minimum future lease payments under the capital lease as of December 31, 2012 for each of the next five years and in the aggregate are:

Year Ending December 31,	
2013	\$ 286,750
2014	283,750
2015	285,500
2016	286,750
2017	287,500
2018-2022	1,431,250
2023-2024	<u>570,000</u>
Total minimum lease payments	3,431,500
Less: amount representing interest	<u>(896,500)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 2,535,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 4: MUNICIPAL DEBT (Continued)

Debt Guarantees (Continued)

Hudson County Improvement Authority – Lease Financing Agreement (Continued)

The initial interest rate on the capital lease was 5% and was based on the HCIA's borrowing rate at the inception of the lease. The future minimum lease payments set forth above assumes a 5% interest rate. However, as of the date of the Agreement, the interest rate payable on the outstanding principal is reset weekly by the Remarketing Agent for the HCIA Pooled Loan Program. The average estimated interest rate for the year ended December 31, 2012 was 2.0731%.

Short-Term Debt

The Town's short term capital debt activity for the year 2012 is as follows:

	Balance January 1, 2012	Increases	Reductions	Balance December 31, 2012
<u>2012</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 5,895,950	\$ 5,710,450	\$ 5,895,950	\$ 5,710,450
	<u>5,895,950</u>	<u>5,710,450</u>	<u>5,895,950</u>	<u>5,710,450</u>
	Balance January 1, 2011	Increases	Reductions	Balance December 31, 2011
<u>2011</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 2,399,950	\$ 5,895,950	\$ 2,399,950	\$ 5,895,950
	<u>2,399,950</u>	<u>5,895,950</u>	<u>2,399,950</u>	<u>5,895,950</u>

NOTE 5: FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the year ended December 31, 2012:

	Balance January 1, 2012	Additions	Retirements	Balance December 31, 2012
Land	\$ 2,095,513	\$ -	\$ -	\$ 2,095,513
Building and Building Improvements	2,408,050	-	-	2,408,050
Buillding Improvements	11,233,542	-	-	11,233,542
Machinery and Equipment	938,426	224,013	-	1,162,439
Vehicles	4,065,143	-	-	4,065,143
	<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
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 6: DUE TO/FROM OTHER FUNDS

As of December 31, 2012 interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
Current Fund	\$ 20,820	\$ 585,051
Federal and State Grant Fund	561,130	668,205
Animal Control Fund	5,713	2,385
Other Trust Fund	370,549	1,546
Community Development Block Grant Fund	-	484,045
General Capital Fund	934,799	151,779
	<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 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 are appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance December 31, 2012	Utilized in Subsequent Year's Budget
Current Fund		
Cash Surplus	\$ 9,418,656	\$ 7,280,000
Non-Cash Surplus	1,934,008	-
	<u>\$ 11,352,664</u>	<u>\$ 7,280,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

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

NOTE 9: COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Town, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, personal, sick leaves and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or be extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$8,518,047 at December 31, 2012. This amount which is considered material to the financial statements is not reported either as an expenditure or a liability.

NOTE 10: EMPLOYEE RETIREMENT SYSTEMS

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

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

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

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 10: EMPLOYEE RETIREMENT SYSTEMS (Continued)

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010 – provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Individuals eligible for membership in the DCRP include: State or Local Officials who are elected or appointed on or after July 1, 2007; employees enrolled in the Public Employees Retirement System (PERS) on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits; employees enrolled in the Police and Firemen’s Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits; employees otherwise eligible to enroll in the PERS on or after November 2, 2008, who do not earn the minimum annual salary for PERS Tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week for local government employees) but who earn salary of at least \$5,000 annually.

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

Other Pension Funds

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds and trust. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pension.

Prudential makes DCRP information, including information about distribution options, available on its New Jersey Defined Contribution Program Web site: www.prudential.com/njdcrp.

Basis of Accounting

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

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 10: EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This legislation's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increased from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; and PFRS active member rates increased from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 10: EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded system is 60.8 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.5 percent and \$11.6 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the revised July 1, 2011 actuarial valuations, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) a revised investment rate of return for all the retirement systems from 8.25 percent to 7.95 percent, and (b) revised projected salary increases which vary by fund.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.5% for PERS (plus an additional 1 percent phased-in over 7 years) and 10.0% for PFRS of employees' annual compensation.

Annual Pension Cost (APC)

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension costs equals contributions made.

During the years ended December 31, 2012, 2011 and 2010, the Town was required to contribute for normal cost pension contributions the following amounts which equaled the required contributions for each year:

Year Ended December 31,	PFRS	PERS	DCRP
2012	\$ 2,432,976	\$ 891,572	\$ 6,307
2011	3,008,579	1,018,528	-
2010	2,597,785	773,293	-

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 10: EMPLOYEE RETIREMENT SYSTEMS (Continued)

During the fiscal year ended June 30, 2009, the Town elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009 c.19. The deferred amount totaled \$1,423,117 and will be paid back with interest over 15 years beginning in the 2012 year. During 2012, the Town paid \$202,726 in principal and interest. The Town is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total liability including accrued interest (at 8.25%) at December 31, 2012 is \$1,602,470.

NOTE 11: POST-RETIREMENT MEDICAL BENEFITS

Plan Description

The Town provides a post-employment healthcare plan for its eligible retirees, spouses and dependents. The plan is a single-employer defined benefit healthcare plan administered by the Town. In accordance with Town ordinances, contracts and/or policies, the Town provides medical and prescription benefits to retirees and their covered eligible dependents. The Town pays the full cost for eligible retirees, spouses and dependents. All active employees who retire directly from the Town and meet the eligibility criteria may participate.

Funding Policy

The required contribution is funded on a pay-as-you-go basis. For the year 2012, the Town contributed \$4,063,337 to the plan reflecting implicit rate subsidies. The total of \$9,453,411.06 was for current premiums.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation to the plan.

Annual Required Contribution	\$ 11,175,597
Interest on Net OPEB Obligation	672,935
Adjustment to ARC (Amortized over 30 years)	<u>(918,056)</u>
Annual OPEB Cost (Expense)	10,930,476
Contributions Made	<u>(4,063,337)</u>
Increase in Net OPEB Obligation	6,867,139
Net OPEB Obligation - Beginning of Year	<u>14,954,113</u>
Net OPEB Obligation - End of Year	<u><u>\$ 21,821,252</u></u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 11: POST-RETIREMENT MEDICAL BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	10,930,476	37.17%	21,821,252
2011	9,800,190	34.59%	14,954,113
TY 2010*	4,265,614	49.93%	8,543,532

*Six month transition year ended December 31, 2010

Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$128,152,357 and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL of \$128,152,357).

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2012 actuarial valuation, the Projected Unit Credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return which is an estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that are being partially funded. The above discount rate is derived on the basis that the Plan would not be funded. The UAAL is being amortized as a level dollar amount over 30 years. The remained amortization period at December 31, 2012 was 26 years.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 12: RISK MANAGEMENT

Employee Group Health

The Town has established a group insurance benefit plan for its employees and their eligible dependents. The Town funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum benefit per person, per year of \$150,000 and a maximum lifetime benefit per person of \$1,850,000, with any excess benefit being reimbursed through a Re-Insurance Agreement with HM Life Insurance Company with a maximum reimbursement of \$1,000,000 per year per person. The reinsurance policy also contains an aggregate loss provision in the amount of \$12,215,210 for the year ended December 31, 2012. The Town has not created a liability for loss reserves for claims incurred which were unpaid at December 31, 2012. In addition, the Town has not created a liability for reserves for any potential unreported losses which have taken place but in which the Town has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined, but is presumed to be material. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the Town under existing reinsurance agreements.

Worker's Compensation

The Town has established a worker's compensation plan for its employees. Transactions related to the plan are accounted for in the Current Fund. The town funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum of \$150,000 for any one accident or occurrence, with any excess benefits up to \$1,000,000 per occurrence being reimbursed through an excess workers' compensation policy with the New Jersey Municipal Self Insurer's Joint Insurance Fund (NJMSIJIF). A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company may not be able to meet their obligations to the Town under existing reinsurance agreements.

General Liability

The town has established a general liability self-insurance plan. Transactions related to the plan are accounted for in the Current Fund. The Town funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum of \$100,000 for any one accident or occurrence, with any excess benefit being reimbursed through an excess liability police with NJMSIJIF. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company may not be able to meet their obligations to the Town under existing reinsurance agreements.

Other Insurance Coverage

The Town of West New York is a member of the Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance fund is an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Fund is a risk-sharing public entity pools. The MEL coverage amounts are on file with the Town.

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

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 12: RISK MANAGEMENT (Continued)

Other Insurance Coverage (Continued)

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

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

The Town has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Town is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Town is billed quarterly for amounts due to the State. The following is a summary of Town contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Town's unemployment compensation trust fund for the years ended December 31, 2012 and 2011:

<u>Period</u>		<u>Town Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Period Ending Balance</u>
2012	\$	350,000	\$ 33,864	\$ 285,635	\$ 192,321
2011		250,000	30,283	291,857	94,092
TY 2010*		10,000	10,922	106,870	105,666

*Six month transition year ended December 31, 2010

NOTE 13: CONTINGENT LIABILITIES

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

Pending Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2012. Amounts claimed have not yet been determined. The Town is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Town does not recognize a liability, if any, until these cases have been adjudicated. The Town does not expect such amounts, if any, to be material. As of December 31, 2012, the Town has reserved approximately \$600,000 in the Current Fund for tax appeals pending. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 13: CONTINGENT LIABILITIES (Continued)

Federal and State Awards

The Town participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. As of December 31, 2012, significant amounts of grant expenditure have not been audited by the various grantor agencies, but the Town believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

NOTE 14: FEDERAL ARBITRAGE REGULATIONS

The Town is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) requires that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2012, the Town has not estimated its arbitrage earnings, if any, due to the IRS.

NOTE 15: RELATED PARTY TRANSACTIONS

North Hudson Sewerage Authority

In October, 1996, the West New York Municipal Utilities Authority (WNYMUA) was acquired by the Hoboken – Union City – Weehawken Sewerage Authority (HUCWSA), and together, these entities were consolidated to create the North Hudson Sewerage Authority (NHSA). The acquisition was executed through the issuance and sale of \$104,945,000 Sewer Revenue Bonds, Series 1996, issued by the NHSA on October 15, 1996. Upon delivery of the bonds on October 31, 1996, the NHSA acquired all of the existing wastewater collection and treatment facilities of the Town and the WNYMUA. On February 16, 2000, the WNYMUA was officially dissolved pursuant to N.J.S. 40A:5A-20, through Town ordinance 25/99. By virtue of this ordinance, the Town assumed all remaining assets and liabilities of the now defunct WNYMUA.

In connection with the creation of the NHSA, a service agreement between the Town (together with the Hudson County municipalities of Hoboken, Union City and Weehawken) and the NHSA was executed. This agreement supersedes a previous agreement between the Town and the WNYMUA. The related obligation of the Town with respect to the current service agreement pertains to services charges and annual charges, as described below.

Service Charges

The NHSA will charge (to users of its system) service charges, pursuant to the service agreement, with respect to all sewerage treated or disposed of by the NHSA and for all use and services of its system, in accordance with the New Jersey Sewerage Authorities Law, ch. 138, L. 1946, and in a manner consistent with the submission relied upon by the United States Environmental Protection Agency (EPA) and the New Jersey Department of Environmental Protection (NJDEP) in issuing a federal grant or in such other manner that the EPA and the NJDEP approve. Such service charges shall be established at rates estimated to be sufficient to provide for all amounts necessary to pay or provide for the expense of operation and maintenance of the NHSA's system and the principal and interest on any and all bonds as they become due, to maintain the amounts required to be held on deposit in the sinking fund and the bond reserve fund and to comply in all respects with the terms of provisions of the general bond resolution adopted by the NUCWSA on April 24, 1989, as amended and the New Jersey Sewerage Authorities Law, provided,

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 15: RELATED PARTY TRANSACTIONS (Continued)

however, that the NHSA may charge service charges which are less than sufficient to comply with the requirements referred to above if each of the municipalities gives its written consent to such lesser service charges.

Annual Charges

Annual charges are based upon application of a formula which is explained in the next two paragraphs. If, but only if, the application of the formula yields a positive dollar amount for any fiscal year during which the service agreement is in effect, the Town shall be obligated to pay to the NHSA its allocable share of such positive dollar amount as an annual charge. Such annual charges shall be the excess, if any of the amount determined by the items in the first paragraph following less the amount determined by the items in the second paragraph following to determine the excess, if any.

The sum of all of the amounts reasonably expected by the NHSA to be expended in the fiscal year of the NHSA (1) to pay or provide for the expenses of construction, acquisition, operation and maintenance of its system, as well as administrative and other expenses of the NHSA related to its system prior to placing the system in operation, and the principal of and interest on all bonds as the same become due; (2) to maintain such reserves or sinking funds as may be required by the terms of the contract of the NHSA or any bond resolution, or as may be deemed necessary by the NHSA; and (3) to comply in all respects with the terms of the general bond resolution adopted by the HUCWSA on April 24, 1989, as amended, and the New Jersey Sewerage Authorities Law.

The sum of the following amounts to the extent available to be used to pay or provide for the amounts described in the preceding paragraph: (1) service charges collected by the NHSA; (2) the proceeds of bonds received by or for account of the NHSA with respect to its system; (3) the proceeds of insurance awards received by or for account of the NHSA with respect to its system; (4) contributions received by or for account of the NHSA with respect to its system and not under any circumstances repayable by the NHSA until after the payment in full of all other obligations of the NHSA including its bonds, original or refunding or both, or (5) any other fund on hand or available therefore.

Annual charges, if any, are assessed to and payable by the Town in the same percentage as the most recent determination by the NHSA of the allocation of the annual flow among the municipalities. The most recent determination by the NHSA of the allocation of the annual flow is as follows: (i) Hoboken 31%, (ii) Union City 35%, (iii) Weehawken 8%, and (iv) West New York 26%.

On or before January 1 of each fiscal year, the NHSA will make an estimate of the amount of the annual charges, if any, which will become payable by the Town for such fiscal year. On or before February 15 of each fiscal year, the Town will pay to the NHSA the amount of any annual charges not paid relating to any prior fiscal year. The Town will pay to the NHSA that part of the estimated amount of the annual charges for the current fiscal year in four equal installments on March 1, June 1, September 1, and November 1 of such fiscal year.

There was no annual charge due to the NHSA for the year ended December 31, 2012.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 16: JOINT GOVERNED ORGANIZATION

North Hudson Regional Fire and Rescue

The North Hudson Regional Fire and Rescue was created pursuant to the second Amended and Restated Consolidated Municipal Services Agreement (Agreement) for the Formation of a Joint Meeting Pursuant to N.J.S.A. 40:8B-1 et seq.

Background of the Agreement

On October 1, 1998, the Hudson County municipalities of North Bergen, Union County, Weehawken and West New York had formed the Agreement in order to form a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:8B-1 et seq. (the "Act"). The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire and Rescue (NHRFR), which is a public body, corporate and politic, constituting a political subdivision of the State of New Jersey, having all powers and authorities permitted by the Act. The purpose of the NHRFR is to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

The Town adopted the ordinance on September 30, 1998, authorizing the sale, lease transfer, conveyance or other disposition of an improvement of real and personal property to the NHRFR, pursuant to New Jersey Statutes.

On December 30, 1998, the Town of Guttenberg, duly adopted a resolution approving it to officially enter into the Agreement, and Guttenberg was admitted to participate in the NHRFR.

The terms of the Agreement expire September 30, 2023, but may be subject to earlier termination pursuant to the Act. The operations of the NHRFR commenced on January 1, 1999. The NHRFR is governed by a five member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality's admission to or withdrawal from the NHRFR requires four votes from the management committee.

This annual contribution is based on an allocation formula set for the original four participating municipalities and subsequent agreement with the Town of Guttenberg on the annual budgeted costs of North Hudson Regional Fire and Rescue. The Towns contribution was \$13,744,039 for the year 2012 including health insurance and debt service costs.

NOTE 17: SUBSEQUENT EVENTS

On May 15, 2013, the Town authorized and issued qualified obligation bonds to cover a mandatory tender of lease obligations due and to permanently finance bond anticipation notes authorized. The total amount of debt issued subsequent to the date of the financial statement was \$10,635,000.

SUPPLEMENTAL INFORMATION

CURRENT FUND

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF CASH

Exhibit A-4

	<u>REF</u>		
<u>Balance - January 1, 2012</u>	A		\$ 14,716,270
Increased By Receipts			
Non- Budget Revenue	A-2	\$ 877,432	
Senior Citizens and Veterans Deductions	A-25	59,250	
Taxes Receivable	A-8	58,773,515	
Tax Title Liens	A-9	63,288	
Revenue Accounts Receivable	A-11	31,561,755	
Prepaid Taxes	A-17	1,639	
Tax Overpayment	A-18	562,096	
Due From Federal and State Grant Fund	A-10	2,192,609	
Due From General Capital Fund	A-10	1,918,291	
Due From Other Trust Fund	A-10	236,526	
Receipts from Notes Issued	A-22	1,918,000	
Receipts from Tax Sale for Municipal Utility Authority	A-15	3,665,185	
		<hr/>	<hr/>
			101,829,586
			116,545,856
Decreased by Disbursements			
Budget Appropriations	A-3	62,826,585	
Appropriation Reserves	A-14	2,526,208	
Due To Federal and State Grant Fund	A-10	874,688	
Due To General Capital Fund	A-10	3,810,689	
Due To Other Trust Fund	A-10	120,497	
Due To CDBG Fund	A-10	115,424	
County and State Judgments Paid	A-23	957,086	
County Taxes Payable	A-19	12,479,678	
School Taxes Payable	A-20	14,369,214	
		<hr/>	<hr/>
			98,080,069
<u>Balance December 31, 2012</u>	A		\$ <u><u>18,465,787</u></u>

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF CASH - CHANGE FUND

	<u>REF</u>	Exhibit A-5
<u>Balance - January 1, 2012</u>	A	\$ <u>500</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>500</u></u> Below
Analysis of Balance		
Collector		\$ 100
Violations Clerk		<u>400</u>
		\$ <u><u>500</u></u> Above

SCHEDULE OF PREPAID DEBT SERVICE EXPENSE

	<u>REF</u>	Exhibit A-6
<u>Balance - January 1, 2012</u>	A	\$ 1,698,575
Increased By		
Qualified Debt Service Received	A-11	<u>1,685,325</u> 3,383,900
Decreased By		
Qualified Debt Service Paid on Behalf	A-3	<u>1,698,575</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>1,685,325</u></u>

SCHEDULE OF DUE FROM BOARD OF EDUCATION

	<u>REF</u>	Exhibit A-7
<u>Balance - January 1, 2012</u>	A	\$ <u>24,366</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>24,366</u></u>

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

[illegible]

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF TAX TITLE LIENS

Exhibit A-9

	<u>REF</u>		
<u>Balance - January 1, 2012</u>	<u>A</u>		\$ 278,822
Increased By			
Transferred from 2012 Taxes Receivable	A-8	\$ 146,409	
Interest and Costs		<u>6,398</u>	
			<u>152,807</u>
			431,629
Decreased By			
Cash Received	A-4		<u>63,288</u>
<u>Balance - December 31, 2012</u>	A		\$ <u><u>368,341</u></u>

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF INTERFUNDS

Exhibit A - 10

	REF	Federal and State Grant Fund	Animal Control Fund	Other Trust Fund	Trust- CDBG Fund	General Capital Fund
<u>Balance - January 1, 2012</u>						
Due From	A	\$ -	\$ -	\$ -	\$ -	\$ -
Due To	A	94,075	5,713	100,356	94,604	1,630,570
Increased By						
Budget Appropriation - Capital Improvement Fund	A-3					50,000
Cash Received	A-4	2,192,609	-	236,526	-	1,918,291
Cash Disbursed	A-3	-	-	-	-	265,197
		<u>2,192,609</u>	<u>-</u>	<u>236,526</u>	<u>-</u>	<u>2,233,488</u>
		2,286,684	5,713	336,882	94,604	3,864,058
Decreased By						
Cancellation of Grants	A-1	1,102,412	-	-	-	-
Cash Disbursed	A-4	874,688	-	120,497	115,424	3,810,689
		<u>1,977,100</u>	<u>-</u>	<u>120,497</u>	<u>115,424</u>	<u>3,810,689</u>
	A	-	-	-	20,820	-
<u>Balance - December 31, 2012</u>						
Due From						
Due To	A	\$ 309,584	\$ 5,713	\$ 216,385	\$ -	\$ 53,369

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF ACCOUNTS RECEIVABLE DUE FROM STATE AND OTHERS

Exhibit A-11

	<u>Balance January 1, 2012</u>	<u>Accrued in 2012</u>	<u>Decreases</u>	<u>Balance December 31, 2012</u>
Licenses				
Alcoholic Beverages	\$ -	\$ 112,572	\$ 112,572	\$ -
Other	-	147,068	147,068	-
Fees and Permits	-	62,241	62,241	-
Fines and Costs				
Municipal Court	133,571	2,084,095	2,005,245	212,421
Interest and Cost on Taxes	-	414,478	414,478	-
Interest on Investments and Deposits	-	13,833	13,833	-
Payment in Lieu of Taxes				
Overlook Terrace, Parkview and Housing Authority	-	69,379	69,379	-
Waterfront	-	17,367,287	17,367,287	-
Rental of Hudson Hall	-	112,500	112,500	-
Cable T.V. Franchise Fee	-	139,150	139,150	-
Pool Membership Fees	-	135,300	135,300	-
Consolidated Municipal Property Tax Relief Aid	-	2,513,394	2,513,394	-
Energy Receipts Tax	-	4,296,985	4,296,985	-
Uniform Construction Code Fees (N.J.S.A.40A:4-36)				
Uniform Construction Code Fees	-	1,302,596	1,302,596	-
Reimbursement for Health Services				
Weehawken	-	15,000	15,000	-
Guttenberg	-	15,000	15,000	-
Secaucus	-	20,000	20,000	-
EMS Service Fees	-	406,283	406,283	-
West New York Board of Education				
Reimbursement for Recreation Services	-	1,012,100	1,012,100	-
Reimbursement for Police Security	-	534,754	534,754	-
Reimbursement for Fuel	-	44,200	44,200	-
Uniform Fire Safety Act	-	30,000	30,000	-
Formula One Racing	-	1,000,000	1,000,000	-
Developers Contractual New Construction	-	600,000	600,000	-
Developer Reimbursement - Waterfront HCIA Bonds	-	540,202	540,202	-
UEZ Reserve	-	133,500	133,500	-
Reserve for Payment of Debt	-	204,013	204,013	-
	\$ <u>133,571</u>	\$ <u>33,325,930</u>	\$ <u>33,247,080</u>	\$ <u>212,421</u>
REF	A		Below	A
A-4		Cash Receipts	\$ 31,561,755	
A-6		Prepaid Debt Expense	<u>1,685,325</u>	
			\$ <u>33,247,080</u>	
			Above	

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DEFERRED CHARGES

	Exhibit A-12			
	Balance at January 1, 2012	Raised in 2012 Budget	Amount Resulting in 2012	Balance at December 31, 2012
Emergency Authorization (N.J.S.A. 40A:4-47)	\$ - \$	- \$	1,688,200 \$	1,688,200
Overexpenditure of Appropriations	218,474	159,857	-	58,617
Overexpenditure of Appropriation Reserves	33,823	33,823	-	-
Overexpenditure of Grant Appropriations	105,639	105,639	-	-
	<u>357,936 \$</u>	<u>299,319 \$</u>	<u>1,688,200 \$</u>	<u>1,746,817</u>
REF	<u><u>A</u></u>	<u><u>A-3</u></u>	<u><u>A-1</u></u>	<u><u>A</u></u>

**SCHEDULE OF DEFERRED CHARGES
N.J.S.A. 40A:4-55 SPECIAL EMERGENCY AUTHORIZATIONS**

Exhibit A-13

	Net Authorized Amount	1/5 of Net Amount Authorized	Balance at January 1, 2012	Authorized in 2012	Raised in 2012 Budget	Balance at December 31, 2012
Preparation of Tax Map	75,000	15,000	\$ 60,000	\$ -	15,000	\$ 45,000
Preparation of Master Plan	200,000	40,000	160,000	-	40,000	120,000
Super Storm Sandy	230,000	46,000	-	230,000	-	230,000
	<u>505,000</u>		<u>\$ 220,000</u>	<u>\$ 230,000</u>	<u>\$ 55,000</u>	<u>\$ 395,000</u>
			<u>A</u>	<u>A-1</u>	<u>A-3</u>	<u>A</u>
REF						

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES
SCHEDULE OF 2011 APPROPRIATION RESERVES**

	BALANCE JANUARY 1, 2012	BALANCE AFTER TRANSFER	EXPENDED	BALANCE LAPSED
OPERATIONS WITHIN "CAPS"				
Department of Public Affairs				
Director's Office				
Salaries and Wages	\$ 22,618	\$ 22,618	\$ -	22,618
Other Expenses	8,178	8,178	1,912	6,266
Town Clerk				
Salaries and Wages	5,664	5,664	2,524	3,140
Other Expenses				
Other Expenses - Miscellaneous	1,200	1,200	1,104	97
Other Expenses - Legal Advertising & Publications	5,370	5,370	1,778	3,592
Codification of Ordinances	18	18	-	18
Poormaster's Fund				
Other Expenses	900	900	-	900
Elections				
Other Expense	28,482	28,482	200	28,282
Board of Health				
Salaries and Wages	59,213	57,394	7,394	50,000
Other Expenses	1,713	2,372	-	2,372
Blood Born Pathogens	5,000	5,000	-	5,000
Prosecutor				
Other Expenses	36,263	36,263	14,613	21,650
Public Relations				
Other Expenses	35,335	35,335	10,907	24,428
Rent Control Board				
Salaries and Wages	26,118	2,312	2,312	-
Other Expenses	17,260	17,260	-	17,260
Housing Inspection				
Salaries and Wages	24,203	3,030	3,030	-
Other Expenses	1,000	1,000	225	775
Tenants Relations	-	-	-	-
Salaries and Wages	15,000	15,000	-	15,000
Other Expenses	1,000	1,000	-	1,000

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES
SCHEDULE OF 2011 APPROPRIATION RESERVES**

	BALANCE JANUARY 1, 2012	BALANCE AFTER TRANSFER	EXPENDED	BALANCE LAPSED
Department of Public Affairs (Continued)				
Law Department				
Salaries and Wages	\$ 19,950	\$ 19,950	\$ -	19,950
Other Expenses	120,168	100,218	90,860	9,358
Supervised Play Activity				
Salaries and Wages	14,665	4,481	4,481	-
Other Expenses	31,516	31,516	15,757	15,759
Senior Citizens Coordinator of Events				
Salaries and Wages	25,957	2,953	2,953	-
Other Expenses	7,121	7,121	5,096	2,025
Administrative Offices				
Salaries and Wages	54	54	-	54
Other Expenses	3,715	3,715	1,272	2,443
Personnel/Insurance Department				
Salaries and wages	18,435	1,305	1,305	-
Other Expenses	500	500	-	500
Zoning Board				
Other Expenses	23,041	23,041	285	22,756
Planning Board				
Salaries and Wages	1,235	1,235	1,235	-
Other Expenses	12,368	12,368	5,945	6,423
North Hudson Council of Mayors				
Other Expenses	19,550	19,550	19,550	-
North Hudson Council of Mayors Aides				
Task Force				
Town share	5,604	5,604	5,597	7
Urban Enterprise Zone				
Salaries and Wages	11,159	11,159	2,751	8,408
Other Expenses	4,366	4,366	-	4,366
Salaries and Wages	-	2,656	2,656	0

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES
SCHEDULE OF 2011 APPROPRIATION RESERVES**

	BALANCE JANUARY 1, 2012	BALANCE AFTER TRANSFER	EXPENDED	BALANCE LAPSED
Department of Revenue and Finance				
Director's Office				
Salaries and Wages	\$ 16,747	\$ 16,747	\$ -	16,747
Other Expenses	3,047	3,047	702	2,345
Treasurer's Office				
Salaries & Wages	48,527	48,527	7,913	40,614
Other Expenses				
Annual Audit	120,000	120,000	73,578	46,422
Miscellaneous	72,613	72,613	48,378	24,236
Payroll Service Fee	14,994	14,994	-	14,994
Assessment of Taxes				
Salaries and Wages	4,738	4,738	3,988	750
Other Expenses	21,682	21,682	8,381	13,301
Collection of Taxes				
Salaries and Wages	8,642	8,642	3,923	4,718
Other Expenses	11,173	11,173	6,671	4,502
Insurance				
Employee Group Health	1,899,868	1,899,868	997,236	902,632
Other Insurance - Unemployment	150,000	150,000	150,000	-
Other Insurance - Workers Comp	208,460	208,460	208,460	-
Health Waiver	42,000	42,000	-	42,000
Purchasing Agent				
Salaries and Wages	10,643	10,643	4,221	6,422
Other Expenses	3,379	3,379	2,708	671
Department of Public Safety				
Director's Office				
Salaries and Wages	-	4,716	4,716	-
Other Expenses	9,002	9,002	6,518	2,484
Police				
Salaries and Wages	6,826	8,314	3,162	5,152
Other Expenses	70,032	70,032	44,101	25,931
Juvenile Aid				
Other Expenses	2,725	2,725	150	2,575
Salaries and Wages	5,728	5,728	750	4,978
Other Expenses	-	285	285	-
Ambulance Squad				
Other Expenses	5,153	5,153	1,546	3,607
Office of Emergency Management				
Other Expenses	1,141	1,141	711	430

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES
SCHEDULE OF 2011 APPROPRIATION RESERVES**

	BALANCE JANUARY 1, 2012	BALANCE AFTER TRANSFER	EXPENDED	BALANCE LAPSED
Department of Public Works				
Director's Office				
Salaries and Wages	\$ 2,523	\$ 4,682	\$ 4,682	\$ -
Other Expenses	844	844	649	195
Streets and Sewers				
Salaries and Wages	54,766	54,766	36,477	18,288
Other Expenses	40,622	40,622	6,181	34,441
Street Lighting				
Other Expenses	72,372	119,059	62,203	56,856
Fire Hydrant rental				
Other Expenses	17,839	17,839	-	17,839
Recycling	-	-	-	-
Other Expenses	43,422	43,422	33,030	10,392
Garbage & Trash				
Salaries and Wages	108,105	108,105	5,159	102,946
Other Expenses	-	-	-	-
Miscellaneous Other Expenses	35,795	35,795	23,924	11,871
Contractual	169,609	205,134	205,134	-
Engineering Services and Costs	-	-	-	-
Other Expenses	87,746	90,035	2,289	87,746
Department of Parks and Public Property				
Director's Office				
Salaries and Wages	72,941	72,941	2,058	70,883
Other Expenses	3,032	3,032	2,863	169
Division of Parks				
Salaries and Wages	9,585	9,585	1,581	8,004
Other Expenses	5,819	7,555	2,433	5,122
Celebration of Public Events				
Other Expenses	14,485	14,485	3,364	11,121
Centralized Postage				
Other Expenses	15,916	15,916	1,541	14,374
Building Department				
Salaries and Wages	29,373	29,373	12,302	17,071
Other Expenses	99,497	99,497	66,995	32,503
Light & Power	-	-	-	-
Other Expenses	115,652	115,652	32,457	83,194

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES
SCHEDULE OF 2011 APPROPRIATION RESERVES**

	BALANCE JANUARY 1, 2012	BALANCE AFTER TRANSFER	EXPENDED	BALANCE LAPSED
Department of Parks and Public Property (Continued)				
Fuel	\$ 2,748	\$ 21,614	\$ 21,298	\$ 315
Other Expenses				
Telephone				
Other Expenses	69,315	69,315	19,641	49,674
Water				
Other Expenses	16,313	16,313	4,711	11,602
Sewerage	-	-		-
Other Expenses	39,197	39,197	17,822	21,375
Signal Bureau				
Other Expenses	3,853	3,853	933	2,920
Uniform Construction Code - Appropriations				
Offset By Dedicated Revenues (N.J.A.C. 5:23-4:17)				
Construction Code Department				
Salaries and Wages	25,907	25,907	8,215	17,692
Other Expenses	9,995	9,995	3,135	6,859
Unclassified				
Municipal Court				
Salaries and Wages	116,145	116,145	17,195	98,950
Other Expenses	60,264	60,264	4,264	56,000
Public Defender				
Salaries and Wages	10,000	10,000	-	10,000
Other Expenses	7,331	7,331	975	6,356
Maintenance of Free Public Library	20,926	20,926	7,647	13,279
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"				
STATUTORY EXPENDITURES				
Contribution to :				
Social Security System (O.A.S.I.)	77,424	77,424	13,098	64,326

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES
SCHEDULE OF 2011 APPROPRIATION RESERVES**

	BALANCE JANUARY 1, 2012	BALANCE AFTER TRANSFER	EXPENDED	BALANCE LAPSED
Interlocal Municipal Service Agreements				
NHRFR	\$ 91,595	\$ 91,595	\$ 91,595	\$ -
Reimbursement for Health Services - Ch. 226 Non				
Other Expenses	51,000	51,000	26,518	24,482
TOTAL GENERAL APPROPRIATIONS	\$ 4,953,009	\$ 4,953,009	\$ 2,526,208	\$ 2,426,801
			A-4	A-1
Ref.	Ref.			
Appropriation Reserves	A	\$ 4,542,045		
Encumbrances	A	410,964		
		\$ 4,953,009		

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF ACCOUNTS PAYABLE

Exhibit A-15

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	A	\$ -
Increased By		
Payable to Municipal Utilities Authority	A-4	<u>3,665,185</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>3,665,185</u></u>

SCHEDULE OF ENCUMBRANCES PAYABLE

Exhibit A-16

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	A	\$ 410,964
Increased by		
Charges to 2012 Appropriations	A-3	<u>224,513</u> 635,477
Decreased By		
Cash Disbursements	A-14	<u>410,964</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>224,513</u></u>

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF PREPAID TAXES

	<u>REF</u>	Exhibit A-17
<u>Balance - January 1, 2012</u>	A	\$ 65,125
Increased by		
Cash received - Calendar Year 2012 Taxes	A-4	<u>1,639</u>
		66,764
Decreased By		
Applied to 2012 Taxes	A-8	<u>65,125</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>1,639</u></u>

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF</u>	Exhibit A-18
<u>Balance - January 1, 2012</u>	A	\$ 781,794
Increased by		
Cash received	A-4	<u>562,096</u>
		1,343,890
Decreased By		
Overpayments transferred to surplus	A-1	<u>698,028</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>645,862</u></u>

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF COUNTY TAXES PAYABLE

Exhibit A-19

	<u>REF</u>		
<u>Balance - January 1, 2012</u>	A	\$	34,001
Increased by			
2012 Levy			
General County Tax (Abstract)	A-1, A-8	\$	12,200,639
County Open Space Preservation	A-1, A-8		<u>245,038</u>
	A-2		<u>12,445,677</u>
			12,479,678
Decreased By			
Cash Disbursed	A-4		<u>12,479,678</u>
<u>Balance - December 31, 2012</u>	A	\$	<u><u>-</u></u>

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES

Exhibit A-20

	<u>REF</u>		
<u>Balance - January 1, 2012</u>		\$	-
Increased by			
2012 Levy	A-1, A-2, A-8		<u>14,369,214</u>
			14,369,214
Decreased By			
Cash Disbursed	A-4		<u>14,369,214</u>
<u>Balance - December 31, 2012</u>		\$	<u><u>-</u></u>

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE MISCELLANEOUS RESERVES

Exhibit A-21

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	A	\$ <u>29,897</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>29,897</u></u>

SCHEDULE OF EMERGENCY NOTES PAYABLE

Exhibit A-22

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	A	\$ -
Increased By		
Notes Issued	A-4	<u>1,918,000</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>1,918,000</u></u>

SCHEDULE OF RESERVE FOR PILOT AND TAX APPEALS

Exhibit A-23

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	A	\$ 1,558,816
Decreased By:		
County and State Board Judgments Paid	A-4	<u>957,086</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>601,730</u></u>

**TOWN OF WEST NEW YORK
CURRENT FUND
SUPPLEMENTAL SCHEDULES**

RESERVE FOR MASTER TAX PLAN

Exhibit A-24

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	A	\$ <u>275,000</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>275,000</u></u>

DUE TO STATE - SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Exhibit A-25

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	A	\$ 54,505
Decreased By		
Cash received from State	A-4	<u>59,250</u>
		113,755
Increased By		
Senior and Veterans Deductions Per Tax Duplicate	A-8	<u>59,750</u>
<u>Balance - December 31, 2012</u>	A	\$ <u><u>54,005</u></u>

**TOWN OF WEST NEW YORK
FEDERAL AND STATE GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF CASH

Exhibit A-26

	<u>REF</u>		
<u>Balance - January 1, 2012</u>	A		\$ 4,350,305
Increased by			
Cash Receipts - Grants Receivable	A-27	\$ 388,983	
Unappropriated Grant Reserves	A-31	16,065	
Cash Receipts for Trust Fund Reserves	A-28	<u>1,900</u>	
			<u>406,948</u>
			4,757,253
Decreased By			
Appropriated Grant Reserves	A-30	322,500	
Interfunds paid - Trust Fund	A-33	1,231,937	
Interfunds paid - Current Fund	A-28	<u>2,184,380</u>	
			<u>3,738,817</u>
<u>Balance - December 31, 2012</u>	A		\$ <u><u>1,018,436</u></u>

**TOWN OF WEST NEW YORK
FEDERAL AND STATE GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF GRANTS RECEIVABLE

Exhibit A-27
Page 1 of 3

	BALANCE JANUARY 1, 2012	2012 BUDGET	RECEIVED	FROM UNAPPROP- RIATED RESERVES	CANCELLED	BALANCE DECEMBER 31, 2012
NJ Department of Commerce						
Direct Aid	\$					
Zone Marketing Plan - Phase V	12,412	-	-	-	12,412	\$ -
Bergenline Ave Façade Program - 1	71,798	-	-	-	71,798	-
Bergenline Ave Installment Loan - Year 9	3,742	-	-	-	3,742	-
Litter Clean Up Phase 1 & Graffiti Truck	8,406	-	-	-	8,406	-
General Maintenance - Phase 3	123,900	-	-	-	123,900	-
Zone Marketing and Professional Services	60,019	-	-	-	60,019	-
Bergenline Ave Installment Loan - Year 10	6,459	-	-	-	6,459	-
Administration - FY09	52,295	-	-	-	52,295	-
Bergenline Ave Installment Loan - Year 10	53,628	-	-	-	-	53,628
Administration - FY10	35,101	-	-	-	35,101	-
Litter Clean Up Phase 2 & Graffiti Truck	1,416	-	-	-	-	1,416
Reserve for UEZ Litter Clean Up	-	70,785	-	70,785	-	-
Reserve for UEZ Administration	-	81,301	-	81,301	-	-
Reserve for Recycling Tonnage	-	40,394	-	40,394	-	-
Reserve for Justice Assistance Grant	-	16,699	-	16,699	-	-
NJ Dept. of Law and Public Safety						
Direct Aid						
Safe and Secure Communities	-	60,000	-	60,000	-	-
Pedestrian Safety Grant	12,530	-	-	-	12,530	-
NJ Department of Environmental Protection						
Direct Aid						
Clean Communities Program	-	53,265	-	53,265	-	-
2008 Green Communities Grant Phase II	3,000	-	-	-	3,000	-
Clear Communities 2012	-	52,473	52,473	-	-	-
Recycling Tonnage 2010	-	60,546	60,546	-	-	-
Green Acres Trust Fund:						
Miller Stadium - Phase II	500,000	-	-	-	-	500,000

**TOWN OF WEST NEW YORK
FEDERAL AND STATE GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF GRANTS RECEIVABLE

Exhibit A-27
Page 2 of 3

	BALANCE JANUARY 1, 2012	2012 BUDGET	RECEIVED	FROM UNAPPROP- RIATED RESERVES	CANCELLED	BALANCE DECEMBER 31, 2012
NJ Department of Community Affairs						
Direct Aid						
Livable Communities:						
Capital Improvements/Refurbish Hudson Hall	\$ 157,266	-	-	-	157,266	-
Historic Buildings Aid Hudson Hall Elevator	5	-	-	-	5	-
ADA Compliance Town Hall Elevator	348	-	-	-	348	-
2010 Body Armor Grant	-	9,788	-	9,788	-	-
2011 Body Armor Grant	-	9,344	9,344	-	-	-
Passed-Through Hudson County Department of Finance and Administration						
NJ Council on the Arts Block Grant	710	-	-	-	710	-
NJ Department of Health and Senior Services						
Direct Aid						
2010 Health Services Grant	195,994	-	-	-	195,994	-
Pandemic Flu Preparedness	3,541	-	-	-	3,541	-
NJ Administrative Office of the Courts						
Direct Aid						
Alcohol Education and Rehabilitation	-	701	-	701	-	-
NJ Department of Transportation (NJTTFAA)						
Direct Aid						
65th Street	20,983	-	-	-	20,983	-
Livable Communities - Bergenline/49th Street	7,529	-	-	-	7,529	-
Municipal Aid 2003 - Bergenline Avenue	10,978	-	-	-	10,978	-
Discretionary Aid - Bergenline Avenue Section 2	309,698	-	-	-	309,698	-
FY05 Municipal Aid Program:						
Various Streets	62,707	-	-	-	62,707	-
Improvements to Broadway	377,156	-	-	-	377,156	-

**TOWN OF WEST NEW YORK
FEDERAL AND STATE GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF GRANTS RECEIVABLE

Exhibit A-27
Page 3 of 3

	BALANCE JANUARY 1, 2012	2012 BUDGET	RECEIVED	FROM UNAPPROP- RIATED RESERVES	CANCELLED	BALANCE DECEMBER 31, 2012
NJ Department of Transportation (NJTTFAA)(Cont)						
FY10 Road Resurfacing Program	\$ 119,365	-	-	-		119,365
DOT 10 Municipal Aid Program	323,438	-	-	-	323,438	-
NJ DOT Safe Routes	-	286,375	-	-	-	286,375
NJ DOT Various Streets 9/12	-	280,800	216,619	-	-	64,181
Hudson County Dept. of Finance and Administration						
Municipal Alliance	-	67,864	-	67,864	-	-
2011 Recreation Grant	4,400	-	-	-	-	4,400
U.S. Department of Agriculture						
Direct Aid						
2009 Summer Food Program	-	66,900	-	66,900	-	-
2012 Summer Food Program	-	26,538	26,538	-	-	-
U.S. Department of Justice						
Direct Aid						
Juvenile Accountability Incentive Block Grant	11,498	-	-	-	11,498	-
Cops in Shops 2011	-	8,236	-	-	-	8,236
Cops in Shops 2012	-	6,825	-	-	540	6,285
Passed through Hudson County Prosecutor's Office						
Justice Assistance Grant 2009 - ARRA	3,584	-	-	-	3,584	-
Justice Assistance Grant 2011	-	23,463	23,463	-	-	-
Justice Assistance Grant 2012	-	18,379	-	-	-	-
	\$ 2,553,906	\$ 1,240,676	\$ 388,983	\$ 467,697	\$ 1,875,637	\$ 1,062,265
	A	A-3	A-26	A-31	A-28	A

**TOWN OF WEST NEW YORK
FEDERAL AND STATE GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DUE FROM CURRENT FUND

Exhibit A-28

	<u>REF</u>		
<u>Balance - January 1, 2012</u>	A	\$	94,075
Increased By			
Unappropriated grants received by Current Fund	A-31	\$	8,228
Cash paid to Current Fund	A-26		<u>2,184,380</u>
			<u>2,192,608</u>
			2,286,683
Decreased By			
Paid by Current Fund	A-30		721,241
Cancellation of grants by resolution	A-27		(1,875,637)
Cancellation of grants by resolution	A-30		2,931,695
Cancellation of grants by resolution	A-31		46,354
Due To Trust Fund	A-33		1,546
Due to CDBG	A-29		150,000
Interfunds Paid	A-26		<u>1,900</u>
			<u>1,977,099</u>
<u>Balance - December 31, 2011</u>	A	\$	<u><u>309,584</u></u>

SCHEDULE OF DUE FROM COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Exhibit A-29

	<u>REF</u>		
<u>Balance - January 1, 2012</u>	A	\$	100,000
Increased By			
Interfunds Advanced	A-28		<u>150,000</u>
<u>Balance - December 31, 2012</u>	A	\$	<u><u>250,000</u></u>

**TOWN OF WEST NEW YORK
FEDERAL AND STATE GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF APPROPRIATED GRANT RESERVES

**Exhibit A-30
Page 1 of 2**

	BALANCE JANUARY 1, 2012	2012 BUDGET	EXPENDED	CANCELLED/ ADJUSTMENTS	BALANCE DECEMBER 31, 2012
NJ DOT - 65th Street	\$ 86,737	\$ -	\$ -	\$ (86,737)	\$ -
Green Acres Trust Fund					
Miller Stadium Phase II	168,848	-	-	-	168,848
New Jersey Department of Transportation					
56th Highland and Monitor Place	51,787	-	-	(51,787)	-
State of New Jersey Special Legislative Grant					
66th Street Stairs	348	-	-	(348)	-
2003 Livable Communities	2,774	-	-	(2,774)	-
NJ DOT Park Ave. Resurfacing	197,388	-	-	(197,388)	-
NJ DOT Bergenline Avenue	85,583	-	-	(85,583)	-
2003 Livable Communities - Bergenline Ave	150,000	-	-	(150,000)	-
Street Paving Grant	6,370	-	6,370	-	-
NJ DOT - Bergenline Avenue - 04	75,873	-	-	(75,873)	-
NJ Department of Transportation	19,470	-	-	(19,470)	-
NJ Transportation Fund - Municipal Aid	287,171	-	-	(287,171)	-
NJDCA Livable Communities - Elevator Improvements	5	-	-	(5)	-
NJ UEZ Façade Program - FY 07	81,161	-	-	(81,161)	-
Juvenile Accountability Incentive Block Grant	11,498	-	-	(11,498)	-
NJ DEP - Livable Cities - Hudson Hall Renovations	157,266	-	-	(157,266)	-
Port Authority of NY and NJ - Parking Garage	1,000,000	-	-	-	1,000,000
Pedestrian Safety Grant	2,000	-	-	(2,000)	-
UEZ Fees - Bergenline Renovation	5,867	-	2,284	-	3,583
Community Foundation of NJ - Donnelly & Veterans' Park	13,083	-	-	(13,083)	-
NJ UEZ - Litter Clean-Up Equipment	75,010	-	-	(75,010)	-
NJ UEZ - General Maintenance - Phase 3	147,219	-	-	(147,219)	-
NJ UEZ - Zone Marketing and Professional Services	103,657	-	-	(103,657)	-
NJ UEZ - Bergenline Ave Installment Loan - YR 10	11,686	-	-	(11,686)	-
NJ UEZ - Administration - FY 08	63,163	-	-	(63,163)	-
NJ UEZ - Administration - FY 09	145,998	-	-	(145,998)	-
2009 Clean Communities	1,242	-	-	(1,242)	-
2012 Clean Communities	-	52,473	52,473	-	-
2006 Recycling Tonnage	82	40,394	40,394	(82)	-
2010 Recycling Tonnage	-	60,546	60,546	-	-
2008 Green Communities Grant Phase II	3,000	-	-	(3,000)	-
Community of Hudson Alliance Committee					
Local Share	655	-	-	-	655
NJ Council on the Arts Grant	7,639	-	-	(7,639)	-
2008 Alcohol Education and Rehabilitation	1,499	-	1,499	-	-
2009 Alcohol Education and Rehabilitation	933	-	933	-	-
Pandemic Flu Preparedness	6,465	-	-	(6,465)	-
Community Partnership - NJ Dept. of Law and Public Safety	775	-	-	(775)	-
UEZ Administration - FY 10	125,311	-	-	(125,311)	-
UEZ Litter Clean Up Phase II & Garbage Truck	181,165	-	-	-	181,165
UEZ Rehiring Police Officers - Year 11	276,800	-	276,800	-	-
Safe and Secure Communities	54,376	-	-	(54,376)	-
Justice Assistance Grant 09 - American Recovery Act	17,374	-	-	(17,374)	-
2010 Clean Communities Grant	29,465	-	-	(29,465)	-
2010 State Health Services Grant	195,994	-	-	(195,994)	-
Reserve for DOT Road Resurfacing Program	221,250	-	-	(221,250)	-
DOT 2010 Municipal Aid Program for Various Streets	428,949	-	428,949	-	-
2009 Summer Food Program	72,797	66,900	139,697	-	-
2012 Summer Food Program	-	26,538	26,538	-	-
NJ DOT Safe Routes	-	286,375	209,578	-	76,797
Drunk Driving Enforcement Fund	17,682	-	17,682	-	-

**TOWN OF WEST NEW YORK
FEDERAL AND STATE GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF APPROPRIATED GRANT RESERVES

Exhibit A-30
Page 2 of 2

	BALANCE JANUARY 1, 2012	2012 BUDGET	EXPENDED	CANCELLED/ ADJUSTMENTS	BALANCE DECEMBER 31, 2012
2010 Energy Efficiency Community Block Grant	\$ 182,800	\$ -	\$ -	\$ -	\$ 182,800
2010 Body Armor Grant	-	9,788	-	-	9,788
2011 Body Armor Grant	-	9,344	-	-	9,344
Hudson County - Municipal Alliance	-	67,864	55,090	-	12,774
Hudson County - Justice Assistance Grant 2011	-	23,463	23,463	-	-
Hudson County - Justice Assistance Grant 2012	-	18,379	-	-	18,379
UEZ - Rehiring Police Officers - Year 11	69,200	-	-	(69,200)	-
Clean Communities Program	50,475	53,265	53,265	(50,475)	-
Safe and Secure Communities	58,067	60,000	60,000	(58,067)	-
Cops in Shops 2011	-	8,236	8,236	-	-
Cops in Shops 2012	-	6,825	6,285	(540)	-
Alcohol Education and Rehabilitation	1,906	-	1,906	-	-
DOT 2010 Municipal Aid Program for Various Streets	152,778	-	-	(152,778)	-
2011 Recreation Grant - Hudson County	4,400	-	-	-	4,400
Reserve for UEZ Administration	-	81,301	-	(81,301)	-
Reserve for Alcohol Education and Rehab Fund	-	701	701	-	-
Reserve for UEZ Litter Clean Up	-	70,785	-	(70,785)	-
Reserve for Justice Assistance Grant	-	16,699	-	(16,699)	-
NJ DOT Various Streets	-	280,800	-	-	280,800
	\$ 5,113,041	\$ 1,240,676	\$ 1,472,689	\$ (2,931,695)	\$ 1,949,333
REF	A	A-3		A-28	A

	REF	
Cash Disbursed	A-26	\$ 322,500
Paid by Current Fund	A-28	721,240
Adjustment by Capital Fund	A-32	428,949
		<u>\$ 1,472,689</u>

**TOWN OF WEST NEW YORK
FEDERAL AND STATE GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF UNAPPROPRIATED GRANT RESERVES

	BALANCE JANUARY 1, 2012	RECEIVED	BUDGET APPROP- RIATIONS	CANCELLED	BALANCE DECEMBER 31, 2012
					Exhibit A-31
Clean Communities Program	\$ 53,265	\$ -	\$ 53,265	\$ -	-
Safe and Secure Communities	60,000	-	60,000	-	-
Alcohol Education and Rehabilitation	701	1,565	701	-	1,565
UEZ - Litter Clean up Phase III	70,785	-	70,785	-	-
2011 Body Armor Grant	9,788	-	9,788	-	-
Hudson County - Municipal Alliance	67,864	-	67,864	-	-
UEZ - Administration	81,302	-	81,302	-	-
Recycling Tonnage - 2008	23,819	-	23,819	-	-
Recycling Tonnage - 2009	16,575	-	16,575	-	-
Justice Assistance Grant 09 - Annual	16,699	-	16,699	-	-
Summer Food Program - 2011	66,900	-	66,900	-	-
HRSA Treas 303 Grant	42,794	-	-	42,794	-
Hudson County - Purchase and Refurbish	2,300	-	-	2,300	-
DOJ Trans 210 Misc Pay	1,260	-	-	1,260	-
Body Armor Grant	-	14,500	-	-	14,500
Drunk Driving Enforcement Fund	-	8,228	-	-	8,228
	<u>\$ 514,052</u>	<u>\$ 24,293</u>	<u>\$ 467,698</u>	<u>\$ 46,354</u>	<u>\$ 24,293</u>
	<u>A</u>	<u>Below</u>	<u>A-27</u>	<u>A-28</u>	<u>A</u>
REF					

REF	
A-26	\$ 16,065
A-28	8,228
	<u>\$ 24,293</u>
	<u>Above</u>

Cash Received
Received in Current Fund

**TOWN OF WEST NEW YORK
FEDERAL AND STATE GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DUE TO GENERAL CAPITAL FUND

Exhibit A-32

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	A	\$ 239,256
Increased by :		
Adjusting entry		<u>428,949</u>
<u>Balance - December 31, 2012</u>	A	<u><u>\$ 668,205</u></u>

SCHEDULE OF DUE TO/(FROM) TRUST FUND

Exhibit A-33

	<u>REF</u>	
<u>Balance - January 1, 2012 - Due To</u>	A	\$ 1,231,937
Decreased By		
Due to Current Fund	A-28	\$ 1,546
Cash disbursed	A-26	<u>1,231,937</u>
		<u>1,233,483</u>
<u>Balance - December 31, 2012 - Due From</u>	A	<u><u>\$ (1,546)</u></u>

SUPPLEMENTAL INFORMATION

TRUST FUND

**TOWN OF WEST NEW YORK
TRUST FUND
SCHEDULE OF TRUST CASH**

Exhibit B-1

	REF	TRUST DOG LICENSE FUND	TRUST COMMUNITY DEVELOPMENT BLOCK GRANT FUND	TRUST OTHER FUND
<u>Balance - January 1, 2012</u>	B	\$ -	\$ 5,396	\$ 2,946,925
<u>Increased by Cash Receipts</u>				
Various Reserves and Deposits	B-12	-	-	2,403,951
Payroll Deductions	B-13	-	-	9,800,282
Accrued Salaries and Wages	B-14	-	-	15,655,207
Community Development Block Grant	B-19	-	438,143	-
Dog License Fees Remitted	B-3	3,306	-	-
Due to Animal Control Fund	B-9	-	-	3,306
Due from Lienholders	B-15	-	-	4,566,400
Due to Federal and State Grant Fund	B-10, B-22	-	150,000	1,231,937
Due from Current Fund	B-7	-	-	117,623
Interest Earned	B-7, B-21	-	1	2,874
Total Receipts		<u>3,306</u>	<u>588,144</u>	<u>33,781,580</u>
Total Receipts and Beginning Balance		<u>3,306</u>	<u>593,540</u>	<u>36,728,505</u>
<u>Decreased by Cash Disbursements</u>				
Community Development Block Grant	B-20	-	162,865	-
Various Reserves and Deposits	B-12	-	-	3,320,138
Unemployment Claims Paid	B-16	-	-	195,425
Payroll Deductions	B-13	-	-	9,807,265
Accrued Salaries and Wages	B-14	-	-	15,655,207
Due from Animal Control	B-4	3,306	-	-
Due from Third Party Lienholders	B-15	-	-	3,102,848
Total Disbursements		<u>3,306</u>	<u>162,865</u>	<u>32,080,883</u>
<u>Balance - December 31, 2012</u>	B	\$ <u>-</u>	\$ <u>430,675</u>	\$ <u>4,647,622</u>

**TOWN OF WEST NEW YORK
TRUST FUND
ANIMAL CONTROL FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DUE FROM CURRENT FUND

Exhibit B-2

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	B	\$ <u>5,713</u>
<u>Balance - December 31, 2012</u>	B	\$ <u><u>5,713</u></u>

SCHEDULE OF DUE FROM DOG LICENSE OFFICIAL

Exhibit B-3

	<u>REF</u>	
<u>Balance - January 1, 2012</u>		\$ -
Increased By		
Dues to State of New Jersey	B-5	\$ 1,153
Dog License Fees Collected	B-1	<u>3,306</u>
		<u>4,459</u>
		4,459
Decreased By		
Paid to State of New Jersey	B-5	1,153
Cash Received	B-6	<u>3,306</u>
		<u>4,459</u>
		4,459
<u>Balance - December 31, 2011</u>		\$ <u><u>-</u></u>

SCHEDULE OF RESERVE FOR EXPENDITURES

Exhibit B-4

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	B	\$ -
Increased By		
Current Year Fees Collected	B-1	<u>3,306</u>
<u>Balance - December 31, 2012</u>	B	\$ <u><u>3,306</u></u>

**TOWN OF WEST NEW YORK
TRUST FUND
ANIMAL CONTROL FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Exhibit B-5

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	B	\$ 22
Increased By		
State Fees Collected	B-3	1,153
		<u>1,175</u>
Decreased By		
Payments to State	B-3	1,153
		<u>1,153</u>
<u>Balance - December 31, 2012</u>	B	\$ <u><u>22</u></u>

SCHEDULE OF DUE TO TRUST OTHER FUND

Exhibit B-6

	<u>REF</u>	
<u>Balance - January 1, 2012 (Due To)</u>	B	\$ 5,691
Decreased By		
Cash paid by Other Trust Fund	B-3	3,306
		<u>3,306</u>
<u>Balance - December 31, 2012 (Due To)</u>	B	\$ <u><u>2,385</u></u>

**TOWN OF WEST NEW YORK
TRUST FUND
TRUST OTHER
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DUE FROM CURRENT FUND

Exhibit B-7

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	B	\$ 100,356
Increased By		
Other Trust Revenue Received by Current Fund	B-12	236,526
		<u>336,882</u>
Decreased By		
Interest Earned	B-1	\$ 2,874
Cash Received from Current Fund	B-1	<u>117,623</u>
		<u>120,497</u>
<u>Balance - December 31, 2012</u>	B	<u>\$ 216,385</u>

SCHEDULE OF DUE FROM GENERAL CAPITAL FUND

Exhibit B-8

	<u>REF</u>	
<u>Balance- January 1, 2012</u>	B	\$ <u>151,779</u>
<u>Balance - December 31, 2012</u>	B	<u>\$ 151,779</u>

SCHEDULE OF DUE FROM ANIMAL CONTROL FUND

Exhibit B-9

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	B	\$ 5,691
Decreased By		
Cash paid to Other Trust Fund	B-1	<u>3,306</u>
<u>Balance - December 31, 2012</u>	B	<u>\$ 2,385</u>

**TOWN OF WEST NEW YORK
TRUST FUND
TRUST OTHER
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DUE TO (FROM) FEDERAL AND STATE GRANT FUND

Exhibit B-10

	<u>REF</u>		
<u>Balance - January 1, 2012 - Due From</u>	B	\$	(1,231,937)
Decreased By			
Received from UEZ	B-12	\$	1,546
Received from the Federal and State Grant Fund	B-1		<u>1,231,937</u>
			<u>1,233,483</u>
<u>Balance - December 31, 2012 - Due To</u>	B	\$	<u>1,546</u>

SCHEDULE OF DUE FROM STATE OF NEW JERSEY

Exhibit B-11

	<u>REF</u>		
<u>Balance - January 1, 2012</u>	B	\$	<u>50,840</u>
<u>Balance - December 31, 2012</u>	B	\$	<u>50,840</u>

**TOWN OF WEST NEW YORK
TRUST FUND
TRUST OTHER
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF TRUST FUND RESERVES AND DEPOSITS

Exhibit B-12

	Balance January 1, 2012		Increases		Decreases		Balance December 31, 2012
Affordable Housing	\$ 28,244	\$	-	\$	-	\$	28,244
Zoning Board Escrow Fees	150,809		86,009		108,072		128,746
Planning Board Escrow Fees	403		109,025		108,149		1,279
Unemployment Reserve	135,013		383,786		326,478		192,321
Health/Liability Insurance Reserve	1,092,773		1,890,505		1,734,727		1,248,551
Confiscated Money	255		-		-		255
Neighborhood Preservation Program	456		-		-		456
Parking Offenses Adjudication Act	74,024		48,643		33,415		89,252
Special Law Enforcement	17,395		15,544		5,500		27,439
Fire Safety Reserve	130,409		23,176		120,802		32,783
Unclaimed Bail Reserve	16,803		-		-		16,803
Christopher Columbus - Commemorative Drive	985		-		-		985
Performance Bond Deposits	11,710		-		-		11,710
Waterfront Developers Reserve Fund	15,830		-		-		15,830
Premium on Tax Sale	1,240,755		-		783,541		457,214
Elections	17,000		-		-		17,000
Public Defender	20,372		5,375		10,800		14,947
Bid Deposits Payable	15,645		-		-		15,645
Recreation Reserve	6,893		3,163		-		10,056
Police Vehicle Lease Fund	20,773		-		-		20,773
Elevator Inspections	16,199		43,503		28,693		31,009
UEZ Assistance Fund	1,231,937		1,900		157,046		1,076,791
Reserve for Police	-		23,756		21,808		1,948
Filming Deposits	-		3,000		1,000		2,000
Federal Law Enforcement	-		3,092		-		3,092
	<u>\$ 4,244,683</u>	\$	<u>2,640,477</u>	\$	<u>3,440,031</u>	\$	<u>3,445,129</u>
REF	B		Below		Below		B

	<u>REF</u>				
Cash Receipts	B-1	\$	2,403,951	\$	-
Cash Disbursed	B-1		-		3,320,138
Unemployment Claims Payable	B-16		-		118,347
Due to/from Current Fund	B-7		236,526		-
Due to/from Federal and State Grant Fund	B-10		<u>-</u>		<u>1,546</u>
		\$	<u>2,640,477</u>	\$	<u>3,440,031</u>
			Above		Above

**TOWN OF WEST NEW YORK
TRUST FUND
TRUST OTHER
SUPPLEMENTAL SCHEDULES**

**SCHEDULE OF RESERVE FOR
PAYROLL DEDUCTIONS PAYABLE**

Exhibit B-13

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	B	\$ 6,983
Increased By		
Payroll Deductions	B-1	9,800,282
		<u>9,807,265</u>
Decreased By		
Payroll Deductions Paid	B-1	9,807,265
		<u>9,807,265</u>
<u>Balance - December 31, 2012</u>	B	\$ <u><u>-</u></u>

SCHEDULE OF ACCRUED SALARIES AND WAGES

Exhibit B-14

	<u>REF</u>	
<u>Balance - January 1, 2012</u>		\$ -
Increased By		
Accrued Salaries and Wages Earned	B-1	15,655,207
		<u>15,655,207</u>
Decreased By		
Payroll Deductions Paid	B-1	15,655,207
		<u>15,655,207</u>
<u>Balance - December 31, 2012</u>		\$ <u><u>-</u></u>

SCHEDULE OF DUE TO THIRD PARTY LIENHOLDERS

Exhibit B-15

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	B	\$ 11,160
Increased By		
Cash Received	B-1	4,566,400
		<u>4,577,560</u>
Decreased By		
Cash Disbursed	B-1	3,102,848
		<u>3,102,848</u>
<u>Balance - December 31, 2012</u>	B	\$ <u><u>1,474,712</u></u>

**TOWN OF WEST NEW YORK
TRUST FUND
TRUST OTHER
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF ACCOUNTS PAYABLE - UNEMPLOYMENT

Exhibit B-16

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	B	\$ 195,425
Increased By		
Unemployment Claims Payable	B-12	118,347
		<u>313,772</u>
Decreased By		
Unemployment Claims Paid	B-1	195,425
<u>Balance - December 31, 2012</u>	B	<u>\$ 118,347</u>

SCHEDULE OF DUE TO HUDSON COUNTY

Exhibit B-17

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	B	\$ <u>2,037</u>
<u>Balance - December 31, 2012</u>	B	<u>\$ 2,037</u>

SCHEDULE OF DUE TO WEST NEW YORK PARKING AUTHORITY

Exhibit B-18

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	B	\$ <u>27,240</u>
<u>Balance - December 31, 2012</u>	B	<u>\$ 27,240</u>

**TOWN OF WEST NEW YORK
TRUST FUND
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DUE FROM HUDSON COUNTY

	<u>REF</u>	Exhibit B-19
<u>Balance - January 1, 2012</u>	B	\$ 987,266
Increased By		
2012 Grant Award	B-20	420,000
		<u>1,407,266</u>
Decreased By		
Cash Receipts	B-1	438,142
		<u>438,142</u>
<u>Balance - December 31, 2012</u>	B	\$ <u><u>969,124</u></u>

**SCHEDULE OF RESERVE FOR
COMMUNITY DEVELOPMENT BLOCK GRANT**

	<u>REF</u>	Exhibit B-20
<u>Balance - January 1, 2012</u>	B	\$ 987,266
Increased By		
2012 Grant Award	B-19	420,000
		<u>1,407,266</u>
Decreased By		
Expended in Current Fund	B-21	\$ 115,422
Expended in General Capital Fund	B-23	213,225
Cash Disbursements	B-1	<u>162,865</u>
		<u>491,512</u>
<u>Balance - December 31, 2012</u>	B	\$ <u><u>915,754</u></u>

**TOWN OF WEST NEW YORK
TRUST FUNDS
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DUE (TO)/FROM CURRENT FUND

Exhibit B-21

	<u>REF</u>		
<u>Balance - January 1, 2012 - Due From</u>	B	\$	94,604
Decreased By			
Interest Earned	B-1	\$	1
Expended in Current Fund	B-20		<u>115,422</u>
			<u>115,423</u>
<u>Balance - December 31, 2012 - Due To</u>	B	\$	<u><u>(20,819)</u></u>

SCHEDULE OF DUE TO STATE AND FEDERAL GRANT FUND

Exhibit B-22

	<u>REF</u>		
<u>Balance - January 1, 2012</u>	B	\$	100,000
Increased By			
Cash Receipts	B-1		<u>150,000</u>
<u>Balance - December 31, 2012</u>	B	\$	<u><u>250,000</u></u>

SCHEDULE OF DUE TO GENERAL CAPITAL FUND

Exhibit B-23

	<u>REF</u>		
<u>Balance - January 1, 2012</u>	B	\$	-
Decreased By			
Expended in General Capital Fund	B-20		<u>213,225</u>
<u>Balance - December 31, 2012</u>	B	\$	<u><u>213,225</u></u>

SUPPLMENTAL INFORMATION

GENERAL CAPITAL FUND

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-2

SCHEDULE OF CASH - TREASURER

	<u>REF</u>		
<u>Balance - January 31, 2012</u>	C		\$ 885,248
Increased By			
Premium on Bond Anticipation Notes	C-1	\$ 27,160	
Interest Income	C-14	239	
Due from Current Fund	C-14	<u>3,810,450</u>	
			<u>3,837,849</u>
			4,723,097
Decreased By			
Improvement Authorizations	C-13	213,029	
Due from Current Fund	C-14	2,183,488	
Reserve for Debt Service	C-20	204,013	
Due to CDBG	C-15	<u>213,225</u>	
			<u>2,813,755</u>
<u>Balance - December 31, 2012</u>	C, C-3		\$ <u><u>1,909,342</u></u>

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-3

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2012
Due From Federal and State Grant Fund	\$ (668,205)
Due From CDBG Trust Fund	(213,225)
Due From Current Fund	(53,369)
Capital Improvement Fund	121,215
Grants Receivable	(700,000)
Due From Depository	(3,770)
Due From Board of Education	(45,346)
Due to Trust Other Fund	151,779
Contracts Payable	49,136
Fund Balance	90,934
Excess Bond Anticipation Note Proceeds - Ord. 05/09	957,025

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Ordinance Description</u>	
1836	Improvement to Schools	(275,000)
2072	Reconstruction and Repair of School Buildings	(39,000)
2081	Purchase of Land For A New Capital Project - School	(19,000)
24/94	Improvements to Donnelly Park	(27,097)
31/97	Reconstruction of Various Streets	(31,228)
03/00	Improvements to Parks	23,174
19/01; 28/01	Various Capital Improvements	20,748
22/02	Early Retirement Incentive Refunding Ordinance	33,383
19/02	Refurbish Ambulances	18,457
05/03	Tax Refunding Ordinance	19,479
18/03; 06/04	Various Capital Improvements and Related Expenses	12,484
7/5	Tax Refunding Ordinance	(55,000)
18/06	Various Equipment Purchases and Improvements	7,345
2/07	Refunding Authorization - Worker's Compensation and Liability	15,000
21/07	Acquisition of Computer Equipment	68,226
04/08	Refunding Emergency - Self-Insured Health Costs	61,165
17/08	Various Improvements	51,385
06/09	Various Capital Improvements	44,530
16/09	Various Capital Improvements	175,000
17/10	Various Capital Improvements	1,639,186
27/10	Installation of Electronic Smoke Detection System	(99,750)
27/11	Various Capital Improvements	579,681

	\$ 1,909,342
REF	C, C-2

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

<u>Balance - January 1, 2012</u>	<u>REF</u> C		\$ 31,603,632
Decreased By			
Payments For			
Casino Redevelopment Loan Program	C-6	\$ 30,000	
General Serial Bonds	C-7	3,540,000	
State of New Jersey Green Trust Loan Program	C-9	<u>122,063</u>	
			<u>3,692,063</u>
<u>Balance - December 31, 2012</u>	C		\$ <u><u>27,911,570</u></u>

TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORD. NO.	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE DECEMBER 31, 2012				
		BALANCE JANUARY 1, 2012	2012 BUDGET APPROP.	BALANCE DECEMBER 31, 2012	BOND ANTICIPATION NOTES ISSUED	EXPENDITURES AUTHORIZATIONS
1836	Improvement to Schools	\$ 275,000	\$ -	\$ 275,000	\$ -	\$ -
2072	Reconstruction and Repair of School Building	39,000	-	39,000	-	-
2081	Purchase of Land for a New Capital Project School	19,000	-	19,000	-	-
24/94	Improvement to Donnelly Park	27,097	-	27,097	-	-
31/97	Reconstruction of Various Streets	31,228	-	31,228	-	-
22/02	Early Retirement Incentive Refunding Ordinance	300,000	-	300,000	-	300,000
07/05	Tax Refunding Ordinance	70,000	-	70,000	-	15,000
18/06	Purchase Equipment and Various Capital Improvements	250	-	250	-	250
05/09	Various Capital Improvements	734,975	47,900	687,075	687,075	-
06/09	Various Capital Improvements	570,950	24,200	546,750	546,750	-
16/09	Various Capital Improvements	137,000	19,500	117,500	117,500	-
17/10	Various Capital Improvements	1,900,000	-	1,900,000	1,900,000	-
27/10	Installation of Electronic Smoke Detection System	99,750	-	99,750	-	99,750
21/11	Various Capital Improvements	1,596,000	93,900	1,502,100	1,502,100	-
REF		\$ 5,800,250	\$ 185,500	\$ 5,614,750	\$ 4,753,425	\$ 315,250
		C		C	Below	Below
REF						
C-10	Bond Anticipation Notes			\$ 5,710,450		
	Less: Excess Proceeds					
C-3	Ord. 05/09				957,025	
					<u>4,753,425</u>	
					Above	
C-13	Improvement Authorizations - Unfunded					\$ 2,753,647
	Less: Unexpended Proceeds					
C-3	Ord 06/09					44,531
C-3	Ord 16/09					175,000
C-3	Ord 17/10					1,210,237
C-3	Ord 21/11					579,681
						<u>744,198</u>
						Above

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-6

SCHEDULE OF CASINO REINVESTMENT DEVELOPMENT AUTHORITY LOAN PAYABLE

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF LOAN OUTSTANDING		INTEREST RATE	BALANCE JANUARY 1, 2012	DECREASED	BALANCE DECEMBER 31, 2012
			DATE	AMOUNT				
Town Bond	5/20/1994	\$ 478,727	5/1/2013	\$ 30,000	4.446%	\$ 88,727	\$ 30,000	\$ 58,727
			5/1/2014	\$ 28,727				

REF C C-4 C

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-7
Page 1 of 2

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	MATURITIES OF BONDS OUTSTANDING			INTEREST RATE	BALANCE	
	DATE	DECEMBER 31, 2012 AMOUNT	\$		JANUARY 1, 2012	DECEMBER 31, 2012
Pension Refunding Bonds, Series 2003	03/15/13		\$	4.92%		
	03/15/14	495,000		4.92%		
	03/15/15	565,000		4.92%		
	03/15/16	640,000		4.92%		
	03/15/17	720,000		4.92%		
		810,000	\$	4.92%	3,665,000	\$ 435,000
						3,230,000
General Obligation Refunding Bonds, Series 2006 A	04/15/13	900,000		3.50%		
	04/15/14	630,000		4.00%		
	04/15/15	625,000		4.00%		
	04/15/16	1,175,000		4.00%		
	04/15/17	1,200,000		4.00%		
	04/15/18	1,320,000		4.00%		
	04/15/19	1,350,000		4.00%	8,100,000	900,000
						7,200,000
General Obligation Refunding Bonds, Series 2006 C	04/15/13	715,000		5.09%		
	04/15/14	755,000		5.12%		
	04/15/15	800,000		5.18%	2,945,000	675,000
						2,270,000
General Improvements, Series 2007	04/15/14	240,000		4.00%		
	04/15/15	265,000		4.00%		
	04/15/16	335,000		5.50%		
	04/15/17	495,000		5.50%		
	04/15/18	510,000		4.00%		

Exhibit C-7
Page 2 of 2

[illegible]

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-8

SCHEDULE OF (TYPE I) SCHOOL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE JANUARY 1, 2012	BALANCE DECEMBER 31, 2012
			DECEMBER 31, 2012				
			DATE	AMOUNT			
School Bonds, Series 2007	04/15/07	\$ 2,650,000	04/15/14	\$ 110,000	5.00%		
			04/15/15	135,000	5.00%		
			04/15/16	170,000	5.00%		
			04/15/17	210,000	5.00%		
			04/15/18	220,000	4.00%		
			04/15/19	225,000	4.00%		
			04/15/20	235,000	4.00%		
			04/15/21	245,000	4.00%		
			04/15/22	255,000	4.00%		
			04/15/23	270,000	4.00%		
			04/15/24	280,000	4.00%		
			04/15/25	295,000	4.00%		
				\$	2,650,000	\$ 2,650,000	
				\$	2,650,000	\$ 2,650,000	

<u>REF</u>	C	C
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TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES

Exhibit C-9
Page 1 of 3

SCHEDULE OF STATE OF NEW JERSEY GREEN TRUST LOANS PAYABLE

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF LOANS OUTSTANDING		INTEREST RATE	BALANCE JANUARY 1, 2012	DECREASED	BALANCE DECEMBER 31, 2012
			DATE	AMOUNT				
Little Miss Field	07/08/97	\$ 289,313	01/08/13	\$ 8,225	2.00%	\$ 93,260	\$ 16,207	\$ 77,053
			07/08/13	8,307				
			01/08/14	8,390				
			07/08/14	8,474				
			01/08/15	8,559				
			07/08/15	8,644				
			01/08/16	8,731				
			07/08/16	8,818				
			01/08/17	8,906				
Miller Park & Stadium	12/20/00	500,000	06/20/13	13,816				
			12/20/13	13,954				
			06/20/14	14,093				
			12/20/14	14,234				
			06/20/15	14,377				
			12/20/15	14,520				
			06/20/16	14,666				
			12/20/16	14,812				
			06/20/17	14,960				
			12/20/17	15,110				
			06/20/18	15,261				
			12/20/18	15,414				
			06/20/19	15,568	2.00%	233,731	27,222	206,509
			12/20/19	15,724				

TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES

Exhibit C-9
Page 2 of 3

SCHEDULE OF STATE OF NEW JERSEY GREEN TRUST LOANS PAYABLE

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF LOANS OUTSTANDING		INT. RATE	BALANCE JANUARY 1, 2012	DECREASED	BALANCE DECEMBER 31, 2012
			DATE	AMOUNT				
Donelly Park II	03/09/01	\$ 475,000	03/06/13	\$ 12,595	2.00%	242,178	\$ 24,818	\$ 217,360
			09/06/13	12,721				
			03/06/14	12,848				
			09/06/14	12,977				
			03/06/15	13,106				
			09/06/15	13,237				
			03/06/16	13,370				
			09/06/16	13,503				
			03/06/17	13,638				
			09/06/17	13,775				
			03/06/18	13,913				
			09/06/18	14,052				
			03/06/19	14,192				
			09/06/19	14,334				
			03/06/20	14,478				
			09/06/20	14,622				
Miller Stadium Phase II	03/20/01	425,000	03/16/13	11,269	2.00%	216,685	22,205	194,480
			09/16/13	11,382				
			03/16/14	11,496				
			09/16/14	11,611				
			03/16/15	11,727				
			09/16/15	11,844				
			03/16/16	11,962				
			09/16/16	12,082				
			03/16/17	12,203				
			09/16/17	12,325				
			03/16/18	12,448				
			09/16/18	12,573				
			03/16/19	12,698				
			09/16/19	12,825				
			03/16/20	12,954				
			09/16/20	13,083				

TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES

Exhibit C-9
Page 3 of 3

SCHEDULE OF STATE OF NEW JERSEY GREEN TRUST LOANS PAYABLE

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF LOANS OUTSTANDING		INT. RATE	BALANCE JANUARY 1, 2012	DECREASED	BALANCE DECEMBER 31, 2012
			DATE	AMOUNT				
Donelly and Veterans Park	05/09/06	\$ 675,000	02/09/13	\$ 16,042				
			08/09/13	16,203				
			02/09/14	16,365				
			08/09/14	16,529				
			02/09/15	16,694				
			08/09/15	16,861				
			02/09/16	17,029				
			08/09/16	17,200				
			02/09/17	17,372				
			08/09/17	17,545				
			02/09/18	17,721				
			08/09/18	17,898				
			02/09/19	18,077				
			08/09/19	18,258				
			02/09/20	18,440				
			08/09/20	18,625				
			02/09/21	18,811				
			08/09/21	18,999				
			02/09/22	19,189				
			08/09/22	19,381				
			02/09/23	19,575				
			08/09/23	19,771				
			02/09/24	19,968				
			08/09/24	20,168				
			02/09/25	20,370				
			08/09/25	20,573				
			02/09/26	20,779				
			2.00%			\$ 526,051	\$ 31,610	\$ 494,441
						\$ 1,311,905	\$ 122,062	\$ 1,189,843
						C	C-4	C
						REF		

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-10

SCHEDULE OF BOND ANTICIPATION NOTES

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUANCE	DATE OF MATURITY	INTEREST RATE	BALANCE	BALANCE		
						JANUARY 1, 2012	INCREASED	DECREASED	DECEMBER 31, 2012
05/09	Various Capital Improvements	08/31/10	08/18/11 08/07/12	08/17/12 08/07/13	2.000% 1.500%	\$ 1,692,000 -	\$ - 1,644,100	\$ 1,692,000 -	\$ - 1,644,100
06/09	Various Capital Improvements	08/31/10	08/18/11 08/07/12	08/17/12 08/07/13	2.000% 1.500%	570,950 -	- 546,750	570,950 -	- 546,750
16/09	Various Capital Improvements	08/31/10	08/18/11 08/07/12	08/17/12 08/07/13	2.000% 1.500%	137,000 -	- 117,500	137,000 -	- 117,500
17/10	Various Capital Improvements	01/10/11	01/10/11 01/03/12 12/20/12	01/09/12 12/31/12 12/20/13	2.000% 2.000% 1.125%	1,900,000 - -	- 1,900,000 1,900,000	1,900,000 1,900,000 -	- 1,900,000 1,900,000
21/11	Various Capital Improvements	08/18/11	08/18/11 08/07/12	08/17/12 08/07/13	2.000% 1.500%	1,596,000 -	- 1,502,100	1,596,000 -	- 1,502,100
						\$ 5,895,950	\$ 7,610,450	\$ 7,795,950	\$ 5,710,450
						C	Below	Below	C, C-5
						Cash Paid by Current Fund Renewals	\$ -	\$ 185,500	
							7,610,450	7,610,450	
							\$ 7,610,450	\$ 7,795,950	
							Above	Above	

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-11

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	C	\$ 71,215
Increased By		
Budget Appropriation	C-14	<u>50,000</u>
<u>Balance - December 31, 2012</u>	C	\$ <u><u>121,215</u></u>

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-12

SCHEDULE OF GRANTS RECEIVABLE

REF	Totals	COUNTY OF HUDSON (ORDINANCE 17-10) IMPROV. TO VETERANS AND DONNELLY PARK		DOT (ORDINANCE 05-09) 2009 SAFE WALK TO SCHOOLS INFRASTRUCTURE	
<u>Balance - January 1, 2012</u>	\$ 1,000,000	\$ 700,000	\$	300,000	
Decreased By					
Cancellation of Grant	300,000	-		300,000	
<u>Balance - December 31, 2012</u>	\$ 700,000	\$ 700,000	\$	-	
	Below	Below		Below	
<u>Balanced Pledged to</u>					
Improvement Authorization	\$ 700,000	\$ 700,000	\$	-	
C-3	\$ 700,000	\$ 700,000	\$	-	
	Above	Above		Above	

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-13

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE JANUARY 1, 2012		EXPENDED	ADJUSTMENTS	BALANCE DECEMBER 31, 2012	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
03/00	Improvements to Parks	02/16/00	\$ 1,940,000	\$ 155,016	\$ -	\$ 131,842	\$ -	23,174	\$ -
19/01:28/01	Various Capital Improvements	01/16/02	4,800,000	20,748	-	-	-	20,748	-
22/02	Early Retirement Incentive Refunding Ordinance	11/25/02	5,650,000	33,383	300,000	-	-	33,383	300,000
19/02	Refurbish Ambulances	11/25/02	135,000	18,457	-	-	-	18,457	-
05/03	Tax Refunding Ordinance	02/19/03	440,000	19,479	-	-	-	19,479	-
18/03:06/04	Various Capital Improvements and Related Expenses	09/17/03	5,000,000	24,319	-	11,835	-	12,484	-
7/05	Tax Appeals	06/15/05	210,000	-	15,000	-	-	-	15,000
18/06	Various Equipment Purchases and Improvements	10/25/06	735,000	7,345	250	-	-	7,345	250
2/07	Refunding Ordinance - Emergency Auth Worker Comp and Liab	05/15/07	1,015,000	15,000	-	-	-	15,000	-
21/07	Acquisition of Computer Equipment	01/16/08	200,000	68,226	-	-	-	68,226	-
04/08	Refunding Emergency - Self-Insured Health Costs	03/19/08	3,920,000	61,165	-	-	-	61,165	-
17/08	Various Improvements	11/17/08	150,000	55,423	-	4,038	-	51,385	-
06/09	Various Capital Improvements	03/18/09	601,000	-	106,678	62,147	-	-	44,530
16/09	Various Capital Improvements	07/15/09	250,000	-	175,000	-	-	-	175,000
17/10	Various Capital Improvements	09/15/10	2,700,000	-	1,214,403	4,166	428,949	-	1,639,186
27/10	Installation of Electric Smoke Detection System	12/20/10	105,000	-	-	-	-	-	-
21/11	Various Capital Improvements	10/19/11	1,600,000	-	579,681	-	-	-	579,681
			\$ 478,561	\$ 2,391,012	\$ 214,028	\$ 428,949	\$ 330,846	\$ 2,753,647	
			C	C	Below	C-16	C	C, C-5	

REF

C-2	Cash	\$ 213,029
C-21	Contracts Payable	999
		\$ 214,028
		Above

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DUE FROM CURRENT FUND

Exhibit C-14

	<u>REF</u>		
<u>Balance - January 1, 2012</u>	C		\$ 1,630,570
Increased By			
Cash Disbursements	C-2	\$ 2,183,488	
Budget Appropriation - Capital Improvement Fund	C-11	<u>50,000</u>	
			<u>2,233,488</u>
			3,864,058
Decreased By			
Interest Earned	C-2	239	
Bond Anticipation Note paid by Current Fund	C-2	<u>3,810,450</u>	
			<u>3,810,689</u>
<u>Balance - December 31, 2012</u>	C		<u><u>\$ 53,369</u></u>

SCHEDULE OF DUE FROM COMMUNITY DEVELOPMENT BLOCK GRANT

Exhibit C-15

<u>Balance - January 1, 2012</u>	C		\$ -
Increased By			
Cash Disbursed on Behalf of CDBG	C-2		<u>213,225</u>
<u>Balance - December 31, 2012</u>	C		<u><u>\$ 213,225</u></u>

SCHEDULE DUE FROM FEDERAL AND STATE GRANT FUND

Exhibit C-16

<u>Balance - January 1, 2012</u>	C		\$ 239,256
Increased By			
Adjustment to the amount of Grant charged	C-13		<u>428,949</u>
<u>Balance - December 31, 2012</u>	C		<u><u>\$ 668,205</u></u>

SCHEDULE OF DUE FROM BOARD OF EDUCATION

Exhibit C-17

<u>Balance - January 1, 2012</u>	C		<u>\$ 45,346</u>
<u>Balance - December 31, 2012</u>	C		<u><u>\$ 45,346</u></u>

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

SCHEDULE OF DUE FROM DEPOSITORY

Exhibit C-18

	<u>REF</u>	
<u>Balance - January 1, 2012</u>	C	\$ <u>3,770</u>
<u>Balance - December 31, 2012</u>	C	\$ <u><u>3,770</u></u>

SCHEDULE OF DUE TO TRUST OTHER FUND

Exhibit C-19

<u>Balance - January 1, 2012</u>	C	\$ <u>151,779</u>
<u>Balance - December 31, 2012</u>	C	\$ <u><u>151,779</u></u>

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT

Exhibit C-20

<u>Balance - January 1, 2012</u>	C	\$ 204,013
Decreased By		
Realized as Current Fund Budget Revenue	C-2	<u>204,013</u>
<u>Balance - December 31, 2012</u>	C	\$ <u><u>-</u></u>

SCHEDULE OF CONTRACTS PAYABLE

Exhibit C-21

<u>Balance - January 1, 2012</u>	C	\$ 48,137
Increased By		
Contracts issued	C-13	<u>999</u>
<u>Balance - December 31, 2012</u>	C	\$ <u><u>49,136</u></u>

**TOWN OF WEST NEW YORK
GENERAL CAPITAL FUND
SUPPLEMENTAL SCHEDULES**

Exhibit C-22

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE JANUARY 1, 2012</u>	<u>BALANCE DECEMBER 31, 2012</u>
1836	Improvements to Schools	\$ 275,000	\$ 275,000
2072	Reconstruction and Repair of School Buildings	39,000	39,000
2081	Purchase of Land For a New Capital Project - School	19,000	19,000
29/94	Improvement to Donnelly Park	27,097	27,097
31/97	Reconstruction of Various Streets	31,228	31,228
22/02	Early Retirement Incentive Refunding Ordinance	300,000	300,000
07/05	Tax Refunding Ordinance	70,000	70,000
18/06	Various equipment purchases and Improvements	250	250
27/10	Installation of Electronic Smoke Detection System	99,750	99,750
		<u>\$ 861,325</u>	<u>\$ 861,325</u>
	<u>REF</u>	Footnote C	Footnote C

PART II

TOWN OF WEST NEW YORK

SINGLE AUDIT SECTION

DECEMBER 31, 21012



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") the financial statements – regulatory basis of the Town of West New York (the "Town"), State of New Jersey, as of and for the years ended December 31, 2012 and 2011, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 28, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control. Accordingly, we do not express an opinion on the effectiveness of Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider Items # 2012-01 and #2012-04 the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Items # 2012-01 and #2012-04 the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items #2012-02 and #2012-03.

We noted certain other matters that we reported to management of the Town of West New York in Part III of this report of audit entitled "Letter of Comments and Recommendations".

Town's Response to Findings

Town's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended solely for the information and use of management, Mayor, Board of Commissioners, others within the entity, the Division, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Judith L. Tutela, CPA
Registered Municipal Accountant No. 522



Livingston, New Jersey
October 28, 2013



**Independent Auditor's Report On Compliance With Requirements That Could Have A
Direct and Material Effect On Each Major Program And Internal Control Over
Compliance In Accordance With OMB Circular A-133 And
New Jersey OMB Circular 04-04**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Town of West New York's (the "Town"), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement and the New Jersey State Grants Compliance Supplement* that could have a direct and material effect on each of the Town's major federal and state programs for the fiscal year ended December 31, 2012. The Town's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the audit requirements prescribed by New Jersey OMB Circular 04-04. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012

Report on Internal Control Over Compliance

Management of the Town, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item #2012-05 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item #2012-05 significant deficiencies.

The Town's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Judith Tutela". The signature is fluid and cursive, with the first name "Judith" and last name "Tutela" clearly distinguishable.

Judith L. Tutela, CPA
Registered Municipal Accountant No. 522

A handwritten signature in black ink, appearing to read "Spire Group, PC". The signature is written in a cursive style, with "Spire" and "Group" being the most legible parts, followed by "PC" in a slightly different script.

Livingston, New Jersey
October 28, 2013

TOWN OF WEST NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

FEDERAL GRANTOR/ Pass Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Grant Receipts	Award Amount	Balance January 1, 2012	Revenue Realized	Budgetary Expenditures	Adjustments	Balance December 31, 2012
			From	To							
US Department of Agriculture											
Passed - Through NJ Dept. of Agriculture											
Summer Food Program	10.559	100-010-3360-078	7/1/2008	9/30/2009	\$ -	\$ 54,876	\$ 17,739	\$ -	\$ 17,739	\$ -	\$ -
Summer Food Program	10.559	100-010-3360-078	7/1/2009	9/30/2010	-	55,058	55,058	-	55,058	-	-
Summer Food Program	10.559	100-010-3360-078	7/1/2010	9/30/2011	-	66,900	-	66,900	66,900	-	-
Summer Food Program	10.559	100-010-3360-078	7/1/2011	9/30/2012	26,538	26,538	-	26,538	26,538	-	-
Total US Dept. of Agriculture					26,538		72,797	93,438	166,235	-	-
US Dept. of Housing & Urban Development											
Passed-Through Hudson County Dept. of Finance & Administration											
Community Development Block Grant	14.218	N/A	9/1/2008	6/30/2009	-	550,000	58,469	-	-	-	58,469
Community Development Block Grant	14.218	N/A	9/1/2009	6/30/2010	163,422	510,000	163,351	-	163,351	-	-
Community Development Block Grant	14.218	N/A	9/1/2010	6/30/2011	252,908	525,000	347,532	-	306,278	-	41,254
Community Development Block Grant	14.218	N/A	9/1/2011	6/30/2012	17,843	450,000	417,843	-	17,843	-	400,000
Community Development Block Grant	14.218	N/A	9/1/2012	6/30/2013	3,969	420,000	-	420,000	3,970	-	416,030
Total US Dept. of Housing & Urban Development					438,142		987,195	420,000	491,442	-	915,753
US Dept. of Energy											
Direct Aid											
Energy Efficiency Community Block Grant	81.128	N/A	7/1/2009	6/30/2010	-	182,800	182,800	-	-	-	182,800
Total US Department of Energy					-		182,800	-	-	-	182,800
US Dept. of Justice											
Direct Aid											
Passed through NJ Dept of Law and Public Safety											
Juvenile Accountability Incentive Block Grant	16.523	1500-209-343010	N/A	N/A	-	13,247	11,498	-	-	11,498	-
Juvenile Assistance Grant 09 - ARRA	N/A	N/A	7/1/2009	6/30/2010	-	119,670	17,374	-	-	17,374	-
Slope at Veteran Park	N/A	N/A	1/1/2008	12/31/2008	-	46,503	-	-	-	-	-
Donnelly & Veterans Park Grant	N/A	N/A	1/1/2008	12/31/2008	-	14,905	13,083	-	-	13,083	-
Community Partnership	N/A	N/A	7/1/2008	6/30/2009	-	775	775	-	-	775	-
Justice Assistant Grant 09 Annual					-		16,699	-	-	16,699	-
Justice Assistant Grant 2011					23,463	23,463	-	23,463	-	-	18,379
Justice Assistant Grant 2012					-	18,379	-	18,379	-	-	18,379
Total US Dept. of Justice					23,463		42,730	58,541	23,463	59,429	
US Dept. of Transportation											
Direct Aid											
Drunk Driving Enforcement Fund	20.621	N/A	7/1/2010	6/30/2011	-	17,743	17,682	-	17,682	-	-
Drunk Driving Enforcement Fund	20.621	N/A	7/1/2011	7/1/2012	8,228	8,228	-	-	-	-	-
Passed-Through NJ Department of Transportation											
Safe Routes to Schools	20.205	480-078-6320-300			-	286,375	-	286,375	209,579	-	76,796
2012 Municipal Aid Program	20.205	480-078-6320-300			-	280,000	-	280,000	-	-	280,000
Total US Dept. of Transportation					8,228		17,682	566,375	227,261	-	356,796
Total Federal Financial Awards					\$ 496,371	\$	1,303,204	1,138,354	908,401	59,429	1,473,728

* Denotes Major Program

See Accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

TOWN OF WEST NEW YORK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

STATE GRANTOR/ Pass Through Grantor/ PROGRAM TITLE	Grant or State Project Number	Grant Period		Grant Receipts	Award Amount	Balance January 1, 2012	Revenue Realized	Budgetary Expenditures	(Cancellations)	Balance December 31, 2012
		From	To							
NJ Dept. of Community Affairs										
Direct Aid										
Livable Communities Capital Improvements	100-042-4800-353	N/A	N/A	\$ -	190,000	\$ 157,266	\$ -	\$ -	157,266	\$ -
Livable Communities Historic Buildings Aid	100-066-1020-108	1/1/2004	12/31/2006	-	60,000	5	-	-	5	-
NJ Special Legislative Grant - 66th Street	100-042-4875-353	7/1/2001	6/30/2004	-	75,000	348	-	-	348	-
2010 Body Armor Replacement	718-066-1021-001	7/1/2008	6/30/2009	-	9,788	-	9,788	-	-	9,788
2011 Body Armor Replacement	718-066-1021-001	7/1/2009	6/30/2010	9,344	9,344	-	9,344	-	-	9,344
2012 Body Armor Replacement	718-066-1021-001	7/1/2010	6/30/2011	14,500	14,500	-	-	-	-	-
Total NJ Dept. of Community Affairs				23,844		157,619	19,132	-	157,619	19,132
NJ Dept. of Commerce										
Direct Aid										
Urban Enterprise Zone										
Bergenline Ave Installment Loan Yr 9	763-020-2830-000	7/1/2007	6/30/2008	-	133,250	5,867	-	2,284	-	3,583
Bergenline Ave Installment Loan Yr 10	763-020-2830-000	7/1/2008	6/30/2009	-	133,250	11,686	-	-	11,686	-
Administration 08	763-020-2830-000	7/1/2006	6/30/2007	-	141,917	63,163	-	-	63,163	-
Administration 09	763-020-2830-000	7/1/2008	6/30/2009	-	176,581	145,998	-	-	145,998	-
Administration 10	763-020-2830-000	7/1/2009	6/30/2010	-	150,000	125,311	-	-	125,311	-
Litter Clean Up Phase I	763-020-2830-000	7/1/2007	6/30/2008	-	124,360	75,010	-	-	75,010	-
Litter Clean Up Phase II	763-020-2830-000	7/1/2009	6/30/2010	-	269,395	181,165	-	-	-	181,165
Litter Clean Up Phase II	763-020-2830-001	7/1/2011	6/30/2012	-	70,785	-	70,785	-	-	-
Rehiring UEZ Police Officers Yr 11	763-020-2830-000	7/1/2009	6/30/2010	-	276,800	276,800	-	276,800	-	-
Rehiring UEZ Police Officers Yr 11	763-020-2830-000	7/1/2010	6/30/2011	-	69,200	69,200	-	-	69,200	-
Zone Marketing and Professional Services	763-020-2830-000	7/1/2008	6/30/2009	-	385,000	103,657	-	-	103,657	-
Bergenline Ave Façade Program 1-FY07	763-020-2830-000	7/1/2006	6/30/2007	-	165,000	81,161	-	-	81,161	-
General Maintenance - Phase 3	763-020-2830-000	7/1/2008	6/30/2009	-	150,000	147,219	-	-	147,219	-
Administration 11	763-020-2830-000	7/1/2010	6/30/2011	-	81,301	-	81,301	-	81,301	-
Total NJ Dept. of Commerce				-		1,286,237	152,086	279,084	974,491	184,748
NJ Dept. of Environmental Protection										
Direct Aid										
2008 Green Communities Grant Phase II	765-042-4900-004	N/A	N/A	-	30,000	3,000	-	-	3,000	-
Clean Communities Program	765-042-4900-004	7/1/2008	6/30/2009	-	48,475	1,242	-	-	1,242	-
Clean Communities Program	765-042-4900-004	7/1/2009	6/30/2010	-	29,465	29,465	-	-	29,465	-
Clean Communities Program	765-042-4900-004	7/1/2010	6/30/2011	-	103,740	50,475	53,265	53,265	50,475	-
Clean Communities Program	765-042-4900-004	7/1/2011	6/30/2012	-	52,473	-	52,473	52,473	-	-
Recycling Tonnage	765-042-4900-004	7/1/2005	6/30/2006	-	11,112	82	-	-	82	-
Recycling Tonnage	765-042-4900-005	7/1/2010	6/30/2011	-	40,394	-	40,394	40,394	-	-
Recycling Tonnage	765-042-4900-006	7/1/2011	6/30/2012	-	60,546	-	60,546	60,546	-	-
Green Acres Trust Fund:										
Miller Stadium - Phase II	533-042-4800-003	7/1/2000	6/30/2004	-	500,000	168,848	-	-	-	168,848
Total NJ Dept. of Environmental Protection				-		253,112	206,678	206,678	84,264	168,848
N.J. Administrative Office of the Courts										
Direct Aid										
Alcohol Education and Rehabilitation	760-046-4240-001	7/2/2007	6/30/2008	-	1,499	1,499	-	1,499	-	-
Alcohol Education and Rehabilitation	760-046-4240-001	7/1/2008	6/30/2009	-	933	933	-	933	-	-
Alcohol Education and Rehabilitation	760-046-4240-001	7/1/2010	6/30/2011	-	1,906	1,906	-	1,906	-	-
Alcohol Education and Rehabilitation	760-046-4240-001	7/1/2011	6/30/2012	1,565	1,565	-	701	701	-	-
Total NJ Dept. of Health				1,565		4,338	701	5,039	-	-
NJ Dept. of Health and Senior Services										
Direct Aid										
2010 Health Services Grant	N/A	1/1/2010	12/31/2010	-	195,994	195,994	-	-	195,994	-
Pandemic Flu Preparedness	N/A	7/1/2008	6/30/2009	-	13,298	6,465	-	-	6,465	-
Total NJ Dept. of Health and Senior Services				-		202,459	-	-	202,459	-

See Accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

TOWN OF WEST NEW YORK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

STATE GRANTOR/ Pass Through Grantor/ PROGRAM/TITLE	Grant or State Project Number	Grant Period		Grant Receipts	Award Amount	Balance January 1, 2012	Revenue Realized	Budgetary Expenditures	(Cancellations)	Balance December 31, 2012
		From	To							
NJ Dept. of Law & Public Safety										
Direct Aid										
Pedestrian Safety Grant	N/A	7/1/2007	6/30/2008	-	22,000	2,000	-	-	2,000	-
Safe and Secure Communities	N/A	7/1/2009	6/30/2010	-	54,376	54,376	-	-	54,376	-
Safe and Secure Communities	N/A	7/1/2010	6/30/2011	-	58,067	58,067	60,000	60,000	58,067	-
Cops in Shops 2011				-	8,236	-	8,236	8,236	-	-
Cops in Shops 2012				-	6,825	-	6,825	6,825	-	-
Total NJ Dept. of Law & Public Safety				-		114,443	75,061	75,061	114,443	-
NJ Dept. of State										
Direct Aid										
NJ Council on the Arts Grant	N/A	7/1/2008	6/30/2009	-	2,839	2,839	-	-	2,839	-
NJ Council on the Arts Grant	N/A	7/1/2009	6/30/2010	-	4,800	4,800	-	-	4,800	-
Total NJ Dept. of State				-		7,639	-	-	7,639	-
NJ Dept. of Transportation										
Direct Aid										
New Jersey Transportation Trust Fund Authority Act (NJTFEAA):										
NJTFEAA - 65th St	480-078-6320-300	7/1/2000	6/30/2004	-	230,000	86,737	-	-	86,737	-
NJTFEAA - 56th St, Highland, & Monitor Place	480-078-6320-300	7/1/2000	6/30/2004	-	209,000	51,787	-	-	51,787	-
NJTFEAA - 50th, 55th, and 56th St.	480-078-6320-300	7/1/2002	6/30/2004	-	221,250	221,250	-	-	221,250	-
NJTFEAA - Bergenline Avenue Signal	480-078-6320-300	7/1/2003	6/30/2004	-	350,000	85,583	-	-	85,583	-
NJTFEAA - Park Avenue	480-078-6320-300	7/1/2003	6/30/2004	-	200,000	197,388	-	-	197,388	-
NJTFEAA - Bergenline Section 2	480-078-6320-300	7/1/2004	6/30/2005	-	600,000	75,873	-	-	75,873	-
NJTFEAA - Livable Communities - Park Avenue	480-078-6320-300	7/1/2003	6/30/2004	-	450,000	2,774	-	-	2,774	-
NJTFEAA - Livable Communities - Bergenline/49th St.	480-078-6320-300	7/1/2003	6/30/2004	-	150,000	150,000	-	-	150,000	-
FY00 Municipal Aid Program - Improvements to Broadway	480-078-6320-300	N/A	N/A	-	1,000,000	287,171	-	-	287,171	-
FY05 Municipal Aid Program - Various Streets	480-078-6320-300	7/1/2004	6/30/2005	-	290,000	19,470	-	-	19,470	-
FY10 Municipal Aid Program - Various Streets	480-078-6320-300	7/1/2009	6/30/2010	-	428,949	428,949	428,949	428,949	-	-
FY10 Municipal Aid Program - Various Streets	480-078-6320-300	7/1/2010	6/30/2011	216,619	323,438	152,778	-	-	152,778	-
Total NJ Dept. of Transportation				216,619		1,759,760	-	428,949	1,330,811	-
NJ Dept. of the Treasury										
Direct Aid										
Special Purpose Grant - Street Re-pavement	100-094-9420-047	7/1/2004	12/31/2005	-	1,350,000	6,370	-	-	6,370	-
Passed-Through Hudson County Dept. of Finance & Administration										
Municipal Alliance on Alcoholism & Drug Abuse - Local Share	100-082-2000-045	1/1/2009	12/31/2009	-	11,863	655	-	-	-	655
Local Share	100-082-2000-045	1/1/2011	12/31/2011	-	2,388	-	-	-	-	-
Local Share	100-082-2000-046	1/1/2012	12/31/2012	-	67,864	-	67,864	55,090	-	12,774
TOTAL NJ DEPT. OF THE TREASURY				-		7,025	67,864	55,090	6,370	13,429
TOTAL STATE FINANCIAL ASSISTANCE				\$ 242,028		3,792,632	521,522	1,049,901	2,878,096	386,157
Denotes Major Program										

* Denotes Major Program

See Accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

TOWN OF WEST NEW YORK
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1: GENERAL

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

NOTE 2: BASIS OF AWARDS ACCOUNTING

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

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>
Community Development Block Grant Fund	<u>\$420,000</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: STATE LOANS OUTSTANDING

The Town's state loans outstanding at December 31, 2012, which are not required to be reported on the schedule of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Total</u>
State of NJ Green Trust Loans	\$ 1,189,843
Casino Reinvestment Development Authority Loan	58,727
	<u>\$ 1,248,570</u>

**TOWN OF WEST NEW YORK
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part I – Summary of Auditors’ Results

Financial Statements Section

- A) Type of auditors’ report issued: GAAP basis of reporting – Adverse
Regulatory basis of reporting –Unmodified
- B) Internal control over financial reporting:
- 1) Material weakness (es) identified? X Yes No
- 2) Were significant deficiency(ies) identified that are not considered to be material weaknesses? X Yes No
- C) Noncompliance material to the basic financial statements noted? X Yes No

Federal Awards Section

- D) Dollar threshold used to determine Type A programs \$300,000
- E) Auditee qualified as low-risk auditee? Yes X No
- F) Type of auditors’ report on compliance for major programs Unmodified
- G) Internal control over compliance:
- 1) Material weakness (es) identified? Yes X No
- 2) Were significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes X No
- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)? Yes X No
- I) Identification of major programs:

<u>Type</u>	<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
A	14.218	Community Development Block Grant

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section I – Summary of Auditors’ Results (Cont.)

State Awards Section

J) Dollar threshold used to determine Type A programs: \$300,000

K) Auditee qualified as low-risk auditee? Yes X No

L) Type of auditors’ report issued on compliance for major programs: Unmodified

M) Internal control of compliance:

1) Material weakness(es) identified? X Yes No

2) Were significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes X No

N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? Yes X No

O) Identification of major programs:

<u>Type</u>	<u>GMIS Number(s)</u>	<u>Name of State Program</u>
B	763-020-2830-000	NJ UEZ Program Rehiring Police
B	100-082-2000-046	Municipal Alliance on Alcoholism & Drug Abuse
A	480-078-6320-300	New Jersey Transportation Trust Fund

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part II – Financial Statement Findings

This section identified the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraph 4.28 of *Government Auditing Standards*.

Findings 2012-1:

Grant receivable and appropriation reserves in the Federal and State Grant Fund should be monitored periodically during the year to ensure that all revenues have been billed and appropriate expenditures have been charged to the grant expenditures and all grants expended have been appropriated. Utilizing grant resources first allows the entity to free up funds in the current budget. (Prior Year Finding 2011-4)

Criteria or specific requirement:

- Grant Agreements
- Internal Control and Matching Principal

Condition:

Grant receipts and disbursements are not monitored to ensure that all expenditures have been properly charged in the period in which they have been expended. Certain grants have been overexpended to the amount appropriated and other grants received have not been appropriately charged for the expenditures disbursed in the current fund budget.

Questioned Costs:

None.

Effect:

The Town is not properly utilizing grant funds and recovery. Amounts recorded for the period do not match the amounts reported to the grantor agencies. In addition, smaller grants have not been reviewed to ensure charges for grant reimbursements are properly accounted for.

Cause:

Unknown.

Recommendation:

Grants should be monitored on a periodic basis and all funds received should reflect the amounts charged to the grant.

Management's Response:

Management is in agreement and will prepare a corrective action plan.

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part II – Financial Statement Findings (Cont.)

Finding 2012-2:

Resolutions for the approval of legal services were not in all cases presented to the governing body for approval. Documentation supporting the approval of such contracts, by project, were not maintained. (Similar finding in prior year 2011-3)

Criteria or specific requirement:

- New Jersey Local Public Contracts Law N.J.S.A. 40A:11-5 “Exceptions to the Local Public Contracts Law”
- *Best Practices in Awarding Service Contracts* issued by the State Comptroller’s office.

Condition:

Documentation supporting the approval of legal services was not made available for audit.

Questioned Costs:

None.

Effect:

Non-compliance with the Public Contracts Law.

Cause:

Unknown.

Recommendation:

All agreements for professional services contracts be approved by the governing body and documentation supporting such be made available for audit.

Management’s Response:

Management is in agreement and will prepare a corrective action plan.

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part II – Financial Statement Findings (Cont.)

Finding 2012-3:

Procurement for most services in excess of \$17,500 require a “Fair and Open Process” or certain required documents to be obtained. The town does not currently have procedures in place to comply with N.J.S.A. 19:44A-20.4 et seq. “Political Contribution Disclosure Compliance Laws” otherwise known as “Pay to Play Laws”

Criteria or specific requirement:

- N.J.S.A. 19:44A-20.4 et seq. “Political Contribution Disclosure Compliance Laws”
- Internal Control Principles

Condition:

Documentation supporting compliance with “Pay to Play” for the payment for services in excess of the \$17,500 threshold was not available.

Questioned Costs:

None.

Effect:

Non-compliance with the political contribution disclosure compliance laws.

Cause:

Unknown.

Recommendation:

The Town should implement procedures to ensure compliance with N.J.S.A. 19:44A-20.4 et seq. “Political Contribution Disclosure Compliance Laws”.

Management’s Response:

Management is in agreement and will prepare a corrective action plan.

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part II – Financial Statement Findings (Cont.)

Finding 2012-4:

The Town does not properly maintain their fixed asset subsidiary ledger. (Similar finding in prior year 2011-7)

Criteria or specific requirement:

- N.J.A.C. 5:30-5.6 requires all local units to maintain a fixed asset accounting and reporting system. This system should place a value of all fixed assets put into service, have a subsidiary ledger of detailed records of fixed assets, provide property management standards to control fixed assets and provide a statement of fixed assets in the annual audit.

Condition:

The Town does not currently provide procedures for updating and maintaining their fixed asset inventory. The Town sends purchase orders to a company to add to their fixed asset list. The list has not been monitored for additions and deletions since the initial tagging that was performed.

Questioned Costs:

None.

Effect:

The Town has not accurately maintained its perpetual inventory of fixed assets in accordance with the requirements.

Cause:

Unknown.

Recommendation:

Procedures should be implemented to tag assets when purchased, add new additions to the inventory and delete items sold or impaired.

Management's Response:

Management is in agreement and will prepare a corrective action plan.

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part III – Federal Awards and State Financial Assistance Findings and Questioned Costs

(This section identifies audit findings required to be reported by Section .510(a) of Circular A-133 and New Jersey OMB Circular Letter 04-04.)

FEDERAL AWARDS

None

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

STATE FINANCIAL ASSISTANCE AWARDS

Finding 2012-5:

Program:

New Jersey Urban Enterprise Zone
763-020-2830-000

New Jersey Department of Transportation Trust Fund
480-078-6320-300

Grant receivable and appropriation reserves in the Federal and State Grant Fund should be monitored periodically during the year to ensure that all revenues have been billed and appropriate expenditures have been charged to the grant expenditures and all grants expended have been appropriated. Utilizing grant resources first allows the entity to free up funds in the current budget

Criteria or specific requirement:

Internal Controls related to Matching Principal.

Condition:

Grant receipts and disbursements are not monitored to ensure that all expenditures have been properly charged in the period in which they have been expended. Certain grants have been overexpended to the amount appropriated and other grants received have not been appropriately charged for the expenditures disbursed in the current fund budget.

Questioned Costs:

None.

Effect:

Although the amount charged and reported to the grant was for costs incurred during the grant period the amounts posted to the budget was not for the same period. The Town is not properly utilizing grant funds and recovery. Amounts recorded for the period do not match the amounts reported to the grantor agencies

Cause:

Unknown.

Recommendation:

Grants should be monitored on a periodic basis and all funds received should reflect the amounts charged to the grant.

Management's Response:

Management is in agreement and will prepare a corrective action plan.

TOWN OF WEST NEW YORK
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

This section identifies the status of prior year audit findings related to the financial statements and federal awards and state financial assistance awards that are required to be reported in accordance with *Government Auditing Standards*, OMB Circular A-133 (section 315(a)) and New Jersey OMB Circular 04-04.

Finding 2011-1:

The Town incurred \$58,617 of overexpenditures in the 2011 budget appropriations, \$33,823 in the 2010 Appropriation Reserves and \$105,639 in the Grant Reserves.

In addition, certain Current Fund operating costs were not encumbered at December 31, 2011

Current status

Corrective action has been taken, no current finding noted.

Finding 2011-2:

Payments in Lieu of Taxes (PILOT) transactions (i.e. billings, cash receipts and outstanding balances) are not being monitored timely. Annual audit reports required to be submitted by entity's owning projects subject to an approved PILOT were not on file with the Town. No one has been designated with the responsibility for monitoring compliance with PILOT agreements.

Current status

Corrective action has been taken, no current finding noted.

Finding 2011-3:

Resolutions for the approval of engineering services were not presented to the governing body for approval. Documentation supporting the approval of such contracts, by project, were not maintained.

Current status

Corrective action has been taken, no current finding noted.

Finding 2011-4:

Appropriation reserves in the Federal and State Grant Fund should be monitored periodically during the year to ensure that all appropriate expenditures have been charged to the grant expenditures and all grants expended have been appropriated. Utilizing grant resources first allows the entity to free up funds in the current budget.

Current status

See finding # 2012-1

TOWN OF WEST NEW YORK
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Part II – Financial Statement Findings (Cont.)

Finding 2011-5:

GASB Statement 45 -*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)* requires the recognition of the *cost* of benefits in periods when the related services are received by the employer. An actuarial valuation should be done bi-annually. The Town had an actuarial valuation done on July 1, 2009. The Town should have procured services for a new valuation during the year ended December 31, 2011.

Current status

Corrective action has been taken, no current finding noted .

Finding 2011-6:

The procedures utilized by the Town's management did not identify overpayments of fees to umpires who fraudulently submitted claims.

Current status

Corrective action has been taken, no current finding noted.

Finding 2011-7:

The Town does not currently provide procedures for updating and maintaining their fixed asset inventory. The Town sends purchase orders to a company to add to their fixed asset list. The list has not been monitored for additions and deletions since the initial tagging that was performed.

Current status

See finding # 2012-4

PART III

TOWN OF WEST NEW YORK

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATION

DECEMBER 31, 21012

TOWN OF WEST NEW YORK
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

REVENUE AND OTHER INCOME REALIZED	2012		2011	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Fund Balance Utilized	\$ 5,034,194	4.86 %	\$ 6,130,794	6.04 %
Miscellaneous - From Other Than Local				
Property Tax Levies	35,365,188	34.14	32,913,773	32.45
Collection of Delinquent Taxes				
and Tax Title Liens	152,015	0.15	1,314,072	1.30
Collection of Current Tax Levy	58,809,661	56.77	60,140,506	59.29
Other Income	<u>4,227,240</u>	<u>4.08</u>	<u>942,219</u>	<u>0.93</u>
Total Income	<u>103,588,298</u>	<u>100.00 %</u>	<u>101,441,364</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	69,511,864	72.06 %	68,984,117	70.74 %
Local School Purposes	112,250	0.12	1,237,089	1.27
County Taxes	12,445,677	12.90	12,793,661	13.12
Local District School Taxes	14,369,214	14.90	14,369,214	14.73
Other	<u>20,817</u>	<u>0.02</u>	<u>139,462</u>	<u>0.14</u>
Total Expenditures	<u>96,459,822</u>	<u>100.00 %</u>	<u>97,523,543</u>	<u>100.00 %</u>
Excess in Revenue	7,128,476		3,917,821	
Less: Expenditures to be Raised by Future Taxes	<u>1,918,200</u>		<u>198,079</u>	
Statutory Excess to Fund Balance	9,046,676		4,115,900	
Fund Balance, Beginning of Year	<u>7,340,182</u>		<u>9,355,076</u>	
	16,386,858		13,470,976	
Less: Utilization as Anticipated Revenue	<u>5,034,194</u>		<u>6,130,794</u>	
Fund Balance, End of Year	<u>\$ 11,352,664</u>		<u>\$ 7,340,182</u>	

**TOWN OF WEST NEW YORK
COMPARATIVE TAX DATA
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010**

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$ 6.460	\$ 6.498	\$ 6.413

Apportionment of Tax Rate

Municipal	3.530	3.554	3.744
County	1.354	1.398	1.197
Local School	1.563	1.529	1.468
Local School Debt			
Required by Local Municipal Budget	0.013	0.057	0.004

Assessed Valuation

2012	\$ 919,447,938		
2011		\$ 939,616,896	
2010			\$ 954,042,691

Schedule of Tax Levies and Collections

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

<u>For the Period Ended</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
December 31, 2012	\$ 59,712,549	\$ 58,809,661	98.49%
December 31, 2011	61,334,608	60,121,949	98.02%
December 31, 2010*	31,962,414	29,374,396	91.90%

* Six month transition year.

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the year ended December 31, 2012, 2011 and the six months ended December 31, 2010.

<u>For the Period Ended</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
December 31, 2012	\$ 368,341	\$ 29,016	\$ 397,357	0.67%
December 31, 2011	278,822	312,529	591,351	0.96%
December 31, 2010*	238,105	1,555,556	1,793,661	5.61%

* Six month transition year.

**TOWN OF WEST NEW YORK
OFFICIALS IN OFFICE AND SURETY BONDS
DECEMBER 31, 2012**

<u>Name</u>	<u>Title</u>	<u>Term</u>	<u>Amount of Bond</u>
Felix Roque	Mayor; Director of Department of Public Affairs	May 1, 2011 - 2015	
Dr. Count J. Wiley	Commissioner: Director of Department of Parks and Public Property	May 1, 2011 - 2015	
FiorD'Aliza Frias	Commissioner: Director of Department of Revenue and Finance	May 1, 2011 - 2015	
Caridad Rodriguez	Commissioner, Director of Department of Public Safety	May 1, 2011 - 2015	
Ruben Vargas	Commissioner; Director of Department of Public Works	May 1, 2011 - 2015	
Joseph DeMarco	Municipal Administrator	Effective November 19, 2012	(A)
Margaret Cherone	Chief Financial Officer	Effective July 18, 2012	(A)
Carmela Riccie	Town Clerk		(A)
Kerri Tierney	Tax Collector		(A)
Sal Bonnaccorsi	Tax Assessor; Tax Searcher		(A)
Charles D'Amico	Judge		(A)
Amarilis A. Diaz	Judge		(A)
Deisy Bello	Court Administrator		(A)

(A) The employees were covered by a policy in the amount of \$1,000,000 under the Municipal Excess Liability Joint Insurance Fund.

**TOWN OF WEST NEW YORK
GENERAL COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2012**

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 or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$36,000. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000, except by contract or agreement.”

The Governing Body of the Town has the responsibility of determining whether the expenditures in any category will exceed \$36,000 within the year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Town Counsel’s opinion should be sought before a commitment is made.

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

Snow removal, Construction of Verrazano and Donnelly Park, uniforms, printing services, stationary, swimming pool improvements, and Summer Food Program.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for “Professional Services” per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Collection of 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.

No record was found in the minutes of the period under audit, but upon inquiry, the municipal clerk produced a prior minute record of the action of the governing body authorizing the rate of interest to be charged on delinquent taxes. The governing body on April 15, 1992 adopted the following resolution authorizing interest to be charged on delinquent taxes.

“BE IT RESOLVED, that in accordance with N.J.S.A. 54:4-67 as amended by Chapter 435, New Jersey Laws of 1979, that interest shall be charged for the non-payment of taxes or assessments on real property in the Town of West New York, on or after the date when they would become delinquent; and

**TOWN OF WEST NEW YORK
GENERAL COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2012**

Collection of Interest on Delinquent Taxes and Assessments (Continued)

BE IT FURTHER RESOLVED, that the rate of interest for the non-payment of taxes or assessments on real property in the Town of West New York, on or after the date when they would become delinquent, shall be eight percent (8%) per annum on the first \$1,500 provided, however, that no interest shall be charged if payment of any installment is made within the tenth calendar day following the date upon which the same becomes payable. Installments of taxes or assessments received after the expiration of the grace period herein granted shall bear interest from the due date of the installment. A six (6%) percent penalty may be charged on any delinquency in excess of \$10,000 in not paid by the end of the calendar year; and

BE IT FURTHER RESOLVED, that the provision of this resolution shall be effective with respect to all payments of taxes and assessments, and interest upon delinquent installments thereon, which shall be assessed from and after the date of this resolution; and

BE IT FURTHER RESOLVED, that any resolution heretofore adopted with respect to the payment of interest by reason of the non-payment of delinquent installments upon taxes and assessments herewith, are hereby rescinded; and

BE IT FURTHER RESOLVED that the Assistant Tax Collector be authorized to hold an annual sale on back taxes pursuant to N.J.S.A. 54:5-19; and

BE IT FURTHER RESOLVED that the provisions of this resolution be effective upon adoption”.

A tax sale was held on December 19, 2012.

The following comparison is made of the number of tax title liens receivable on December 31, 2012, 2011 and 2010 and the fiscal year ended June 30, 2010.

<u>Period Ended</u>	<u>Number of Liens</u>
December 31, 2012	35
December 31, 2011	30
December 31, 2010	18

Deferred Charges Raised in the Succeeding Year's Budget

The following deferred charges are shown on the December 31, 2012 balance sheets of the following funds:

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

**TOWN OF WEST NEW YORK
GENERAL COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2012**

COMMENTS AND RECOMMENDATIONS

Comments:

Appropriation reserves in the Federal and State Grant Fund should be monitored periodically during the year to ensure that all appropriate expenditures have been charged to the grant expenditures and all grants expended have been appropriated. Utilizing grant resources first, allows the entity to free up funds in the current budget.

Community Development Block Grant requires information be disseminated to the public, the Town did not award the contract by resolution or allow for public comment of the grant award.

Numerous journal entries were required to reconcile from cash to a modified cash basis of accounting including journal entries to reconcile inter funds.

Inactive intergovernmental accounts receivables and payables open at year end should be reviewed and if necessary, cleared of record.

Miscellaneous reserves in the Other Trust Fund should be reviewed to ensure all dedicated by riders are completed and escrows no longer required as closed.

Although the Town has a system in place to ensure the overtime incurred by the police department for outside employment is paid only when appropriate reimbursement is received from the third parties, the accounting for outside employment of police officers was not in compliance with the requirements prescribed by the Division of Local Government Services.

Our audit of the purchasing of goods and services identified the town does not have a procedure in place to ensure the solicitation of pay to play documentation. The town should implement procedures to comply with N.J.S.A. 19:44A-20.4 et seq. "Political Contribution Disclosure Compliance Laws"

The town has utilized the services of the in-house legal attorney to provide outside legal services and was paid as a vendor without entering into a professional services agreement.

Our audit of payroll identified that the annual salary ordinance which states specific salaries for all of its non-contractual employees as indicated in the administrative code of the town has not been updated for a number of years.

Payrolls are being processed without being reviewed by someone other than the individual preparing the payroll and we noted several instances where W-4's and I-9's were not available for inspection.

We noted during our audit of the employee benefits and based upon our discussion with the human resource department, that the health benefits claim bills are paid without review for the validity of the claims. We also noted that there are no internal control procedures regarding the removal of terminated employees from health benefits.

The Other Post Employment Benefit (OPEB) calculations should be prepared by an actuary every two years, the Town had not solicited professional services to be performed until after the fiscal year ended.

Recordkeeping of compensated absences is maintained on a manual basis and the liability is not calculated on a periodic basis.

N.J.S.A. 43:15A requires that the town enlist all its eligible employees to the state pension system on a timely basis. Our audit revealed that the payroll department is not enlisting newly hired eligible employees into the pension system timely.

**TOWN OF WEST NEW YORK
GENERAL COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2012**

Comments (Con't):

N.J.A.C. 5:30-5.6 requires all local units to maintain a fixed asset accounting and reporting system. This system should place a value of all fixed assets put into service, have a subsidiary ledger of detailed records of fixed assets, provide property management standards to control fixed assets and provide a statement of fixed assets in the annual audit.

The township currently does not have proper procedures in place to tag assets when purchased, delete items sold or impaired.

Our audit of outside offices revealed that the fees charged had not in all cases been authorized by ordinance , revenues collected were not in all cases recorded to the correct account, monies collected are not turned over to finance within the 48 statutory requirement and monies were not in all cases reconciled to the general ledger.

Our audit of the Health and Vital Statistics department revealed that the record keeping of the fees collected were not properly reconciled to the licenses issued. We also noted the voided licenses were not being maintained for audit testing.

We noted during the course of our audit that the tax department's tax revenues collected were not in all cases reconciled prior to being disbursed to the Current Fund.

Tax lien redemptions checks were being issued prior to the completion of the redemption documentation. Although the checks remained outstanding, the checks should not issue until such time that the necessary documentation has been obtained.

Our audit of the Tax Assessor's office revealed that the documentation relating the veteran subsidies are not maintained on file. All documentation related to the senior and veteran subsidies must be obtained and retained for record keeping.

Municipal Court fees and fines collected are required to be turned over the appropriate agencies by the 15th day of the following month of the receipt.

Checks drafted by the Municipal Court only require one signature on all bank accounts.

We noted during our audit of the Municipal Court that miscellaneous adjustments for overage and shortages although immaterial are not being entered into the ATS/ACS system.

An error in the amount turned over to the town was not reviewed and detected by the staff of the Municipal Court in a timely manner.

Recommendations:

1. Grants award receipts and expenditures should be reconciled to the general ledger in a timely manner to ensure all appropriate expenditures have been charged to the grant expenditures and all grants expended have been appropriated. In addition the receipts should also be reconciled to the general ledger to ensure proper posting in a timely manner. Utilizing grant resources first, allows the entity to free up funds in the current budget. (*) (#)
2. The Town should implement a process for awarding professional service. Utilizing the *Best Practices for Awarding Service Contracts* guide issued by the comptroller's office will provide the guidance to properly award contracts for these services through a competitive process and pass a resolution awarding the contract.

**TOWN OF WEST NEW YORK
GENERAL COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2012**

3. The Town should implement procedures to ensure compliance with N.J.S.A. 19:44A-20.4 et seq. "Political Contribution Disclosure Compliance Laws". (#)
4. The town should put in place proper procedures to maintain perpetual inventory of fixed assets in accordance with the requirements. (*) (#)
5. The Town should adopt resolutions for the Community Development Block Grants awarded there by informing the general public and providing them an opportunity to discuss the projects undertaken by the town with the grant funds. (#)
6. Federal and State grants award receipts and expenditures should be reconciled to the general ledger in a timely manner to ensure all appropriate expenditures have been charged to the grant expenditures and all grants expended have been appropriated. (#)
7. Management should review all accounts in all funds to ensure that the inter funds reconcile and all adjustments have been made. Adjusted general ledgers for all funds are helpful in providing management with the information necessary to properly plan and perform the operations. (*)
8. Inactive intergovernmental accounts receivables and payables should be reviewed and adjusted accordingly. (*)
9. Miscellaneous reserves in the Other Trust Fund should be reviewed for dedicated riders on file or requirement of escrow. Those items found to no longer require a trust fund should be adjusted accordingly. (*)
10. The Town should continue to monitor the implementation process for police outside services to ensure compliance with the requirements of the Division of Local Government Services. (*)
11. The town should updated and adopt a revised Salary Ordinance ensure that all employees are paid within the ranges specified in the salary ordinance or applicable union contracts.
12. Payrolls should be reviewed by someone other than the person preparing the payroll and the review process should include a signature certifying that the payroll is reviewed and is accurate. (*)
13. The Town should implement a process for all new hires to be provided a new employee package. The new employee package should provide all the appropriate forms to be filed and all the benefits offered by the Town. In addition, a review of the employee files should be conducted to ensure the Town has on filed the appropriate forms such as W-4's and I-9's.
14. The town should implement a process for reviewing supporting documentation of the health benefits claims prior payment. The town should also implement internal control procedures where all terminated employees are removed from the town's health benefits in a timely manner.
15. The function for calculating the liability for compensated absences be computerized, integrated with the payroll system and prepared at least semi-annually. The calculations should be reviewed and approved by the appropriate department heads and commissioners. (*)
16. OPEB reporting should be scheduled and preformed every two years as required. (*)

**TOWN OF WEST NEW YORK
GENERAL COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2012**

17. The town should develop and implement internal control policies where all the outside offices collecting monies should record the revenues properly, periodically review the records and verify to the amounts are correct, turnover the funds collected to the treasurer or deposit the monies in the town's bank accounts within 48 hours as mandated by NJSA 40A:5-15, prepare periodic revenue reports and reconcile them to the finance departments reports. A procedure should be implemented to require monthly reporting to the finance department. (*)
18. The town should implement procedures to ensure all job functions are maintained even in the absences of an individual for sickness, disability or vacation.
19. Checks for lien redemptions should not be issued until such time as the appropriate documents have been obtained.
20. The tax department and tax assessor should implement a process to ensure all veteran's eligibility forms are maintained in a manner to allow for audit.
21. All Municipal Court disbursements should be made to respective agencies by the 15th of the month following receipt. (*)
22. Two signatories should be made on all bank accounts for all departments in order to implement good internal controls procedures. (*)
23. Municipal Court overages and shortages should be entered into the ATS/ACS system and disbursement reports should be reviewed to ensure all amounts disbursed are accurate.

STATUS OF PRIOR YEAR RECOMMENDATIONS

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action had not been taken on those recommendations that are denoted with an asterisk (*). Recommendations for comments included in the Schedule of Findings and Questioned Costs are denoted with a pound sign (#).

ACKNOWLEDGEMENT

We greatly appreciate all the assistance and courtesies rendered by the Town personnel during the course of our audit.

Respectfully Submitted,



Livingston New Jersey