

**TOWN OF WEST NEW YORK  
HUDSON COUNTY, NEW JERSEY  
REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2016**

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

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Town Council  
Town of West New York  
West New York, New Jersey

### ***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Town of West New York, as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2016, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the 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 accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Town of West New York as of December 31, 2016 and 2015, or changes in financial position for the years then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Town of West New York as of December 31, 2016 and 2015, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the Current Fund for the year ended December 31, 2016 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Town of West New York as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Town of West New York.

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated July 19, 2017 on our consideration of the Town of West New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of West New York's internal control over financial reporting and compliance.



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



Gary W. Higgins  
Registered Municipal Accountant  
RMA Number CR00405

Fair Lawn, New Jersey  
July 19, 2017



**TOWN OF WEST NEW YORK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2016 AND 2015**

ASSETS	Reference	2016	2015
<b>Regular Fund</b>			
Cash	A-4	\$ 19,335,723	\$ 15,838,412
Cash - Change Funds	A-5	500	500
Prepaid Debt Service	A-7	665,303	1,780,378
		<u>20,001,526</u>	<u>17,619,290</u>
<b>Receivables and Other Assets With Full Reserves</b>			
Delinquent Property Taxes Receivable	A-9	14,322	44,367
Tax Title Liens	A-10	358,743	334,069
Revenue Accounts Receivable	A-11	179,649	188,830
Due from Federal and State Grant Fund	A-27	127,457	
Due from General Capital Fund	C-13	40,787	
Due from Other Trust Fund	B-6	-	44,971
		<u>720,958</u>	<u>612,237</u>
<b>Deferred Charges</b>			
Special Emergency Authorizations	A-12	-	92,000
		<u>-</u>	<u>92,000</u>
<b>Total Regular Fund</b>		<u>20,722,484</u>	<u>18,323,527</u>
<b>Federal and State Grant Fund</b>			
Cash - Treasurer	A-25	1,385,925	2,220,257
Federal and State Grant Receivables	A-28	428,442	493,272
Due from Current Fund	A-27	-	55,239
<b>Total Federal and State Grant Fund</b>		<u>1,814,367</u>	<u>2,768,768</u>
<b>Total Assets</b>		<u>\$ 22,536,851</u>	<u>\$ 21,092,295</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Regular Fund</b>			
Appropriation Reserves	A-3,A-13	\$ 5,244,314	\$ 4,698,226
Due to North Hudson Sewerage Authority	A-14	1,075,124	1,067,550
Encumbrances Payable	A-15	2,599,759	1,573,119
Accounts Payable	A-24	8,751	695,130
Prepaid Taxes and PILOTS	A-16	445,447	519,501
Tax and PILOT Overpayments	A-17	551,152	598,166
County Taxes Payable	A-18	49,583	65,646
Due to West New York Parking Authority	A-35	39,949	
Due to Federal and State Grant Fund	A-27		55,239
Due to Animal Control Fund	B-2	1,802	1,802
Due to Other Trust Fund	B-6	46,201	
Due to Community Development Block Grant Fund	B-19		117,629
Due to General Capital Fund	C-13		57,828
Reserve for Payment of Special Emergency Note	A-20		92,000
Reserve for Tax Appeals	A-22	124,797	242,395
Reserve for Master Tax Plan	A-23	142,967	142,967
Reserve for Retro Pay	A-8	1,220,830	
Due to State of New Jersey for Senior Citizens' and Veterans' Deductions	A-6	53,740	53,755
Special Emergency Notes Payable	A-21	-	92,000
		11,604,416	10,072,953
Reserve for Receivables and Other Assets	A	720,958	612,237
Fund Balance	A-1	8,397,110	7,638,337
<b>Total Regular Fund</b>		<u>20,722,484</u>	<u>18,323,527</u>
<b>Federal and State Grant Fund</b>			
Reserve for Federal and State Grants - Appropriated	A-29	1,682,319	1,991,300
Reserve for Federal and State Grants - Unappropriated	A-30	924	1,349
Encumbrances Payable	A-34	3,328	
Due to Grantor	A-33	339	297
Due to Current Fund	A-27	127,457	
Due to Community Development Block Grant Fund	A-26		94,883
Due to Other Trust Fund	A-32		12,734
Due to General Capital Fund	A-31	-	668,205
<b>Total Federal and State Grant Fund</b>		<u>1,814,367</u>	<u>2,768,768</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 22,536,851</u>	<u>\$ 21,092,295</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>REVENUES AND OTHER INCOME</b>			
Fund Balance Utilized	A-2	\$ 4,900,000	\$ 5,573,266
Miscellaneous Revenue Anticipated	A-2	38,347,012	34,882,798
Receipts from Delinquent Taxes	A-2	94,791	79,710
Receipts from Current Taxes	A-2	65,384,476	64,338,616
Non-Budget Revenue	A-2	643,943	413,734
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-13	3,137,212	2,835,088
Appropriation Reserves Cancelled by Resolution	A-1		1,000,000
Appropriated Grant Reserves Cancelled	A-29	155,435	
Accounts Payable Cancelled	A-24	114,879	
Interfunds Liquidated	A		172,162
Statutory Excess - Animal Control Fund	A-1		3,839
Cancellation of Appropriated Grant Reserves	A-1		5,893
Cancellation of Other Trust Reserves	B-6	23,298	-
Total Revenues and Other Income		<u>112,801,046</u>	<u>109,305,106</u>
<b>EXPENDITURES</b>			
<b>Budget Appropriations</b>			
<b>Operations Within "CAPS"</b>			
Salaries and Wages	A-3	25,021,525	23,303,583
Other Expenses	A-3	26,407,120	25,434,872
<b>Operations Excluded from "CAPS"</b>			
Salaries and Wages	A-3	43,444	93,653
Other Expenses	A-3	15,008,023	15,323,265
Capital Improvements	A-3	153,000	116,000
Municipal Debt Service	A-3	6,903,286	6,251,156
Local School District Purposes	A-3	265,750	238,375
Statutory Expenditures and Deferred Charges	A-3	<u>5,265,546</u>	<u>4,952,924</u>
Total Budget Expenditures		<u>79,067,694</u>	<u>75,713,828</u>

**TOWN OF WEST NEW YORK**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
EXPENDITURES (Continued)			
County Taxes	A-18	\$ 12,240,294	\$ 13,172,621
Open Space Preservation	A-18	249,933	123,462
Local District School Tax	A-19	15,461,079	14,860,598
Prior Year Senior Citizen/Veterans Deductions Disallowed	A		2,000
Interfunds Advanced	A-1	<u>123,273</u>	<u>-</u>
Total Expenditures		<u>107,142,273</u>	<u>103,872,509</u>
Excess in Revenue		5,658,773	5,432,597
Fund Balance, January 1	A	<u>7,638,337</u>	<u>7,779,006</u>
		13,297,110	13,211,603
Utilization as Anticipated Revenue	A-2	<u>4,900,000</u>	<u>5,573,266</u>
Fund Balance, December 31	A	<u>\$ 8,397,110</u>	<u>\$ 7,638,337</u>

**TOWN OF WEST NEW YORK**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Reference</u>	<u>Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<b>SURPLUS ANTICIPATED</b>					
Surplus Anticipated	A-1	\$ 4,900,000	-	\$ 4,900,000	-
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-11	107,000		107,280	\$ 280
Other	A-2	134,440		151,548	17,108
Fees and Permits	A-2	55,980		72,820	16,840
Fines and Costs					
Municipal Court	A-11	2,218,665		2,218,499	(166)
Interest and Costs on Taxes	A-11	366,545		326,558	(39,987)
Interest on Investments and Deposits	A-11	6,315		6,638	323
Payment in Lieu of Taxes					
Overlook Terrace, Parkview, Housing Authority and Waterfront	A-11	21,064,393		20,675,465	(388,928)
Cable T.V. Franchise Tax	A-11	450,318		450,318	
Pool Membership Fees	A-11	145,980		148,358	2,378
EMT Service Fees	A-11	566,150		649,594	83,444
Consolidated Municipal Property Tax Relief Aid	A-11	2,193,465		2,193,465	
Energy Receipts Tax	A-11	4,616,914		4,616,914	
Uniform Construction Code Fees (N.J.S.A.40A:4-36)					
Uniform Construction Code Fees	A-11	976,356		1,352,870	376,514
Interlocal Agreements					
Reimbursement for Health Services					
Guttenberg	A-11	24,000		20,000	(4,000)
West New York Board of Education					
Reimbursement for Recreation Services	A-11	887,100		887,100	
Reimbursement for Police Security	A-11	515,568		563,968	48,400
Reimbursement for Fuel	A-11	100,000		100,000	

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Reference</u>	<u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or ( <u>Deficit</u> )
Municipal Alliance on Alcoholism and Drug Abuse	A-28	\$ 42,943		\$ 42,943	
Summer Food Program	A-28	104,509		104,509	
Justice Assistance Grant	A-28		\$ 18,125	18,125	
Drive Sober or Get Pulled Over -Labor Day Crackdown	A-28	5,000		5,000	
Drive Sober or Get Pulled Over -Holiday Crackdown	A-28		5,000	5,000	
Pedestrian Safety, Education & Enforcement Grant	A-28	16,000		16,000	
Clean Communities Program	A-28	80,356		80,356	
BVP Grant	A-28	7,997		7,997	
Assistance to Firefighters Grant Program	A-28	9,760		9,760	
Reserve for Recycling Tonnage	A-30	1,349		1,349	
Reserve for Payment of Special Emergency Note	A-20	92,000		92,000	
Reserve for Tax Appeals	A-22	200,000		200,000	
Sale of Hudson Hall	A-11	1,400,000		2,185,091	\$ 785,091
Additional Construction Code Fees	A-11	403,644		403,644	
Additional EMT Service Fees	A-11	100,000		100,000	
Fund Balance - General Capital Fund	A-11	169,000		169,000	
Towing Admin Fees	A-11	22,720		26,860	4,140
Reserve for Payment of Debt	A-11	212,748		212,748	
UEZ Reserve - Other Trust Fund	A-11	125,235		125,235	
<b>Total Miscellaneous Revenues</b>	<b>A-1</b>	<b>37,422,450</b>	<b>\$ 23,125</b>	<b>38,347,012</b>	<b>901,437</b>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	<b>A-1,A-2</b>	<b>83,445</b>	<b>-</b>	<b>94,791</b>	<b>11,346</b>
<b>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET:</b>					
Local Tax for Municipal Purposes	A-2	36,899,305		37,467,121	567,816
Addition to Local District School Tax	A-2	265,750		265,750	
Minimum Library Tax	A-2	822,799		822,799	
<b>TOTAL AMOUNT TO BE RAISED BY TAXES BY FOR SUPPORT OF MUNICIPAL BUDGET</b>		<b>37,987,854</b>	<b>-</b>	<b>38,555,670</b>	<b>567,816</b>
<b>Total General Revenues</b>	<b>A-3</b>	<b>\$ 80,393,749</b>	<b>\$ 23,125</b>	<b>81,897,473</b>	<b>\$ 1,480,599</b>
<b>Non-Budget Revenue</b>	<b>A-1,A-2,A-4</b>			<b>643,943</b>	
				<b>\$ 82,541,416</b>	

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK  
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>ANALYSIS OF REALIZED REVENUES</b>	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-1,A-9	\$ 65,384,476
Less: Allocated to School and County Taxes	A-18,A-19	<u>27,951,306</u>
Balance for Support of Municipal Budget Appropriations		37,433,170
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,122,500</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 38,555,670</u>
Licenses- Other		
Borough Clerk		\$ 220
Police		52,750
Board of Health		<u>98,578</u>
	A-2,A-11	<u>\$ 151,548</u>
Fees and Permits - Other		
Zoning Board		\$ 50,636
Police		<u>22,184</u>
	A-2,A-11	<u>\$ 72,820</u>
Receipts from Delinquent Taxes		
Taxes Receivable	A-9	\$ 44,365
Tax Title Liens	A-10	<u>50,426</u>
	A-2	<u>\$ 94,791</u>

**TOWN OF WEST NEW YORK  
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Reference

**ANALYSIS OF NON-BUDGET REVENUES**

Prior Year Reimbursements/Miscellaneous	\$ 416,407
Assessor's Office - Certified Property Lists	760
FEMA Reimbursement	119,530
Rent Control Board	29,070
Municipal Court - Filing fee/Unclaimed Bail	3,434
Tower Viewer - Donnelly Park	1,028
Bayonne Health Officer Reimbursement - 2015	23,333
School Nursing	19,444
Stale Dated Checks Cancelled	30,202
Administrative Fee Senior and Veteran Deductions	735

A-1,A-2,A-4    \$ 643,943



**TOWN OF WEST NEW YORK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS - WITHIN "CAPS"	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
GENERAL GOVERNMENT	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
Department of Public Affairs					
Director's Office					
Salaries and Wages	\$ 75,800	\$ 105,800	\$ 96,516	\$ 9,284	
Other Expenses	96,000	96,000	63,601	32,399	
Town Clerk					
Salaries and Wages	317,000	307,000	279,233	27,767	
Other Expenses					
Legal Advertising and Publications	15,000	15,000	2,698	12,302	
Miscellaneous Other Expenses	32,000	32,000	29,542	2,458	
Codifications of Ordinances	6,000	6,000	5,824	176	
Poormaster's Fund					
Other Expenses	1,500	5,000		5,000	
Elections					
Salaries and Wages	25,000	25,000		25,000	
Other Expenses	164,000	164,000	24,477	139,523	
Community Development					
Salaries and Wages	236,800	229,800	226,109	3,691	
Other Expenses	100	100		100	
Board of Health					
Salaries and Wages	400,000	375,000	339,416	35,584	
Other Expenses	113,860	138,860	138,092	768	
Blood Borne Pathogens	5,000	5,000		5,000	
N Hudson Comm. Action Local Share	25,000	25,000	25,000		
Prosecutor					
Salaries and Wages	50,000				
Other Expenses	120,195	120,195	62,900	57,295	
Public Relations					
Salaries and Wages	61,200	62,950	62,950		
Other Expenses	140,000	90,000	49,308	40,692	
Rent Control Board					
Salaries and Wages	132,250	132,250	125,905	6,345	
Other Expenses	42,350	47,350	17,137	30,213	
Town Funding Program					
Other Expenses	133,000	133,000	103,452	29,548	

**TOWN OF WEST NEW YORK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS - WITHIN "CAPS" GENERAL GOVERNMENT	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Housing Inspection					
Salaries and Wages	\$ 141,150	\$ 151,150	\$ 146,404	\$ 4,746	
Other Expenses	800	800	210	590	
Tenants Relations					
Other Expenses	143,920	143,920	87,472	56,448	
School Crossing Guards					
Salaries and Wages	635,750	610,750	601,908	8,842	
Law Department					
Salaries and Wages	50,000	50,000	15,300	34,700	
Other Expenses	750,000	900,000	787,719	112,281	
Supervised Play Activity					
Salaries and Wages	810,000	840,000	762,839	77,161	
Other Expenses	295,000	295,000	243,969	51,031	
Senior Citizens Coordinator of Events					
Salaries and Wages	182,200	172,200	161,046	11,154	
Other Expenses	245,000	220,000	107,799	112,201	
Administrative Offices					
Salaries and Wages	230,000	230,000	205,495	24,505	
Other Expenses	68,000	68,000	52,427	15,573	
Insurance/Personnel Department					
Salaries and Wages	49,700	49,700	34,478	15,222	
Other Expenses	5,510	5,510	1,225	4,285	
Zoning Board					
Other Expenses	27,000	27,000	9,145	17,855	
Planning Board					
Salaries and Wages	51,500	51,500	49,456	2,044	
Other Expenses	33,000	33,000	8,213	24,787	
North Hudson Regional Council of Mayors					
Town Share	49,156	54,156	37,699	16,457	

**TOWN OF WEST NEW YORK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS - WITHIN "CAPS"	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
GENERAL GOVERNMENT	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
North Hudson Regional Council of Mayors Aid Task Force					
Town Share	\$ 11,193	\$ 13,193	\$ 10,250	\$ 2,943	
Urban Enterprise Zone					
Other Expenses	8,000	8,000		8,000	
Department of Revenue and Finance					
Director's Office					
Salaries and Wages	78,700	103,700	85,402	18,298	
Other Expenses	33,000	43,000	36,328	6,672	
Treasurer's Office					
Salaries and Wages	630,300	580,300	550,951	29,349	
Other Expenses					
Annual Audit	120,000	120,000	48,119	71,881	
Miscellaneous Other Expenses	359,654	409,654	364,942	44,712	
Payroll Service Fee	42,000	42,000		42,000	
Assessment of Taxes					
Salaries and Wages	342,000	364,000	355,023	8,977	
Other Expenses	64,000	64,000	12,847	51,153	
Collection of Taxes					
Salaries and Wages	324,600	339,600	332,382	7,218	
Other Expenses	39,000	44,000	39,923	4,077	
Insurance					
General Liability Insurance	1,300,000	1,300,000	1,214,638	85,362	
Workers Compensation Insurance	970,000	925,000	555,210	369,790	
Employee Group Health	11,770,000	11,295,000	11,144,206	150,794	
Unemployment Insurance	165,000	165,000	114,493	50,507	
Health Waiver	25,000				
Purchasing Agent					
Salaries and Wages	210,000	210,000	156,229	53,771	
Other Expenses	12,000	12,000	9,487	2,513	
DEPARTMENT OF PUBLIC SAFETY					
Director's Office					
Salaries and Wages	456,200	446,200	419,432	26,768	
Other Expenses	135,000	115,000	56,245	58,755	
Police					
Salaries and Wages	13,536,200	14,036,200	13,547,325	488,875	
Other Expenses	575,000	575,000	391,251	183,749	
Public Safety Mechanics					
Salaries and Wages	237,000	237,000	198,426	38,574	
Juvenile Aid					
Other Expenses	4,000	4,000		4,000	

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT (Continued)</b>					
<b>DEPARTMENT OF PUBLIC SAFETY (Continued)</b>					
Uniform Fire Safety					
Salaries and Wages	\$ 174,600	\$ 164,600	\$ 146,924	\$ 17,676	
Ambulance Squad					
Salaries and Wages	790,000	795,000	763,006	31,994	
Other Expenses	155,000	180,000	157,636	22,364	
Office of Emergency Management					
Other Expenses	9,000	9,000	5,503	3,497	
<b>Department of Public Works</b>					
Director's Office					
Salaries and Wages	140,000	147,500	144,683	2,817	
Other Expenses	35,000	75,000	42,536	32,464	
Streets and Sewers					
Salaries and Wages	1,908,900	1,818,900	1,651,636	167,264	
Other Expenses	292,677	302,677	299,688	2,989	
Snow Removal	177,695	177,695	107,955	69,740	
Street Lighting					
Other Expenses	675,000	675,000	301,720	373,280	
Fire Hydrant Rental					
Other Expenses	225,500	225,500	189,086	36,414	
Recycling					
Other Expenses	453,750	453,750	235,936	217,814	
Garbage and Trash					
Salaries and Wages	100,325	100,325	69,691	30,634	
Other Expenses					
Contractual	3,551,760	3,551,760	3,413,397	138,363	
Miscellaneous Other Expenses	215,000	240,000	214,769	25,231	
Engineering Services and Costs					
Other Expenses	625,000	499,500	292,721	206,779	

**TOWN OF WEST NEW YORK  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Appropriated</u>	<u>Budget After</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Paid or</u>	<u>Balance</u>
			<u>Charged</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"				
GENERAL GOVERNMENT (Continued)				
DEPARTMENT OF PUBLIC SAFETY (Continued)				
Department of Parks and Public Property				
Director's Office				
Salaries and Wages	\$ 201,300	\$ 201,300	\$ 159,128	\$ 42,172
Other Expenses	9,000	9,000	8,784	216
Divisions of Parks				
Salaries and Wages	465,050	465,050	424,278	40,772
Other Expenses	85,000	145,000	117,867	27,133
Celebration of Public Events Anniversary or Holiday				
Other Expenses	46,500	46,500	44,400	2,100
Public Buildings and Ground Maintenance				
Salaries and Wages	212,400	272,400	208,103	64,297
Other Expenses	240,000	285,000	267,283	17,717
Light and Power				
Other Expenses	500,000	530,000	417,914	112,086
Centralized Postage				
Other Expenses	60,000	60,000	58,446	1,554
Fuel				
Other Expenses	400,000	300,000	159,875	140,125
Telephone				
Other Expenses	220,000	230,000	185,877	44,123
Water				
Other Expenses	145,000	145,000	86,783	58,217
Sewerage				
Other Expenses	155,000	125,000	64,610	60,390
Signal Bureau				
Other Expenses	20,000	20,000	16,432	3,568

**TOWN OF WEST NEW YORK  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Appropriated</u>	<u>Budget After</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Balance</u>
				<u>Cancelled</u>
UNIFORM CONSTRUCTION CODE				
CODE ENFORCEMENT AND ADMINISTRATION				
Uniform Construction Code Enforcement Functions				
Construction Code Official				
Salaries and Wages	\$ 531,600	\$ 531,600	\$ 506,371	\$ 25,229
Other Expenses	50,000	50,000	44,180	5,820
UNCLASSIFIED				
Municipal Court				
Salaries and Wages	916,000	814,750	727,661	87,089
Other Expenses	80,000	95,000	93,688	1,312
Reserve for Tax Appeals	125,000	125,000	125,000	
Public Defender				
Other Expenses	87,000	87,000	53,487	33,513
Total Operations Within "CAPS"	51,485,645	51,423,645	46,415,127	5,008,518
Contingent	5,000	5,000	-	5,000
Total Operations Including Contingent Within "CAPS"	51,490,645	51,428,645	46,415,127	5,013,518
Detail:				
Salaries and Wages	24,703,525	25,021,525	23,553,706	1,467,819
Other Expenses (Including Contingent)	26,787,120	26,407,120	22,861,421	3,545,699
Deferred Charges and Statutory Expenditures -				
Municipal Within "CAPS"				
DEFERRED CHARGES:				
Prior Year Bills				
Witt O'Brien LLC 2012	38,083	38,083		\$ 38,083
STATUTORY CHARGES				
Contribution to:				
Public Employees Retirement System	851,423	919,577	916,349	3,228
PERS Adjustments	8,154			
Police and Fireman's Pension Fund	2,860,360	2,872,360	2,871,735	625
Social Security System (O.A.S.I.)	1,010,000	1,050,000	1,024,571	25,429
Total Deferred Charges and Statutory Expenditures -	4,768,020	4,880,020	4,812,655	29,282
Municipal Within "CAPS"				
Total General Appropriations for Municipal Purposes	56,258,665	56,308,665	51,227,782	5,042,800
Within "CAPS"				38,083

**TOWN OF WEST NEW YORK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Maintenance of Free Public Library	\$ 866,604	\$ 866,604	\$ 723,613	\$ 142,991	
Interlocal Municipal Service Agreements					
Reimbursements for Health Services					
Board of Health - Guttenberg					
Salaries and Wages	24,000	24,000	24,000		
Board of Health - Chapter 226 Nursing Services					
Salaries and Wages	19,444	19,444	19,444		
Contribution to North Hudson Regional Fire	13,888,668	13,838,668	13,780,145	58,523	
Public and Private Programs Offset by Revenues					
Summer Food Program	104,509	104,509	104,509		
Clean Communities Program	80,356	80,356	80,356		
Municipal Alliance	42,943	42,943	42,943		
Municipal Alliance-Local Match	10,736	10,736	10,736		
Justice Assistance Grant		18,125	18,125		
Drive Sober Get Pulled Over - Labor Day	5,000	5,000	5,000		
Drive Sober Or Get Pulled Over - Holiday Crackdown		5,000	5,000		
BVP Grant	7,997	7,997	7,997		
Assistance to Firefighters Grant Program	9,760	9,760	9,760		
Assistance to Firefighters Grant Program-Local Match	976	976	976		
Pedestrian Safety Grant	16,000	16,000	16,000		
Recycling Tonnage - Reserve	1,349	1,349	1,349	-	-
Total Operations - Excluded from "CAPS"	15,078,342	15,051,467	14,849,953	201,514	-
Detail:					
Salaries and Wages	43,444	43,444	43,444	-	-
Other Expenses	15,034,898	15,008,023	14,806,509	201,514	-
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	153,000	153,000	153,000	-	-
Total Capital Improvement Excluded from "CAPS"	153,000	153,000	153,000	-	-
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	3,818,000	3,818,000	3,818,000		
Payment of Note Principal	742,000	742,000	742,000		
Interest on Bonds	810,585	810,585	810,582		\$ 3
Interest on Notes	207,700	207,700	207,113		587
Green Trust Loan Program					
Loan Repayments for Principal and Interest	158,263	158,263	158,262		1
North Hudson Regional Fire Debt Service	1,063,625	1,063,625	1,059,037		4,588
HCIA Loan Payment	125,235	125,235	108,292	-	16,943
Total Municipal Debt Service Excluded from "CAPS"	6,925,408	6,925,408	6,903,286	-	22,122

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Deferred Charges - Municipal - Excluded from "CAPS"					
Deferred Charges					
Special Emergency Authorizations	\$ 92,000	\$ 92,000	\$ 92,000		
Deferred Charges to Future Taxation -					
Unfunded Ord. 03/13	27,558	27,558	27,558	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	119,558	119,558	119,558	-	-
Judgements	470,526	470,526	304,051	-	\$ 166,475
Total Operations - Excluded from "CAPS"	22,746,834	22,719,959	22,329,848	\$ 201,514	188,597
For Local School District Purposes - Excluded from "CAPS"					
Type I School District Debt Service					
Payment of Bond Principal	170,000	170,000	170,000		
Interest on School Bonds	95,750	95,750	95,750	-	-
Total Type I School District Debt Service	265,750	265,750	265,750	-	-
Total General Appropriations	79,271,249	79,294,374	73,823,380	5,244,314	226,680
Reserve for Uncollected Taxes	1,122,500	1,122,500	1,122,500	-	-
Total General Appropriations	\$ 80,393,749	\$ 80,416,874	\$ 74,945,880	\$ 5,244,314	\$ 226,680

Reference A-2

A



**TOWN OF WEST NEW YORK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-2	\$ 80,393,749	
Added Per N.J.S.A. 40A:4-87	A-2	<u>23,125</u>	
	A-3	<u>\$ 80,416,874</u>	
Cash Disbursed	A-4		\$ 67,482,654
Due to Federal and State Grant Fund	A-29		302,751
Deferred Charges			
Special Emergency Authorizations	A-12		92,000
Due to General Capital Fund - Budget Appropriation:			
Deferred Charges Unfunded - Ord 3/13	C-13		27,558
Capital Improvement Fund	C-13		153,000
Principal Payment of BAN	C-13		742,000
Reserve for Uncollected Taxes	A-2		1,122,500
Encumbrances Payable	A-15		2,599,759
Reserve for Retro Pay	A-8		518,280
Prepaid Expense	A-7		1,780,378
Reserve for Tax Appeals	A-22		<u>125,000</u>
			<u>\$ 74,945,880</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUND  
AS OF DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL FUND</b>			
Cash	B-1	\$ 201	\$ 180
Due from Other Trust Fund	B-5	9,681	4,363
Due from State of New Jersey	B-4	45	54
Due from Current Fund	B-2	<u>1,802</u>	<u>1,802</u>
		<u>11,729</u>	<u>6,399</u>
<b>OTHER TRUST FUND</b>			
Cash	B-1	8,702,402	9,896,377
Due from Current Fund	B-6	46,201	
Due from General Capital Fund	B-7		151,779
Due from Federal and State Grant Fund	B-9		12,734
Other Accounts Receivable	B-10	<u>-</u>	<u>91,091</u>
		<u>8,748,603</u>	<u>10,151,981</u>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</b>			
Cash	B-1		5,660
Due from Current Fund	B-19		117,629
Due from Federal and State Grant Fund	B-20		94,883
Due from County of Hudson Community Development Block Grant	B-17	<u>840,010</u>	<u>500,010</u>
		<u>840,010</u>	<u>718,182</u>
<b>Total Assets</b>		<u>\$ 9,600,342</u>	<u>\$ 10,876,562</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUND  
AS OF DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>LIABILITIES AND RESERVES</b>			
<b>ANIMAL CONTROL FUND</b>			
Reserve for Animal Control Expenditures	B-3	\$ 2,568	\$ 6,399
Reserve for Encumbrances Payable	B-15	<u>9,161</u>	<u>-</u>
		<u>11,729</u>	<u>6,399</u>
<b>OTHER TRUST FUND</b>			
Various Trust Reserves	B-11	8,313,944	3,944,165
Due to Current Fund	B-6		44,971
Due to Animal Control Fund	B-8	9,681	4,363
Due to Third Party Lienholders	B-14	413,154	6,073,677
Due to State of New Jersey - Unemployment	B-16	<u>11,824</u>	<u>84,805</u>
		<u>8,748,603</u>	<u>10,151,981</u>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</b>			
Reserve for Community Development Block Grant	B-18	840,010	500,010
Due to General Capital Fund	B-21	<u>-</u>	<u>218,172</u>
		<u>840,010</u>	<u>718,182</u>
<b>Total Liabilities and Reserves</b>		<u>\$ 9,600,342</u>	<u>\$ 10,876,562</u>

**TOWN OF WEST NEW YORK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 4,959,147	\$ 4,794,317
Deferred Charges to Future Taxation - Funded	C-4	26,985,291	26,295,890
Deferred Charges to Future Taxation - Unfunded	C-5	10,627,290	14,924,502
Grants Receivable	C-11	2,983,234	2,428,196
Due from Community Development Block Grant Fund	C-14		218,172
Due from Current Fund	C-13		57,828
Due from Federal and State Grant Fund	C-15	-	668,205
<b>Total Assets</b>		<u>\$ 45,554,962</u>	<u>\$ 49,387,110</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-6	23,987,000	22,923,000
School Serial Bonds	C-7	2,170,000	2,405,000
State of New Jersey - Green Acres Loans Payable	C-8	828,291	967,890
Bond Anticipation Notes Payable	C-9	7,508,000	11,776,000
Contracts Payable	C-18	2,057,250	866,312
Due to Current Fund	C-13	40,787	
Due to Other Trust Fund	C-16		151,779
Capital Improvement Fund	C-10	246,520	168,520
Reserve for Payment of Debt	C-17	858,289	821,655
Improvement Authorizations			
Funded	C-12	2,055,275	1,418,774
Unfunded	C-12	5,078,026	7,592,525
<b>Fund Balance</b>	C-1	<u>725,524</u>	<u>295,655</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 45,554,962</u>	<u>\$ 49,387,110</u>

There were bonds and notes authorized but not issued on December 31, 2016 and 2015 of \$3,161,131 and \$3,148,502 respectively. (Exhibit C-19)

**TOWN OF WEST NEW YORK**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Balance, January 1	C	\$ 295,655	\$ 192,034
Increased by:			
Premium on Bond Anticipation Notes	C-13	46,333	103,621
Improvement Authorizations Cancelled	C-12	<u>552,536</u>	<u>-</u>
		<u>598,869</u>	<u>103,621</u>
Decreased by:			
Anticipated as Current Fund Revenue	C-13	<u>169,000</u>	<u>-</u>
		<u>169,000</u>	<u>-</u>
Balance, December 31	C	<u>\$ 725,524</u>	<u>\$ 295,655</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TOWN OF WEST NEW YORK  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>General Fixed Assets:</b>		
Land	\$ 4,554,676	\$ 4,575,676
Buildings	2,408,050	2,408,050
Building Improvements	11,687,401	11,687,401
Machinery and Equipment	1,438,884	1,366,419
Vehicles	<u>4,703,529</u>	<u>4,878,339</u>
 Total General Fixed Assets	 <u>\$ 24,792,540</u>	 <u>\$ 24,915,885</u>
  Investment in General Fixed Assets	  <u>\$ 24,792,540</u>	  <u>\$ 24,915,885</u>

The Accompanying Notes are an Integral Part of These Financial Statements

## **NOTES TO FINANCIAL STATEMENTS**

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of West New York (the "Town") was incorporated in 1898 and operates under an elected Commission form of government. The Commission members are elected at-large in nonpartisan elections to serve four-year terms of office on a concurrent basis. Each Commissioner is assigned to head one of five departments. The Commission selects one of its members to serve as Mayor. The Mayor is the Chief Executive Officer of the Town and as such presides over all public meetings and makes appointments to various boards. The Commission exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Town Administrator is appointed by the Commission and is responsible for the implementation of the policies of the Commission, for the administration of all Town affairs and for the day to day operations of the Town. The Town Administrator is the Chief Administrative Officer for the Town. 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 and parking authority which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**B. Description of Regulatory Basis of Accounting**

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

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



**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

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

The Town has the following funds and account group:

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

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

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

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

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

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

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

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2015 balances to conform to the December 31, 2016 presentation.

**Financial Statements – Regulatory Basis**

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

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

**Property Tax Revenues/Receivables** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Town. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Town also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Town may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

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

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

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

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

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

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

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

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

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

No depreciation has been provided for in the financial statements.

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

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

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

Trust Funds  
General Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2016 and 2015 the Commissioners increased the original budget by \$23,125 and \$108,665, respectively. The increases were funded by additional aid allotted to the Town. In addition, the governing body approved several budget transfers during 2016 and 2015.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

**A. Cash Deposits**

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

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**A. Cash Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2016 and 2015, the book value of the Town's deposits were \$34,383,898 and \$32,755,703 and bank and brokerage firm balances of the Town's deposits amounted to \$34,938,791 and \$32,160,924, respectively. The Town's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2016</u>	<u>2015</u>
Insured	\$ 33,979,102	\$ 31,160,606
Uninsured and Uncollateralized	959,689	1,000,318
	<u>\$ 34,938,791</u>	<u>\$ 32,160,924</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town does not have a formal policy for custodial credit risk. As of December 31, 2016 and 2015, the Town's bank balances of \$959,689 and \$1,000,318 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2016</u>	<u>2015</u>
Uninsured and Uncollateralized	<u>\$ 959,689</u>	<u>\$ 1,000,318</u>

**B. Investments**

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

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

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

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

As of December 31, 2016 and 2015 the Town had no outstanding investments.

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

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2016 and 2015 consisted of the following:

<b><u>2016</u></b>	
Property Taxes	\$ 14,322
Tax Title Liens	<u>358,743</u>
	<u>\$ 373,065</u>
<b><u>2015</u></b>	
Property Taxes	\$ 44,367
Tax Title Liens	<u>334,069</u>
	<u>\$ 378,436</u>

In 2016 and 2015, the Town collected \$94,791 and \$79,710 from delinquent taxes, which represented 25% and 21%, respectively of the prior year delinquent taxes receivable balance.

**NOTE 5 DUE TO/FROM OTHER FUNDS**

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

	<b><u>2016</u></b>		<b><u>2015</u></b>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund:				
Regular	\$ 168,244	\$ 48,003	\$ 44,971	\$ 232,498
Federal and State Grant		127,457	55,239	775,822
Trust Fund:				
Animal Control	11,483		6,165	
Other Trust	46,201	9,681	164,513	49,334
Community Development Block Grant Fund			212,512	218,172
General Capital Fund	<u>-</u>	<u>40,787</u>	<u>944,205</u>	<u>151,779</u>
Total	<u>\$ 225,928</u>	<u>\$ 225,928</u>	<u>\$ 1,427,605</u>	<u>\$ 1,427,605</u>

The above balances are the result of expenditures being paid and/or revenues received by one fund on behalf of another.

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

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance</u>
<b><u>2016</u></b>			
None			
<b><u>2015</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-53)	<u>\$ 92,000</u>	<u>\$ 92,000</u>	<u>\$ -</u>

**NOTE 7 FUND BALANCES APPROPRIATED**

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

	<u>2016</u>		<u>2015</u>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 7,731,807	\$ 5,400,000	\$ 5,857,959	\$ 4,900,000
Non-Cash Surplus	<u>665,303</u>	<u>-</u>	<u>1,780,378</u>	<u>-</u>
	<u>\$ 8,397,110</u>	<u>\$ 5,400,000</u>	<u>\$ 7,638,337</u>	<u>\$ 4,900,000</u>



**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 8 FIXED ASSETS**

**General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2016 and 2015.

	Balance January 1, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2016</u>
<b><u>2016</u></b>				
Land	\$ 4,575,676		\$ 21,000	\$ 4,554,676
Buildings	2,408,050			2,408,050
Building Improvements	11,687,401			11,687,401
Machinery and Equipment	1,366,419	\$ 72,465		1,438,884
Vehicles	4,878,339	143,090	317,900	4,703,529
	<u>\$ 24,915,885</u>	<u>\$ 215,555</u>	<u>\$ 338,900</u>	<u>\$ 24,792,540</u>
	Balance January 1, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
<b><u>2015</u></b>				
Land	\$ 2,095,513	\$ 2,480,163		\$ 4,575,676
Buildings	2,408,050			2,408,050
Building Improvements	11,687,401			11,687,401
Machinery and Equipment	1,366,419			1,366,419
Vehicles	4,573,004	305,335	-	4,878,339
	<u>\$ 22,130,387</u>	<u>\$ 2,785,498</u>	<u>\$ -</u>	<u>\$ 24,915,885</u>

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT**

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

The Town's debt is summarized as follows:

	<u>2016</u>	<u>2015</u>
Issued		
General		
Bonds, Notes and Loans	\$ 32,323,291	\$ 35,666,890
Less Funds Temporarily Held to Pay Bonds and Notes	<u>900,130</u>	<u>821,655</u>
Net Debt Issued	31,423,161	34,845,235
Authorized But Not Issued		
General		
Bonds and Notes	<u>2,828,131</u>	<u>2,815,502</u>
	<u>34,251,292</u>	<u>37,660,737</u>
Type I Local School District Debt		
Issued and Outstanding		
General Serial Bonds	2,170,000	2,405,000
Authorized But Not Issued	<u>333,000</u>	<u>333,000</u>
	<u>2,503,000</u>	<u>2,738,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 36,754,292</u>	<u>\$ 40,398,737</u>

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Town's Annual Debt Statement and indicates a statutory net debt of 1.32% and 1.53% at December 31, 2016 and 2015, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2016</u></b>			
Local School District Debt - Type I	\$ 2,503,000	\$ 2,503,000	
Debt Guarantees	14,076,808	14,076,808	
General Debt	<u>35,151,422</u>	<u>1,710,130</u>	\$ 33,441,292
Total	<u>\$ 51,731,230</u>	<u>\$ 18,289,938</u>	<u>\$ 33,441,292</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2015</u></b>			
Local School District Debt - Type I	\$ 2,738,000	\$ 2,738,000	
Debt Guarantees	14,924,496	14,924,496	
General Debt	<u>38,482,392</u>	<u>2,351,655</u>	\$ 36,130,737
Total	<u>\$ 56,144,888</u>	<u>\$ 20,014,151</u>	<u>\$ 36,130,737</u>

**Statutory Borrowing Power**

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

	<u>2016</u>	<u>2015</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 88,306,183	\$ 82,417,361
Less: Net Debt	<u>33,441,292</u>	<u>36,130,737</u>
Remaining Borrowing Power	<u>\$ 54,864,891</u>	<u>\$ 46,286,624</u>

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

<b><u>General Obligation Bonds</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
\$5,350,000, 2003 Pension Refunding Bonds, due in annual installments of \$810,000 through March 15, 2017, interest at 4.92%	\$ 810,000	\$ 1,530,000
\$8,100,000, 2006A Refunding Bonds, due in annual installments of \$1,200,000 to \$1,350,000 through April 15, 2019, interest at 4.00%	3,870,000	5,045,000
\$6,100,000, 2007 General Improvement Bonds, due in annual installments of \$495,000 through April 15, 2017, interest at 5.50%	495,000	5,595,000
\$6,888,000, 2008 General Improvement Bonds, due in annual installments of \$1,088,000 through June 15, 2016, interest at 5.00%		1,088,000
\$3,910,000, 2013 Series A Qualified General Obligation Bonds, due in annual installments of \$180,000 to \$330,000 through May 15, 2029, interest at 2.00% to 3.00%	3,400,000	3,575,000
\$6,725,000, 2013 Series B Qualified General Obligation Bonds (Taxable), due in annual installments of \$330,000 to \$630,000 through May 15, 2028, interest at 3.50% to 4.40%	5,765,000	6,090,000
\$5,047,000, 2016 Series A General Obligation Bonds due in annual installments of \$370,000 to \$487,000 through November 1, 2028, interest at 3.00%	5,047,000	
\$4,600,000, 2016A General Improvement Refunding Bonds due in annual installments of \$505,000 to \$650,000 through April 15, 2025, interest at 3.00% to 4.00%	4,600,000	-
	<u>\$ 23,987,000</u>	<u>\$ 22,923,000</u>

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**School Debt**

The West New York Board of Education is a Type II School District having been reclassified from a Type I during the general election held on November 5, 2013. Bonds and notes previously authorized by the Board of School Estimate prior to November 5, 2013 to finance capital expenditures are general obligations of the Town and are reported on the balance sheet of the Town's General Capital Fund.

**School Bonds**

	<u>2015</u>	<u>2015</u>
\$2,650,000, 2007 School Bonds, due in an annual installment of \$210,000 through April 1, 2017, interest at 5.00%	\$ 210,000	\$ 2,405,000
\$1,960,000, 2016B Series School Refunding Bonds, due in annual installments of \$220,000 to \$280,000 through April 15, 2025, interest rates at 3.00% to 4.00%	<u>1,960,000</u>	<u>-</u>
	<u>\$ 2,170,000</u>	<u>\$ 2,405,000</u>

**General Intergovernmental Loans Payable**

The Town has entered into loan agreements with the State under the New Jersey Green Trust Bond Act of 1983 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 are as follows:

**Green Trust Loans**

	<u>2016</u>	<u>2015</u>
\$289,313, 1997 Loan, due in Semi-Annual installments of \$8,906 through January 8, 2017, interest at 2%	\$ 8,906	\$ 26,455
\$500,000, 2000 Loan, due in Semi-Annual installments of \$14,960 to \$15,724 through December 20, 2019, interest at 2%	92,037	121,515
\$475,000, 2001 Loan, due in Semi-Annual installments of \$13,638 to \$14,622 through September 6, 2020, interest at 2%	113,003	139,876
\$425,000, 2001 Loan, due in Semi-Annual installments of \$12,203 to \$13,083 through September 16, 2020, interest at 2%	101,107	125,151

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**General Intergovernmental Loans Payable (Continued)**

**Green Trust Loans (Continued)**

	<u>2016</u>	<u>2015</u>
\$675,000, 2006 Loan, due in Semi-Annual installments of \$18,077 to \$20,779 through February 9, 2026, interest at 2%	\$ 361,519	\$ 395,748
\$170,010, 2013 Loan, due in Semi-Annual installments of \$3,769 to \$5,233 through July 21, 2033, interest at 2%	151,719	159,145
	<u>\$ 828,291</u>	<u>\$ 967,890</u>

The Town's principal and interest for long-term debt issued and outstanding as of December 31, 2016 is as follows:

Calendar Year	General		School		Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2017	\$ 3,385,000	\$ 766,239	\$ 210,000	\$ 68,023	\$ 133,409	\$ 15,857	\$ 4,578,528
2018	2,720,000	649,578	220,000	60,000	127,007	13,266	3,789,851
2019	2,790,000	551,290	220,000	52,300	129,558	10,713	3,753,861
2020	1,630,000	473,253	230,000	43,300	100,243	8,268	2,485,064
2021	1,680,000	421,178	240,000	35,100	46,013	6,533	2,428,824
2022-2026	8,645,000	1,276,150	1,050,000	64,650	223,325	18,413	11,277,538
2027-2031	3,137,000	141,375			48,111	4,748	3,331,234
2032-2033	-	-	-	-	20,625	518	21,143
Total	<u>\$ 23,987,000</u>	<u>\$ 4,279,063</u>	<u>\$ 2,170,000</u>	<u>\$ 323,373</u>	<u>\$ 828,291</u>	<u>\$ 78,316</u>	<u>\$ 31,666,043</u>

**Advance Refundings of Debt**

On October 18, 2016, the Town issued \$6,560,000 in General Obligation Refunding Bonds consisting of \$4,600,000 General Improvement Refunding Bonds and \$1,960,000 School Refunding Bonds having interest rates of 3.00% to 4.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various General Improvement Bonds and School Bonds of the Town. The total bond principal defeased was \$6,790,000 and the total interest payments defeased to the call date was \$135,800. The net proceeds of \$6,914,271 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability was removed from the General Capital Fund. This advance refunding resulted in an economic gain (difference between the present value of the old and new debt service payments) was \$541,077. The advanced refunding was undertaken to reduce total debt service payments over the next nine years by \$585,017.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Debt Guarantees**

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

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).

The HCIA, at the consent of the NHRFR, as lessee, issued the \$4,760,000 Lease Revenue Refunding Bonds, (North Hudson Regional Fire and Rescue Project Guaranteed Tax-Exempt Series) Series 2011A and the \$10,990,000 Lease Revenue Bonds, (North Hudson Regional Fire and Rescue Project Guaranteed Taxable Series) Series 2011B to call all of the outstanding \$7,010,000 Lease Revenue Bonds Series 1999A (Original Parties Tax Exempt Series) and \$15,070,000 Lease Revenue Bonds, Series 1999B (Original Parties Guaranteed Taxable Series). On October 18, 2011, the Town guaranteed an amount not to exceed \$1,214,752 and \$2,804,648, respectively for its proportionate share of the total \$15,750,000 2011A and 2011B Lease Revenue Bonds. 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 Lease Revenue Bonds.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Debt Guarantees (Continued)**

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

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

	<u>2016</u>	<u>2015</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%.	\$ 2,845,480	\$ 3,049,640
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%.	646,932	713,284
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 bonds bear interest of 4.99% to 5.4%.	608,652	668,624
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 bonds bears interest of 5.4% to 5.7%.	802,604	894,476
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 bonds bear interest of 5.4% to 5.7%.	1,933,140	2,133,472
	<u>\$ 6,836,808</u>	<u>\$ 7,459,496</u>



**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Debt Guarantees (Continued)**

**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>2016</u>	<u>2015</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%.	\$ 7,240,000	\$ 7,465,000

**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 48<sup>th</sup> Street through 68<sup>th</sup> 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.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Debt Guarantees (Continued)**

**Hudson County Improvement Authority – Lease Financing Agreement (Continued)**

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 years ended December 31, 2016 and 2015 were \$185,000 and \$175,000, respectively.

Minimum future lease payments under the capital lease as of December 31, 2016 for each of the next five years and in the aggregate are:

<u>Years Ended</u> <u>December 31,</u>	<u>Amount</u>
2017	\$ 287,500
2018	287,750
2019	287,500
2020	286,750
2021	285,500
2022-2024	<u>853,750</u>
Total	2,288,750
Less: Amounts representing Interest	<u>438,750</u>
Present value of Net Minimum Lease Payments	<u>\$ 1,850,000</u>

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term 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 years ended December 31, 2016 and 2015 was 2.3824% and 2.0419%, respectively.

**Changes in Long-Term Municipal Debt**

The Town's long-term capital debt activity for the years ended December 31, 2016 and 2015 were as follows:

	Balance, January 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2016</u>	Due Within One Year
<b><u>2016</u></b>					
General Capital Fund					
Serial Bonds Payable	\$ 22,923,000	\$ 9,647,000	\$ 8,583,000	\$ 23,987,000	\$ 3,385,000
School Bonds Payable	2,405,000	1,960,000	2,195,000	2,170,000	210,000
Intergovernmental Loans Payable	<u>967,890</u>	<u>-</u>	<u>139,599</u>	<u>828,291</u>	<u>133,409</u>
General Capital Fund Long-Term Liabilities	<u>\$ 26,295,890</u>	<u>\$ 11,607,000</u>	<u>\$ 10,917,599</u>	<u>\$ 26,985,291</u>	<u>\$ 3,728,409</u>
	Balance, January 1, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2015</u>	Due Within One Year
<b><u>2015</u></b>					
General Capital Fund					
Serial Bonds Payable	\$ 26,743,000		\$ 3,820,000	\$ 22,923,000	\$ 3,818,000
School Bonds Payable	2,540,000		135,000	2,405,000	170,000
Intergovernmental Loans Payable	<u>1,104,737</u>	<u>-</u>	<u>136,847</u>	<u>967,890</u>	<u>139,599</u>
General Capital Fund Long-Term Liabilities	<u>\$ 30,387,737</u>	<u>\$ -</u>	<u>\$ 4,091,847</u>	<u>\$ 26,295,890</u>	<u>\$ 4,127,599</u>

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Town's short-term debt activity for the years ended December 31, 2016 and 2015 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, January 1, 2016</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2016</u>
<b><u>2016</u></b>						
<b><u>General Capital Fund</u></b>						
Various Capital Improvements	2.00	11/1/2017		\$ 5,255,000		\$ 5,255,000
Road Improvement Projects	2.00	11/1/2017		1,115,000		1,115,000
Acquisition of Vehicles	2.00	11/1/2017		190,000		190,000
Refunding Tax Appeals	2.00	11/1/2017		948,000		948,000
Various Capital Improvements	1.75	11/11/2016	\$ 7,953,000		\$ 7,953,000	
Road Improvement Projects	1.75	11/11/2016	1,943,000		1,943,000	
Acquisition of Vehicles	1.75	11/11/2016	190,000		190,000	
Refunding Tax Appeals	1.75	11/11/2016	1,690,000		1,690,000	
			<u>\$ 11,776,000</u>	<u>\$ 7,508,000</u>	<u>\$ 11,776,000</u>	<u>\$ 7,508,000</u>
<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, January 1, 2015</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2015</u>
<b><u>2015</u></b>						
<b><u>General Capital Fund</u></b>						
Various Capital Improvements	1.75	11/11/2016		\$ 7,953,000		\$ 7,953,000
Road Improvement Projects	1.75	11/11/2016		1,943,000		1,943,000
Acquisition of Vehicles	1.75	11/11/2016		190,000		190,000
Refunding Tax Appeals	1.75	11/11/2016		1,690,000		1,690,000
Various Capital Improvements	1.00	11/25/2015	\$ 4,193,000		\$ 4,193,000	
Road Improvement Projects	1.00	11/25/2015	1,019,000		1,019,000	
			<u>\$ 5,212,000</u>	<u>\$ 11,776,000</u>	<u>\$ 5,212,000</u>	<u>\$ 11,776,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance special emergency appropriations. This debt which is not included in the Town's statutory debt limit calculation is reported in the Current Fund for the years 2016 and 2015 as follows:

**Special Emergency Notes**

Following the adoption of an ordinance or resolution for special emergency appropriations, the Town may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>January 1,</u> <u>2016</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2016</u>
<b><u>2016</u></b>						
Superstorm Sandy	1.75	11/11/2016	\$ 92,000	\$ -	\$ 92,000	\$ -
Total Special Emergency Notes			\$ 92,000	\$ -	\$ 92,000	\$ -

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>January 1,</u> <u>2015</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2015</u>
<b><u>2015</u></b>						
Superstorm Sandy	1.75	11/11/2016		\$ 92,000		\$ 92,000
Superstorm Sandy	1.00	11/25/2015	\$ 138,000		\$ 138,000	
Total Special Emergency Notes			\$ 138,000	\$ 92,000	\$ 138,000	\$ 92,000

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Capital Project</u>	<u>Construction/ Other Commitment</u>	<u>Estimated Date of Acquisition/ Completion</u>
<b><u>2016</u></b>		
Improvements to 66th Street	\$ 174,219	2017
Road Program	241,037	2017
Acquisition of Surveillance Cameras	86,225	2017
Construction of Dog Park	181,328	2017
Renovations to 50th Street Park	269,072	2017
Improvements and Repairs to Dispatch Center	351,662	2017
Traffic Signal Upgrades	610,010	2017
<b><u>2015</u></b>		
Improvements to 66th Street	\$ 174,219	2016
Improvements to Veterans Park	262,951	2016
Improvements to Washington Park	63,260	2016
Road Program	398,510	2016
Acquisition of Vehicles	212,157	2016

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. 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 leave 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 by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$7,357,983 and \$8,326,112 at December 31, 2016 and 2015, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

**B. Deferred Pension Obligation**

During the year ended December 31, 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 \$1,589,585 and will be paid back with interest over 15 years beginning in the 2012 year. The Town is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.90% effective July 1, 2012 and 8.25% prior to July 1, 2012) at December 31, 2016 and 2015 is \$799,907 and \$956,474, respectively.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities**

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Town's changes in other long-term liabilities for the years ended December 31, 2016 and 2015 were as follows:

	Balance, January 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2016</u>	Due Within <u>One Year</u>
<b><u>2016</u></b>					
Compensated Absences	\$ 8,326,112		\$ 968,129	\$ 7,357,983	\$ 250,000
Net Pension Liability - PERS	21,040,256	\$ 10,958,191	931,863	31,066,584	
Net Pension Liability - PFRS	55,139,142	9,836,414	2,659,779	62,315,777	
Deferred Pension Obligation	956,474	58,566	215,133	799,907	217,286
<b>Total Other Long-Term Liabilities</b>	<b>\$ 85,461,984</b>	<b>\$ 20,853,171</b>	<b>\$ 4,774,904</b>	<b>\$ 101,540,251</b>	<b>\$ 467,286</b>

	Balance, January 1, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2015</u>	Due Within <u>One Year</u>
<b><u>2015</u></b>					
Compensated Absences	\$ 7,682,147	\$ 643,965		\$ 8,326,112	\$ 250,000
Net Pension Liability - PERS	16,585,081	5,260,992	\$ 805,817	21,040,256	
Net Pension Liability - PFRS	40,641,097	17,188,878	2,690,833	55,139,142	
Deferred Pension Obligation	1,100,795	70,029	214,350	956,474	215,133
<b>Total Other Long-Term Liabilities</b>	<b>\$ 66,009,120</b>	<b>\$ 23,163,864</b>	<b>\$ 3,711,000</b>	<b>\$ 85,461,984</b>	<b>\$ 465,133</b>

**NOTE 12 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 December 31, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

**TOWN OF WEST NEW YORK  
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YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

The State also administers the Pensions Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.L. 2011, C.78, it provided cost of living increases equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPPF. Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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/pensions](http://www.state.nj.us/treasury/pensions).



**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**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 and refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Funded Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, which was rolled forward to June 30, 2016, the aggregate funded ratio for all the State administered retirement systems, including CPFPPF, local PERS and local PFRS is 45.7 percent with an unfunded actuarial accrued liability of \$50.3 billion. The CPFPPF system is 19.15 percent funded with an unfunded actuarial accrued liability of \$8.0 million. The aggregate funded ratio and unfunded accrued liability for the local PERS system is 40.14 percent and \$29.6 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PFRS is 52.01 percent and \$20.7 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 funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2015 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.65% for investment rate of return for all the retirement systems except CPFPPF ( 2.85%) and (b) changes to projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for PERS and 2.10-9.98 percent based on age for PFRS.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**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 10.0% for PFRS, 7.06% for PERS and 5.50% for DCRP of employee's annual compensation for fiscal year 2016.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the years ended December 31, 2016 and 2015 for CPFPPF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2016, 2015 and 2014, the Town, was required to contribute for normal cost pension contributions, accrued liability pension contributions, deferred pension obligation contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2016	\$ 2,860,360	\$ 851,423
2015	2,481,516	730,262
2014	2,400,660	775,262

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

At December 31, 2016 and 2015, the Town reported a liability of \$31,066,584 and \$21,040,256, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 and 2014, respectively. The Town's proportionate share of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2016, the Town's proportionate share was 0.10489 percent, which was an increase of 0.01116 percent from its proportionate share measured as of June 30, 2015 of 0.09373 percent.

**TOWN OF WEST NEW YORK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the year ended December 31, 2016 and 2015, the pension system has determined the Town's pension expense to be \$3,350,749 and \$1,248,559, respectively, for PERS based on the actuarial valuation which is more than the actual contributions reported in the Town's financial statements of \$851,423 and \$730,262, respectively. At December 31, 2016 and 2015, the Town's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Town's financial statements are from the following sources:

	2016		2015	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 577,744		\$ 501,947	
Changes of Assumptions	6,435,337		2,259,555	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,184,597			\$ 338,287
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	<u>2,463,804</u>	<u>\$ 1,080,280</u>	<u>817,461</u>	<u>1,394,315</u>
Total	<u>\$ 10,661,482</u>	<u>\$ 1,080,280</u>	<u>\$ 3,578,963</u>	<u>\$ 1,732,602</u>

At December 31, 2016 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2017	\$ 2,105,434
2018	2,105,434
2019	2,352,530
2020	2,186,894
2021	830,910
Thereafter	-
	<u>\$ 9,581,202</u>

**TOWN OF WEST NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Actuarial Assumptions***

The Town's total pension liability reported for the year ended December 31, 2016 was based on the June 30, 2016 measurement date as determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability reported for the year ended December 31, 2015 was based on the June 30, 2015 measurement date as determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2016</u>	<u>2015</u>
Inflation Rate	3.08%	3.04%
Salary Increases:		
2012-2021		2.15-4.40%
		Based on Age
Through 2026	1.65-4.15%	
	Based on Age	
Thereafter	2.65-5.15%	3.15-5.40%
	Based on Age	Based on Age
Investment Rate of Return	7.65%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial study for the period July 1, 2008 to June 30, 2011.

**TOWN OF WEST NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 and 2015, as reported for the years ended December 31, 2016 and 2015, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2016</u>		<u>2015</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%	5.00%	1.04%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad US Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Equities	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Return	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2016	June 30, 2016	3.98%
2015	June 30, 2015	4.90%

**TOWN OF WEST NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit

Payments for which the Following

Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2034

Municipal Bond Rate \* From July 1, 2034  
and Thereafter

\* The municipal bond return rate used is 2.85% and 3.80% as of the measurement dates of June 30, 2016 and 2015, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the Town's proportionate share of the PERS net pension liability as of December 31, 2016 and 2015 calculated using the discount rate of 3.98% and 4.90%, respectively, as well as what the Town's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98% and 3.90%, respectively) or 1-percentage-point higher (4.98% and 5.90%, respectively) than the current rate:

	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
<b>2016</b>			
Town's Proportionate Share of the PERS Net Pension Liability	<u>\$ 38,068,473</u>	<u>\$ 31,066,584</u>	<u>\$ 25,285,918</u>
	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
<b>2015</b>			
Town's Proportionate Share of the PERS Net Pension Liability	<u>\$ 26,150,464</u>	<u>\$ 21,040,256</u>	<u>\$ 16,755,895</u>

The sensitivity analysis was based on the proportionate share of the Town's net pension liability at December 31, 2016 and 2015. A sensitivity analysis specific to the Town's net pension liability was not provided by the pension system.

**TOWN OF WEST NEW YORK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Police and Firemen's Retirement System (PFRS)**

At December 31, 2016 and 2015, the Town reported a liability of \$62,315,777 and \$55,139,142, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 and 2014, respectively. The Town's proportionate share of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2016, the Town's proportionate share was 0.32622 percent, which was a decrease of 0.00482 percent from its proportionate share measured as of June 30, 2015 of 0.33104 percent.

For the years ended December 31, 2016 and 2015, the pension system has determined the Town pension expense to be \$7,097,765 and \$5,331,926, respectively, for PFRS based on the actuarial valuation which is more than the actual contributions reported in the Town's financial statements of \$2,860,360 and \$2,481,516, respectively. At December 31, 2016 and 2015, the Town's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Town's financial statements are from the following sources:

	2016		2015	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 408,489		\$ 475,593
Changes of Assumptions	\$ 8,631,247		\$ 10,180,055	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,366,341			959,648
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	<u>1,816,709</u>	<u>554,407</u>	<u>2,367,937</u>	<u>-</u>
Total	<u>\$ 14,814,297</u>	<u>\$ 962,896</u>	<u>\$ 12,547,992</u>	<u>\$ 1,435,241</u>

**TOWN OF WEST NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Police and Firemen's Retirement System (PFRS) (Continued)**

At December 31, 2016 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

Year Ending December 31,	Total
2017	\$ 3,452,847
2018	3,452,847
2019	4,489,669
2020	2,439,626
2021	16,412
Thereafter	
	<u>\$ 13,851,401</u>

**Actuarial Assumptions**

The Town's total pension liability reported for the year ended December 31, 2016 was based on the June 30, 2016 measurement date as determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability reported for the year ended December 31, 2015 was based on the June 30, 2015 measurement date as determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

**PFRS**

	<u>2016</u>	<u>2015</u>
Inflation Rate	3.08%	3.04%
Salary Increases:		
2012-2021		2.60-9.48%
Through 2026	2.10-8.98%	Based on Age
	Based on Age	
Thereafter	3.10-9.98%	3.60-10.48%
	Based on Age	Based on Age
Investment Rate of Return	7.65%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2015 and July 1, 2014 valuations were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.



**TOWN OF WEST NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Police and Firemen's Retirement System (PFRS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 and 2015, as reported for the years ended December 31, 2016 and 2015, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2016</u>		<u>2015</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%	5.00%	1.04%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad US Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Equities	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Return	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2016	June 30, 2016	5.55%
2015	June 30, 2015	5.79%

**TOWN OF WEST NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Police and Firemen's Retirement System (PFRS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

**Period of Projected Benefit**

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return                      Through June 30, 2050

Municipal Bond Rate \*                                      From July 1, 2050  
and Thereafter

\* The municipal bond return rate used is 2.85% and 3.80% as of the measurement dates of June 30, 2016 and 2015, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the Town's proportionate share of the PFRS net pension liability as of December 31, 2016 and 2015 calculated using the discount rate of 5.55% and 5.79%, respectively, as well as what the Town's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55% and 4.79%, respectively) or 1-percentage-point higher (6.55% and 6.79%, respectively) than the current rate:

	<b>1% Decrease <u>(4.55%)</u></b>	<b>Current Discount Rate <u>(5.55%)</u></b>	<b>1% Increase <u>(6.55%)</u></b>
<b><u>2016</u></b>			
Town's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 80,351,625</u>	<u>\$ 62,315,777</u>	<u>\$ 47,608,628</u>
	<b>1% Decrease <u>(4.79%)</u></b>	<b>Current Discount Rate <u>(5.79%)</u></b>	<b>1% Increase <u>(6.79%)</u></b>
<b><u>2015</u></b>			
Town's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 72,690,894</u>	<u>\$ 55,139,142</u>	<u>\$ 40,827,256</u>

The sensitivity analysis was based on the proportionate share of the Town's net pension liability at December 31, 2016 and 2015. A sensitivity analysis specific to the Town's net pension liability was not provided by the pension system.

**TOWN OF WEST NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Police and Firemen's Retirement System (PFRS) (Continued)**

***Special Funding Situation – PFRS***

Under N.J.S.A. 43:16A-15, the Town is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Town by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Town's proportionate share percentage determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2016 and 2015, the State's proportionate share of the net pension liability attributable to the Town for the PFRS special funding situation is \$5,232,980 and \$4,835,518, respectively. For the years ended December 31, 2016 and 2015, the pension system has determined the State's proportionate share of the pension expense attributable to the Town for the PFRS special funding situation is \$668,375 and \$603,161, respectively, which is more than the actual contributions the State made on behalf of the Town of \$200,512 and \$251,714, respectively. The State's proportionate share attributable to the Town was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Town's financial statements.

***Pension Plan Fiduciary Net Position***

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**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 years 2016 and 2015, the Town contributed \$4,486,000 and \$4,192,144, respectively to the plan reflecting implicit rate subsidies.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**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 2016 and 2015, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation to the plan.

	<u>2016</u>	<u>2015</u>
Annual Required Contribution	\$ 10,658,379	\$ 10,658,379
Interest on Net OPEB Obligation	1,873,421	1,608,811
Adjustment to Annual Required Contribution	<u>(2,194,831)</u>	<u>(2,194,831)</u>
Annual OPEB Cost (Expense)	10,336,969	10,072,359
Contributions Made	<u>(4,486,000)</u>	<u>(4,192,144)</u>
Increase in Net OPEB Obligation	5,850,969	5,880,215
Net OPEB Obligation - Beginning of Year	<u>41,631,575</u>	<u>35,751,360</u>
Net OPEB Obligation - End of Year	<u>\$ 47,482,544</u>	<u>\$ 41,631,575</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years 2016, 2015 and 2014 were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligations</u>
2016	\$ 10,336,969	43%	\$ 47,482,544
2015	10,072,359	42%	41,631,575
2014	11,612,503	39%	35,751,360

**Funded Status and Funding Progress**

As of December 31, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$121,785,247, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$121,785,247.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Funded Status and Funding Progress (Continued)**

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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**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 December 31, 2015, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expense) which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7.5% of pre-Medicare medical benefits and 5% post-Medicare medical benefits. The unfunded actuarial liability is amortized as a level dollar amount using an open period of 30 years.

**NOTE 14 RISK MANAGEMENT**

**Employee Group Health**

The Town of West New York has established a group health and prescription insurance benefit plan for its active employees and eligible dependents. Claims dollars are funded by the Town and employee health contributions and are paid by the plan (Horizon BCBS – Medical and Express Scripts – Prescription). The Town has a Medicare Advantage plan with Horizon BCBS to cover all retired members; the Town assumes all cost to fund the Medicare Advantage plan. Total cost paid by the Town for Medical, Medicare Advantage Plan, Rx and Stop-Loss totals \$12,034,513 for plan year ending December 31, 2016. The plan has a re-insurance agreement with Optum in place to fund claims in excess of \$175,000 per person and a policy year maximum specific benefit of \$1,825,000. The re-insurance policy also contains an aggregate loss provision in the amount of \$13,918,080 for the policy year ending December 31, 2016. The Town experienced three members and two members that exceeded the specific attachment point of \$175,000 in the calendar years 2016 and 2015, respectively. The Town will be reimbursed \$219,714 and \$38,075 in the plan year 2016 and 2015, respectively. The Town has not created a liability for loss reserves for claims incurred which were unpaid at December 31, 2016. 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 even the reinsuring company might be unable to meet their obligations to the Town under existing reinsurance agreements.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 14 RISK MANAGEMENT (Continued)**

**Other Insurance Coverage**

The Town of West New York is a member of the Public Entity Joint Insurance Fund (PEJIF). 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 pool. The PEJIF 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.

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 current and previous two years:

<u>Year Ended December 31</u>	<u>Town Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 102,608	\$ 126,802	\$ 215,617	\$ 164,526
2015		34,484	106,910	150,733
2014	156,595	15,940	135,341	223,159

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 15 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's 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, 2016 and 2015. 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 expects such amounts, if any, could be material. As of December 31, 2016 and 2015, the Town reserved \$124,797 and \$242,395, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**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, 2016 and 2015, 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 16 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) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2016 and 2015, the Town has not estimated its estimated arbitrage earnings due to the IRS, if any.

**NOTE 17 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 service charges and annual charges, as described below.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 17 RELATED PARTY TRANSACTIONS (Continued)**

**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, 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 funds 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 years ended December 31, 2016 and 2015.



**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 18 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 City, 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 an 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 expires 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.

The annual contribution is based on each 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 \$14,839,182 and \$14,635,172 for the years 2016 and 2015, respectively, including health insurance and debt service costs.

**NOTE 19 ACCELERATED TAX SALE**

Chapter 99 of the Public Laws and 1997 of the State of New Jersey, effective May 12, 1997, authorized any municipality to have an accelerated tax sale. An accelerated tax sale permits a municipality to have a tax sale when a property is in arrears after the 11<sup>th</sup> day of the 11<sup>th</sup> month of each fiscal year. In 2016 and 2015, the Town conducted an accelerated tax sale which resulted in the majority of delinquent taxes being sold to outside lien holders. As a result of the accelerated tax sales, the true collection rate which includes the proceeds of the accelerated tax sale was 98.83% and 98.82% for 2016 and 2015, respectively. The underlying tax collection rate was 96.55% and 97.10% for 2016 and 2015, respectively.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 20 TAX ABATEMENTS**

For the years ended December 31, 2016 and 2015, the Town provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law") and the Five-Year Exemption and Abatement Law (the "FYEA").

- The Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. For the years ended December 31, 2016 and 2015 the Town abated property taxes totaling \$33,932,802 and \$33,287,086, respectively under the LTTE program. The Town received \$20,675,465 and \$20,845,107 in PILOT payments under this program for the years ended December 31, 2016 and 2015, respectively.
- The Five-Year Exemption and Abatement Law (NJSA 40:21et.seq.) generally concerns rehabilitation of particular buildings and structures, with an abatement period that lasts no more than five years. These "short-term" property tax abatements can be structured as reduced property tax bills that exclude all or part of improvement value or as payments in lieu of taxes (PILOTs). Procedurally, a municipality must first adopt an ordinance invoking its five-year abatement authority and setting forth application procedures. This ordinance, referred to as the general ordinance, defines the eligibility criteria, which may include types of structures, types of permissible improvements, as well as qualifying geographic zones or similar designations. An applicant must satisfy all of the criteria stipulated in the statute and general ordinance to be entitled to approval. Applications for individual short-term abatements are presented to the local governing body and must include a general description of the project, plans demonstrating the structure of the project, a statement of reasons for seeking the abatement, claimed benefits to be realized by the applicant if the application is approved, and a statement of taxes currently being assessed and taxes to be paid during the period of the abatement. The application is approved by an ordinance authorizing execution of a tax agreement. If during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the property tax which would have otherwise been payable for each year shall become due and payable from the property owner as if no exemption and abatement had been granted. For the years ended December 31, 2016 and 2015 the Town abated property taxes totaling \$370,682 and \$352,285 respectively under the FYEA program. The Town received \$284,286 and \$267,523 in PILOT payments under this program for the years ended December 31, 2016 and 2015, respectively.

**TOWN OF WEST NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 21 SUBSEQUENT EVENTS**

**Debt Authorized**

On March 23, 2017 the Town adopted a bond ordinance authorizing the issuance of \$950,000 in bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Town has not issued nor awarded the sale of said bonds or notes.

On June 15, 2017 the Town adopted a bond ordinance authorizing the issuance of \$1,235,000 in bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Town has not issued nor awarded the sale of said bonds or notes.

**CURRENT FUND**

**TOWN OF WEST NEW YORK  
STATEMENT OF CURRENT CASH - TREASURER**

Balance, January 1, 2016		\$15,838,412
Increased by Receipts:		
Taxes Receivable	\$65,002,690	
Non-Budget Revenue	643,943	
Senior Citizen's and Veteran's Deductions	37,485	
Tax Title Liens	50,426	
Prepaid Taxes	445,447	
Tax Overpayments	58,164	
Revenue Accounts Receivable	36,150,831	
North Hudson Sewerage Authority	1,067,231	
Due to West New York Parking Authority	133,273	
Receipts for Federal and State Grant Fund	10,000	
Receipts for General Capital Fund	12,850,715	
Receipts from Federal and State Grant Fund	337,129	
Receipts from Other Trust Fund	198,505	
Receipts for Other Trust Fund	47,819	
		<u>117,033,658</u>
		132,872,070
Decreased by Disbursements:		
2016 Budget Appropriations	67,482,654	
2015 Appropriation Reserves	1,058,450	
Encumbrances Payable	1,364,382	
Accounts Payable	580,251	
Tax Overpayments	105,178	
County Taxes Payable	12,506,290	
School Taxes Payable	15,461,079	
Reserve for Tax Appeals	42,598	
Special Emergency Notes Payable	92,000	
North Hudson Sewerage Authority	1,059,657	
Due to West New York Parking Authority	93,324	
Payments for Federal and State Grant Fund	127,457	
Payments to Federal and State Grant Fund	258,645	
Payments for General Capital Fund	11,898,912	
Payments to General Capital Fund	1,287,841	
Payments to Community Development Block Grant Fund	117,629	
		<u>113,536,347</u>
Balance, December 31, 2016		<u>\$19,335,723</u>

**TOWN OF WEST NEW YORK  
STATEMENT OF CHANGE FUND**

	Balance, <u>January 1, 2016</u>	Balance, <u>December 31, 2016</u>
Collector	\$ 100	\$ 100
Violations Clerk	<u>400</u>	<u>400</u>
	<u>\$ 500</u>	<u>\$ 500</u>

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

Balance, January 1, 2016	\$ 53,755
Increased by:	
Cash Received from State	<u>37,485</u>
	91,240
Decreased by:	
Senior Citizen and Veteran's Deductions Allowed Per Tax Duplicate	<u>37,500</u>
Balance, December 31, 2016	<u>\$ 53,740</u>

## EXHIBIT A-7

**TOWN OF WEST NEW YORK  
STATEMENT OF PREPAID DEBT SERVICE**

Balance, January 1, 2016	\$ 1,780,378
Increased by:	
Qualified Debt Service Received	<u>665,303</u>
	2,445,681
Decreased by:	
Qualified Debt Service Paid on Behalf	<u>1,780,378</u>
Balance, December 31, 2016	\$ <u>665,303</u>

## EXHIBIT A-8

**STATEMENT OF SCHEDULE OF RESERVE FOR RETRO PAY**

Increased by:		
Transfer from 2016 Budget Appropriations	\$ 518,280	
Transfer from 2015 Appropriation Reserves	<u>702,550</u>	
Balance, December 31, 2016		\$ <u>1,220,830</u>

**TOWN OF WEST NEW YORK  
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

<u>Year</u>	<u>Balance, January 1, 2016</u>	<u>Tax Levy</u>	<u>Senior Citizens' and Veterans' Deductions Disallowed</u>	<u>Collected In</u>		<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Cancelled</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance, December 31, 2016</u>
2013	\$ 3,832				\$ 3,832				
2014	521				521				
2015	40,014	-	-	-	40,012	-	-	-	\$ 2
	44,367				44,365				2
2016	-	\$ 66,153,311	-	\$ 388,651	64,958,325	\$ 37,500	\$ 679,415	\$ 75,100	14,320
	\$ 44,367	\$ 66,153,311	\$ -	\$ 388,651	\$ 65,002,690	\$ 37,500	\$ 679,415	\$ 75,100	\$ 14,322

Analysis of 2016 Tax Levy

**TAX YIELD**

General Purpose Tax	\$ 65,891,606
Added Taxes (NJSA 54:4-63.1 et seq)	261,705
	<u>\$66,153,311</u>

**TAX LEVY**

Local District School Tax	
Local District School Tax Levy	\$15,461,079
Additional Local District School Tax Levy	265,750
	15,726,829
County Taxes	
County Tax Levy	12,190,711
Due County for Open Space Preservation	249,933
Added County Taxes	49,583
	12,490,227
Municipal Taxes	
Local Tax for Municipal Purposes	36,899,305
Minimum Library Tax	822,799
Additional Tax Levied	214,151
	37,936,255
	<u>\$66,153,311</u>



**TOWN OF WEST NEW YORK  
STATEMENT OF TAX TITLE LIENS**

Balance, January 1, 2016	\$ 334,069
Increased by:	
Transfers from 2016 Taxes Receivable	<u>75,100</u>
	409,169
Decreased by:	
Cash Received	<u>50,426</u>
Balance, December 31, 2016	<u>\$ 358,743</u>

**TOWN OF WEST NEW YORK  
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, January 1, <u>2016</u>	Accrued in <u>2016</u>	<u>Collected</u>	Balance, December 31, <u>2016</u>
Licenses				
Alcoholic Beverages		\$ 107,280	\$ 107,280	
Other		151,548	151,548	
Fines and Costs				
Municipal Court	\$ 188,830	2,209,318	2,218,499	\$ 179,649
Fees and Permits		72,820	72,820	
Interest and Costs on Taxes		326,558	326,558	
Interest on Investments and Deposits		6,638	6,638	
Payment in Lieu of Taxes:				
Overlook Terrace, Parkview and Housing Authority & Waterfront		20,675,465	20,675,465	
Cable T.V. Franchise Tax		450,318	450,318	
Pool Membership Fees		148,358	148,358	
Consolidated Municipal Property Tax Relief Aid		2,193,465	2,193,465	
Energy Receipts Tax		4,616,914	4,616,914	
Uniform Construction Code Fees (N.J.S.A. 40A:4_36)				
Uniform Construction Code Fees		1,352,870	1,352,870	
Reimbursement for Health Services				
Guttenberg		20,000	20,000	
EMT Service Fees		649,594	649,594	
West New York Board of Education				
Reimbursement for:				
Recreation Services		887,100	887,100	
Police Security		563,968	563,968	
Fuel		100,000	100,000	
Sale of Hudson Hall		2,185,091	2,185,091	
Additional Construction Code Fees		403,644	403,644	
Additional EMT Service Fees		100,000	100,000	
Fund Balance - General Capital Fund		169,000	169,000	
Towing Admin Fees		26,860	26,860	
Reserve for Payment of Debt		212,748	212,748	
UEZ Reserve - Other Trust Fund		125,235	125,235	-
	<u>\$ 188,830</u>	<u>\$37,754,792</u>	<u>\$ 37,763,973</u>	<u>\$ 179,649</u>
				Cash Receipts \$ 36,150,831
				Due from Other Trust Fund 131,854
				Transferred from Prepaid Taxes 130,850
				Due from General Capital Fund 685,135
				Prepaid Debt Service 665,303
				<u>\$37,763,973</u>

**TOWN OF WEST NEW YORK  
STATEMENT OF DEFERRED CHARGES  
N.J.S.A. 40A:4-55 SPECIAL EMERGENCY AUTHORIZATIONS**

<u>Purpose</u>	<u>Net Authorized Amount</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, January 1, 2016</u>	<u>Raised in 2016 Budget</u>	<u>Balance, December 31, 2016</u>
Super Storm Sandy	\$ 230,000	\$ 46,000	\$ 92,000	\$ 92,000	\$ -
			<u>\$ 92,000</u>	<u>\$ 92,000</u>	<u>\$ -</u>

**TOWN OF WEST NEW YORK  
STATEMENT OF 2015 APPROPRIATION RESERVES**

	Balance, January 1, 2016	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Department of Public Affairs					
Director's Office					
Salaries and Wages	\$ 6,972		\$ 6,972	\$ 6,972	
Other Expenses	3,101		3,101	1,034	\$ 2,067
Town Clerk					
Salaries and Wages	15,477		15,477	15,477	
Other Expenses					
Legal Advertising and Publications	500		500		500
Miscellaneous Other Expenses	2,715		2,715	1,786	929
Codification of Ordinances	500		500	500	
Elections					
Other Expenses	11,873	\$ 300	12,173		12,173
Community Development					
Salaries and Wages	7,468		7,468	7,468	
Other Expenses	5		5		5
Board of Health					
Salaries and Wages	176,795		176,795	176,795	
Other Expenses	50,321	\$ 23,070	73,391		73,391
Prosecutor					
Salaries and Wages	500		500	500	
Other Expenses	5,465		5,465	5,150	315
Public Relations					
Other Expenses	13,751		13,751	3,523	10,228
Rent Control Board					
Salaries and Wages	5,478		5,478	5,478	
Other Expenses	21,741		21,741	14,426	7,315
Town Funding Program					
Other Expenses	29,170		29,170	18,440	10,730
Housing Inspection					
Salaries and Wages	5,607		5,607	5,607	
Other Expenses	70		70		70
Tenants Relations					
Other Expenses	22,329		22,329		22,329
Law Department					
Salaries and Wages	704		704	704	
Other Expenses	74,508		74,508	56,882	17,626
Supervised Play Activity					
Salaries and Wages	49,022		49,022	49,022	
Other Expenses	24,713	8,899	33,612		33,612

**TOWN OF WEST NEW YORK  
STATEMENT OF 2015 APPROPRIATION RESERVES**

	Balance, January 1, 2016	Cancelled Encumbrances	Balance After Modification	Paid or Charged	Balance Lapsed
Senior Citizens Coordinator of Events					
Salaries and Wages	\$ 6,243		\$ 6,243	\$ 6,243	
Other Expenses	4,551	\$ 651	5,202		\$ 5,202
Administrative Offices					
Salaries and Wages	19,796		19,796	19,796	
Other Expenses	1,889		1,889		1,889
Insurance/Personnel Department					
Salaries and Wages	1,412		1,412	1,412	
Other Expenses	853		853	161	692
Zoning Board					
Other Expenses	2,258		2,258	2,258	
Planning Board					
Salaries and Wages	2,041		2,041	2,041	
Other Expenses	11,357		11,357	3,363	7,994
North Hudson Council of Mayors					
Town Share	13,546		13,546		13,546
North Hudson Regional Council of Mayors Aid Task Force					
Town Share	4,616		4,616		4,616
Urban Enterprise Zone					
Other Expenses	2,000		2,000		2,000
Department of Revenue and Finance					
Director's Office					
Salaries and Wages	662		662	662	
Other Expenses	3,068		3,068	2,007	1,061
Treasurer's Office					
Salaries and Wages	24,205		24,205	24,205	
Other Expenses					
Annual Audit	42,612		42,612		42,612
Miscellaneous Other Expenses	87,811		87,811	23,966	63,845
Payroll Service Fee	16,000		16,000		16,000
Assessment of Taxes					
Salaries and Wages	12,762		12,762	12,762	
Other Expenses	3,717	2,968	6,685		6,685
Collection of Taxes					
Salaries and Wages	11,163		11,163	11,163	
Other Expenses	3,335		3,335	875	2,460
Insurance					
General Liability Insurance	142,587		142,587	114,486	28,101
Workers Compensation Insurance	150,542	70,000	220,542		220,542
Employee Group Health	1,216,739		1,216,739	215,680	1,001,059
Unemployment Insurance	99,900		99,900		99,900
Health Waiver	10,000		10,000	176	9,824
Purchasing Agent					
Salaries and Wages	6,521		6,521	6,521	
Other Expenses	1,076		1,076	966	110

**TOWN OF WEST NEW YORK  
STATEMENT OF 2015 APPROPRIATION RESERVES**

	Balance, January 1, 2016	Cancelled Encumbrances	Balance After Modification	Paid or Charged	Balance Lapsed
<b>DEPARTMENT OF PUBLIC SAFETY</b>					
Director's Office					
Salaries and Wages	\$ 16,124		\$ 16,124	\$ 16,124	
Other Expenses	13,583	\$ 1,477	15,060		\$ 15,060
Police					
Salaries and Wages	56,440		56,440	56,440	
Other Expenses	59,278		59,278	33,275	26,003
Public Safety Mechanics					
Salaries and Wages	9,053		9,053	9,053	
Juvenile Aid					
Other Expenses	500		500		500
Uniform Fire Safety					
Salaries and Wages	12,512		12,512	7,232	5,280
Ambulance Squad					
Salaries and Wages	28,929		28,929	28,929	
Other Expenses	12,750		12,750	11,146	1,604
Office of Emergency Management					
Other Expenses	3,427		3,427	134	3,293
<b>Department of Public Works</b>					
Director's Office					
Salaries and Wages	10,845		10,845	10,845	
Other Expenses	3,307		3,307	2,579	728
Streets and Sewers					
Salaries and Wages	77,050		77,050	77,050	
Other Expenses	35,674	31,657	67,331		67,331
Snow Removal	12,407		12,407		12,407
Street Lighting					
Other Expenses	103,481		103,481	13,500	89,981
Fire Hydrant Rental					
Other Expenses	18,824		18,824	18,779	45
Recycling					
Other Expenses	266,353		266,353	170,000	96,353
Garbage and Trash					
Salaries and Wages	3,593		3,593	3,593	
Other Expenses					
Contractual	265,096	12,054	277,150		277,150
Miscellaneous Other Expenses	63,011	11,277	74,288	12,593	61,695

**TOWN OF WEST NEW YORK  
STATEMENT OF 2015 APPROPRIATION RESERVES**

	Balance, January 1, 2016	Cancelled Encumbrances	Balance After Modification	Paid or Charged	Balance Lapsed
Engineering Services and Costs					
Other Expenses	\$ 183,466		\$ 183,466	\$ 10,386	\$ 173,080
Department of Parks and Public Property					
Director's Office					
Salaries and Wages	4,864		4,864	4,864	
Other Expenses	2,763		2,763	2,535	228
Divisions of Parks					
Salaries and Wages	16,502		16,502	16,502	
Other Expenses	14,397		14,397	3,334	11,063
Celebration of Public Events Anniversary or Holiday					
Other Expenses	2,600		2,600	605	1,995
Public Buildings and Ground Maintenance					
Salaries and Wages	3,318		3,318	3,318	
Other Expenses	18,130		18,130	6,575	11,555
Light and Power					
Other Expenses	86,175		86,175	13,969	72,206
Centralized Postage					
Other Expenses	5,750	\$ 3,304	9,054		9,054
Fuel					
Other Expenses	124,678		124,678	15,187	109,491
Telephone					
Other Expenses	62,427		62,427	20,824	41,603
Water					
Other Expenses	38,530		38,530	24,008	14,522
Sewerage					
Other Expenses	46,924		46,924	1,200	45,724
Signal Bureau					
Other Expenses	4,909		4,909	4,275	634
Construction Code Official					
Salaries and Wages	23,236		23,236	23,236	
Other Expenses	6,723	80	6,803		6,803
UNCLASSIFIED					
Municipal Court					
Salaries and Wages	134,933		134,933	134,933	
Other Expenses	6,687		6,687	1,200	5,487

**TOWN OF WEST NEW YORK  
STATEMENT OF 2015 APPROPRIATION RESERVES**

	Balance, January 1, <u>2016</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Public Defender					
Other Expenses	\$ 4,275	\$ 250	\$ 4,525		\$ 4,525
Contingent	5,000		5,000		5,000
<b>STATUTORY CHARGES</b>					
Contribution to:					
Public Employees Retirement System	4,334	42,750	47,084		47,084
Social Security System (O.A.S.I.)	3,700		3,700		3,700
Maintenance of Free Public Library	267,005		267,005	\$ 193,021	73,984
Contribution to North Hudson Regional Fire	<u>122,616</u>	<u>-</u>	<u>122,616</u>	<u>-</u>	<u>122,616</u>
Total General Appropriations	<u>\$ 4,698,226</u>	<u>\$ 208,737</u>	<u>\$ 4,906,963</u>	<u>\$ 1,769,751</u>	<u>\$ 3,137,212</u>
Transferred to Accounts Payable				\$ 8,751	
Transferred to Reserve for Retro Pay				702,550	
Cash Disbursements				<u>1,058,450</u>	
				<u>\$ 1,769,751</u>	



**TOWN OF WEST NEW YORK  
STATEMENT OF DUE TO NORTH HUDSON SEWERAGE AUTHORITY**

Balance, January 1, 2016	\$ 1,067,550
Increased by:	
Cash Receipts	<u>1,067,231</u>
	2,134,781
Decreased by:	
Cash Disbursements	<u>1,059,657</u>
Balance, December 31, 2016	<u>\$ 1,075,124</u>

## EXHIBIT A-15

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2016	\$ 1,573,119
Increased by:	
Charges to 2016 Appropriations	<u>2,599,759</u>
	4,172,878
Decreased by:	
Cancelled to Appropriation Reserves	\$ 208,737
Cash Disbursements	<u>1,364,382</u>
	<u>1,573,119</u>
Balance, December 31, 2016	<u>\$ 2,599,759</u>

## EXHIBIT A-16

**STATEMENT OF PREPAID TAXES**

Balance, January 1, 2016	\$ 519,501
Increased by:	
Cash Received - Calendar Year 2017 Taxes	<u>445,447</u>
	964,948
Decreased by:	
Applied to 2016 Taxes Receivable	\$ 388,651
Transferred to Anticipated Revenues - PILOTS	<u>130,850</u>
	<u>519,501</u>
Balance, December 31, 2016	<u>\$ 445,447</u>

## EXHIBIT A-17

**TOWN OF WEST NEW YORK  
STATEMENT OF TAX AND PILOT OVERPAYMENTS**

Balance, January 1, 2016	\$ 598,166
Increased by:	
Cash Received	<u>58,164</u>
	656,330
Decreased by:	
Cash Disbursements	<u>105,178</u>
Balance, December 31, 2016	<u>\$ 551,152</u>

## EXHIBIT A-18

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, January 1, 2016	\$ 65,646
Increased by:	
2016 Levy	
General County Tax (Abstract)	\$ 12,190,711
County Open Space Preservation	249,933
Added County Taxes	<u>49,583</u>
	\$ <u>12,490,227</u>
	12,555,873
Decreased by:	
Cash Disbursed	<u>12,506,290</u>
Balance, December 31, 2016	<u>\$ 49,583</u>

## EXHIBIT A-19

**STATEMENT OF LOCAL DISTRICT SCHOOL TAXES**

Increased by:	
Levy - 2016	<u>\$ 15,461,079</u>
Decreased by:	
Cash Disbursed	<u>\$ 15,461,079</u>

**TOWN OF WEST NEW YORK  
SCHEDULE OF RESERVE FOR PAYMENT OF SPECIAL EMERGENCY NOTE**

Balance, January 1, 2016	\$ 92,000
Decreased by:	
Anticipated as Current Fund Revenue	<u>92,000</u>
Balance, December 31, 2016	<u>\$ -</u>

## EXHIBIT A-21

**STATEMENT OF SPECIAL EMERGENCY NOTES PAYABLE**

Balance, January 1, 2016	\$ 92,000
Decreased by:	
Cash Disbursements	<u>92,000</u>
Balance, December 31, 2016	<u>\$ -</u>

## EXHIBIT A-22

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, January 1, 2016	\$ 242,395
Increased by:	
Transferred from 2016 Budget Appropriations	<u>125,000</u>
	367,395
Decreased by:	
County and State Board Judgements Paid	\$ 42,598
Anticipated as Current Fund Revenue	<u>200,000</u>
	<u>242,598</u>
Balance, December 31, 2016	<u>\$ 124,797</u>

## EXHIBIT A-23

**STATEMENT OF RESERVE FOR MASTER PLAN**

Balance, January 1, 2016	<u>\$ 142,967</u>
Balance, December 31, 2016	<u>\$ 142,967</u>

**TOWN OF WEST NEW YORK  
SCHEDULE OF ACCOUNTS PAYABLE**

Balance, January 1, 2016		\$ 695,130
Increased by:		
Transferred from 2015 Appropriation Reserves		<u>8,751</u>
		703,881
Decreased by:		
Cash Disbursements	\$ 580,251	
Cancelled to Operations	<u>114,879</u>	
		<u>695,130</u>
Balance, December 31, 2016		<u>\$ 8,751</u>

**STATEMENT OF CURRENT CASH - FEDERAL AND STATE GRANT FUND**

Balance, January 1, 2016		\$ 2,220,257
Increased by Receipts:		
Grants Receivable	\$ 159,356	
Receipt from Current Fund	258,645	
Unappropriated Grant Reserves	<u>924</u>	
		<u>418,925</u>
		2,639,182
Decreased by Disbursements:		
Payments to Community Development Block Grant Fund	94,883	
Payments to Current Fund	337,129	
Payments to General Capital Fund	678,827	
Payments to Other Trust Fund	12,734	
Appropriated Grant Reserves	<u>129,684</u>	
		<u>1,253,257</u>
Balance, December 31, 2016		<u>\$ 1,385,925</u>

**TOWN OF WEST NEW YORK  
FEDERAL AND STATE GRANT FUND  
STATEMENT OF DUE TO COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, January 1, 2016	\$ 94,883
Decreased by:	
Payments to Community Development Block Grant Fund	<u>94,883</u>
Balance, December 31, 2016	<u>\$ -</u>

**STATEMENT OF DUE TO/FROM CURRENT FUND  
FEDERAL AND STATE GRANT FUND**

Balance, January 1, 2016 (Due From)	\$ 55,239
Increased by:	
Grants Received in Current Fund	\$ 10,000
Payments to Current Fund	337,129
Local Match	<u>11,712</u>
	<u>358,841</u>
	414,080
Decreased by:	
Appropriated Grants Cancelled	155,435
Receipts from Current Fund	258,645
Federal and State Grant Fund Expenditures Paid by Current Fund	<u>127,457</u>
	<u>541,537</u>
Balance, December 31, 2016 (Due To)	<u>\$ 127,457</u>

**TOWN OF WEST NEW YORK  
STATEMENT OF GRANTS RECEIVABLE  
FEDERAL AND STATE GRANT FUND**

	Balance, January 1, 2016	2016 Budget Revenue Realized	Decreased by:		Balance, December 31, 2016
			Cash Receipts	Cancellations	
<b>NJ Department of Commerce</b>					
Direct Aid					
Bergenline Ave Installment Loan - Year 10	\$ 53,628			\$ 53,628	
Litter Cleanup Phase 2 and Graffiti Truck	1,416			1,416	
<b>NJ Dept of Law and Public Safety:</b>					
Direct Aid					
Safe and Secure Communities 2014	3,300		\$ 3,300		
Safe and Secure	60,000				\$ 60,000
Pedestrian Safety Grant 2015	16,000		15,000		1,000
Pedestrian Safety Grant 2016		\$ 16,000			16,000
Assistance to Firefighters Grant Program		9,760	9,760		
<b>NJ Department of Environmental Protection:</b>					
Direct Aid					
Clean Communities Program		80,356	80,356		
Green Acres Trust Fund:					
Miller Stadium - Phase II	159,980				159,980
<b>NJ Department of Community Affairs:</b>					
Direct Aid					
2016 Body Armor Grant		7,997	7,997		

**TOWN OF WEST NEW YORK  
STATEMENT OF GRANTS RECEIVABLE  
FEDERAL AND STATE GRANT FUND**

	Balance, January 1, 2016	2016 Budget Revenue Realized	Decreased by:		Balance, December 31, 2016
			Cash Receipts	Cancellations	
<b>NJ Department of Transportation (NJITFAA):</b>					
Direct Aid					
FY10 Road Resurfacing Program	\$ 2,074				\$ 2,074
NJ DOT Safe Routes	82,500			\$ 82,500	
<b>Hudson County Dept. of Finance and Administration</b>					
Municipal Alliance	35,701	\$ 42,943	\$ 42,943		35,701
Recreational Opportunities Grant (ROIG)	8,673				8,673
2011 Recreation Grant	4,400				4,400
<b>US Department of Agriculture:</b>					
Direct Aid					
2013 Summer Food Program	22,838			22,838	
2014 Summer Food Program	24,697			24,697	
2015 Summer Food Program	85			85	
2016 Summer Food Program		104,509			104,509
<b>U.S. Dept of Justice</b>					
Direct Aid					
Drive Sober Get Pulled Over 2013	4,400		4,400		
Drive Sober Get Pulled Over-Labor Day Crackdown	50	5,000			5,050
Drive Sober Get Pulled Over-Holiday Crackdown	7,500	5,000	5,000		7,500
Drive Sober Get Pulled Over Year End Crackdown	5,150		600		4,550
Cops in Shops 2011	8				8
Cops in Shops 2012	493				493

**TOWN OF WEST NEW YORK  
STATEMENT OF GRANTS RECEIVABLE  
FEDERAL AND STATE GRANT FUND**

U.S. Dept of Justice  
Passed through Hudson County Prosecutor's Office  
Justice Assistance Grant 2012  
Justice Assistance Grant 2016

Balance, January 1, 2016	2016 Budget Revenue Realized	Decreased by:		Balance, December 31, 2016
		Cash Receipts	Cancellations	
\$ 379	\$ 18,125	-	-	\$ 379
<u>493,272</u>	<u>289,690</u>	<u>169,356</u>	<u>185,164</u>	<u>428,442</u>
Due from Current Fund		\$ 10,000		
Cash Receipts		<u>159,356</u>		
		<u>\$ 169,356</u>		



**TOWN OF WEST NEW YORK  
STATEMENT OF APPROPRIATED GRANT RESERVES  
FEDERAL AND STATE GRANT FUND**

	Balance, January 1, 2016	2016 Budget	Expended	Cancelled	Balance, December 31, 2016
Green Acres Trust Fund - Miller Stadium Phase II	\$ 168,848				\$ 168,848
Port Authority of NY and NJ - Parking Garage	1,000,000				1,000,000
UEZ Fees - Bergenline Renovation	3,583			\$ 3,583	
UEZ Litter Clean Up Phase II & Garbage Truck	181,165			181,165	
NJ DOT Safe Routes	76,325			76,325	
2015 Pedestrian Safety Grant		\$ 16,000	\$ 15,000		1,000
2015 Pedestrian Safety Grant	16,000				16,000
2010 Body Armor Grant	9,788			9,788	
2012 Body Armor Fund	4,711			4,711	
2013 Body Armor Fund	11,454			11,454	
2014 Body Armor Fund	12,821		10,906	1,915	
2015 Body Armor Fund	9,340		2,728		6,612
2016 Body Armor Fund		7,997			7,997
Hudson County - Justice Assistance Grant 2012	379				379
Hudson County - Justice Assistance Grant 2016		18,125			18,125
2011 Recreation Grant - Hudson County	4,400				4,400
2014 Summer Program	51,573			51,573	
2015 Summer Food Program	23,659		23,659		
2016 Summer Food Program		104,509	82,342	127	22,040
Clean Communities	61,608		465		61,143
Clean Communities 2014	57,761				57,761
Clean Communities 2015	70,325		1		70,324
Clean Communities 2016		80,356			80,356
Recycling Tonnage Grant 2013	16,470	1,349	6,767		11,052
Recycling Tonnage Grant 2015	79,500				79,500
Municipal Alliance	24,524	42,943	32,770		34,697
Municipal Alliance-Local Match	5,670	10,736	16,406		
Drive Sober, Get Pulled Over -2014	4,400				4,400
Drive Sober or Get Pulled Over -Labor Day Crackdown		5,000	4,800		200
Drive Sober or Get Pulled Over -Holiday Crackdown	7,500	5,000	4,425		8,075
Drive Sober, Get Pulled Over - Year End Crackdown	5,200		200		5,000
Assistance to Firefighters		9,760	9,646		114
Assistance to Firefighters-Local Match		976	976		
Safe and Secure 2014	60,000		60,000		
Enforcing Underage Drinking Law 2011	296				296
Recreational Opportunities Individual Disabilities (ROID)	20,000				20,000
ROID - Local Match	4,000				4,000
	<u>\$ 1,991,300</u>	<u>\$ 302,751</u>	<u>\$ 271,091</u>	<u>\$ 340,641</u>	<u>\$ 1,682,319</u>
Grants Receivable		\$ 289,690		\$ 185,164	Cancelled to Grants Receivable
Unappropriated Grant Reserves		1,349		42	Transferred to Due to Grantor
Local Match		11,712		155,435	Cancelled to Current Fund Operations
		<u>\$ 302,751</u>		<u>\$ 340,641</u>	
Cash Disbursements		\$ 129,684			
Encumbrances Payable		3,328			
Paid by General Capital Fund		10,622			
Paid by Current Fund		<u>127,457</u>			
		<u>\$ 271,091</u>			

## EXHIBIT A-30

**TOWN OF WEST NEW YORK  
STATEMENT OF UNAPPROPRIATED GRANT RESERVES  
FEDERAL AND STATE GRANT FUND**

	<u>Balance, January 1, 2016</u>	<u>Anticipated Revenue Current Fund</u>	<u>Received</u>	<u>Balance, December 31, 2016</u>
Recycling Tonnage	\$ 1,349	\$ 1,349		
Body Armor Grant	<u>-</u>	<u>-</u>	\$ 924	\$ 924
	<u>\$ 1,349</u>	<u>\$ 1,349</u>	<u>\$ 924</u>	<u>\$ 924</u>

## EXHIBIT A-31

**STATEMENT OF DUE TO GENERAL CAPITAL FUND  
FEDERAL AND STATE GRANT FUND**

Balance, January 1, 2016	\$ 668,205
Increased by:	
Federal and State Grant Fund Expenditures Paid by General Capital Fund	<u>10,622</u>
	678,827
Decreased by:	
Payments to General Capital Fund	<u>678,827</u>
Balance December 31, 2016	<u>\$ -</u>

## EXHIBIT A-32

**STATEMENT OF DUE TO OTHER TRUST FUND  
FEDERAL AND STATE GRANT FUND**

Balance, January 1, 2016	\$ 12,734
Decreased by:	
Payments to Other Trust Fund	<u>12,734</u>
Balance, December 31, 2016	<u>\$ -</u>

## EXHIBIT A-33

**TOWN OF WEST NEW YORK  
STATEMENT OF DUE TO GRANTOR  
FEDERAL AND STATE GRANT FUND**

Balance, January 1, 2016	\$ 297
Increased by:	
Transferred from Appropriated Grant Reserves	<u>42</u>
Balance, December 31, 2016	<u>\$ 339</u>

## EXHIBIT A-34

**STATEMENT OF ENCUMBRANCES PAYABLE  
FEDERAL AND STATE GRANT FUND**

Increased by:	
Charges to Appropriated Grant Reserves	<u>\$ 3,328</u>
Balance, December 31, 2016	<u>\$ 3,328</u>

## EXHIBIT A-35

**STATEMENT OF DUE TO WEST NEW YORK PARKING AUTHORITY  
CURRENT FUND**

Increased by:	
Cash Receipts	\$ 133,273
Decreased by:	
Cash Disbursements	<u>93,324</u>
Balance, December 31, 2016	<u>\$ 39,949</u>

## TRUST FUND

**TOWN OF WEST NEW YORK  
STATEMENT OF TRUST CASH**

	<u>Animal Control Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Other Trust Fund</u>
Balance, January 1, 2016	\$ 180	\$ 5,660	\$ 9,896,377
Increased by Receipts:			
Various Reserves and Deposits			\$ 13,880,903
Payroll Deductions			16,080,569
Accrued Salaries and Wages			16,649,408
Animal License Fees-Due to State	\$ 1,211		
Animal License Fees-Town Share	3,347		
Third Party Lienholders			7,783,117
Other Accounts Receivable			91,091
Receipts from Current Fund		\$ 117,629	
Receipts for Current Fund			5,002
Receipts from Federal and State Grant Fund		94,883	12,734
Receipts for Animal Control Fund			5,318
Receipts from General Capital Fund			151,779
Interest Earned	-	-	1,617
Total Receipts	<u>4,558</u>	<u>212,512</u>	<u>54,661,538</u>
Total Receipts and Beginning Balance	4,738	218,172	64,557,915
Decreased by Disbursements:			
Various Reserves and Deposits			9,281,304
Unemployment Claims Paid			202,087
Payroll Deductions			16,080,569
Accrued Salaries and Wages			16,649,408
Payments to Current Fund			198,505
Payments to General Capital Fund		218,172	
Third Party Lienholders			13,443,640
Animal Control Fund Expenditures	3,335		
Due to State of NJ - Animal Control Fund	<u>1,202</u>	-	-
Total Disbursements	<u>4,537</u>	<u>218,172</u>	<u>55,855,513</u>
Balance, December 31, 2016	<u>\$ 201</u>	<u>\$ -</u>	<u>\$ 8,702,402</u>

## EXHIBIT B-2

**TOWN OF WEST NEW YORK  
STATEMENT OF DUE FROM CURRENT FUND  
ANIMAL CONTROL FUND**

Balance, January 1, 2016	\$ <u>1,802</u>
Balance, December 31, 2016	\$ <u>1,802</u>

## EXHIBIT B-3

**STATEMENT OF RESERVE FOR EXPENDITURES  
ANIMAL CONTROL FUND**

Balance, January 1, 2016	\$ 6,399
Increased by:	
Current Year Fees Collected	\$ 3,347
Current Year Fees Collected in Other Trust Fund	<u>5,318</u>
	<u>8,665</u>
	15,064
Decreased by:	
Cash Disbursements	3,335
Encumbrances Payable	<u>9,161</u>
	<u>12,496</u>
Balance, December 31, 2016	\$ <u>2,568</u>

## EXHIBIT B-4

**STATEMENT OF DUE FROM STATE OF NEW JERSEY  
ANIMAL CONTROL FUND**

Balance, January 1, 2016	\$ 54
Increased by:	
Payments to State	<u>1,202</u>
	1,256
Decreased by:	
State Fees Collected	<u>1,211</u>
Balance, December 31, 2016	\$ <u>45</u>

## EXHIBIT B-5

**TOWN OF WEST NEW YORK  
STATEMENT OF DUE FROM OTHER TRUST FUND  
ANIMAL CONTROL FUND**

Balance, January 1, 2016	\$ 4,363
Increased by:	
Animal Control Fund Receipts Deposited in Other Trust Fund	<u>5,318</u>
Balance, December 31, 2016	<u>\$ 9,681</u>

## EXHIBIT B-6

**STATEMENT OF DUE TO/FROM CURRENT FUND  
OTHER TRUST FUND**

Balance, January 1, 2016 (Due To)	\$ 44,971
Increased by:	
Interest Earned	\$ 1,617
Cancelled Trust Reserve - Public Defender	23,298
Anticipated Revenue - UEZ Reserve	125,235
Current Fund Receipts Deposited in Other Trust Fund	<u>5,002</u>
	<u>155,152</u>
	200,123
Decreased by:	
Payments to Current Fund	198,505
Other Trust Receipts Deposited in Current Fund	<u>47,819</u>
	<u>246,324</u>
Balance, December 31, 2016 (Due From)	<u>\$ 46,201</u>

## EXHIBIT B-7

**STATEMENT OF DUE FROM GENERAL CAPITAL FUND  
OTHER TRUST FUND**

Balance, January 1, 2016	\$ 151,779
Decreased by:	
Cash Receipts	<u>151,779</u>
Balance, December 31, 2016	<u>\$ -</u>

## EXHIBIT B-8

**TOWN OF WEST NEW YORK  
STATEMENT OF DUE TO ANIMAL CONTROL FUND  
OTHER TRUST FUND**

Balance, January 1, 2016		\$	4,363
Increased by:			
Animal Control Fund Receipts Deposited in Other Trust Fund			<u>5,318</u>
Balance, December 31, 2016		\$	<u>9,681</u>

## EXHIBIT B-9

**STATEMENT OF DUE FROM FEDERAL AND STATE GRANT FUND  
OTHER TRUST FUND**

Balance, January 1, 2016		\$	12,734
Decreased by:			
Cash Receipts			<u>12,734</u>
Balance, December 31, 2016		\$	<u>-</u>

## EXHIBIT B-10

**STATEMENT OF OTHER ACCOUNTS RECEIVABLE  
OTHER TRUST FUND**

Balance, January 1, 2016		\$	91,091
Decreased by:			
Cash Receipts			<u>91,091</u>
Balance, December 31, 2016		\$	<u>-</u>



**TOWN OF WEST NEW YORK  
STATEMENT OF VARIOUS TRUST RESERVES  
OTHER TRUST FUND**

	Balance, January 1, 2016	Increases	Decreases	Balance December 31, 2016
Housing and Community Development Act of 1974	\$ 28,244	\$ 474,000		\$ 502,244
Zoning Board Escrow Fees	420,135	201,235	\$ 120,731	500,639
Planning Board Escrow Fees	1,279	120,731	118,040	3,970
Unemployment Reserve	150,733	229,410	215,617	164,526
Health/Liability Insurance Reserve	1,116,621	2,074,733	1,913,499	1,277,855
Parking Offenses Adjudication Act	6,296	89,426	81,342	14,380
Special Law Enforcement	13,866	28,561	7,645	34,782
Uniform Fire Safety Act Penalties	488,628	89,686	59,756	518,558
Unclaimed Bail Reserve	21,102			21,102
Performance Bond Deposits	61,913			61,913
Waterfront Developers Reserve Fund	15,830			15,830
Premium on Tax Sale	534,142	8,235,728	4,839,499	3,930,371
Public Defender	20,173	7,465	23,298	4,340
Recreation Reserve	16,288	8,272	2,472	22,088
Police Vehicle Lease Fund	20,773			20,773
Elevator Inspections	99,542		30,603	68,939
UEZ Assistance Fund	672,877		125,235	547,642
Reserve for Police	97,559	139,754		237,313
Filming Deposits		1,000		1,000
Federal Law Enforcement	74,915	42,153	23,490	93,578
DUI Fund	27,494	4,853	10,160	22,187
Other Miscellaneous	15			15
Deposit on Sale of Property		37,500		37,500
Rent Control		750		750
Street Opening Permits		11,057		11,057
Police Outside Services	55,740	2,132,408	1,987,556	200,592
	<u>\$ 3,944,165</u>	<u>\$13,928,722</u>	<u>\$ 9,558,943</u>	<u>\$ 8,313,944</u>
Cash Receipts/Cash Disbursements		\$13,880,903	\$ 9,281,304	
Unemployment Claims Accrued			129,106	
Due to/from Current Fund		47,819	148,533	
		<u>\$13,928,722</u>	<u>\$ 9,558,943</u>	

**TOWN OF WEST NEW YORK  
STATEMENT OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE  
OTHER TRUST FUND**

Increased by:	
Payroll Deductions	\$ 16,080,569
Decreased by:	
Payroll Deductions Paid	<u>16,080,569</u>
Balance, December 31, 2016	<u>\$ -</u>

**STATEMENT OF ACCRUED SALARIES AND WAGES  
OTHER TRUST FUND**

Increased by:	
Accrued Salaries and Wages Earned	\$ 16,649,408
Decreased by:	
Salaries and Wages Paid	<u>16,649,408</u>
Balance, December 31, 2016	<u>\$ -</u>

**STATEMENT OF DUE TO THIRD PARTY LIENHOLDERS  
OTHER TRUST FUND**

Balance, January 1, 2016	\$ 6,073,677
Increased by:	
Cash Receipts	<u>7,783,117</u>
	13,856,794
Decreased by:	
Cash Disbursements	<u>13,443,640</u>
Balance, December 31, 2016	<u>\$ 413,154</u>

**STATEMENT OF RESERVE FOR ENCUMBRANCES PAYABLE  
ANIMAL CONTROL FUND**

Increased by:	
Encumbrances Payable	<u>\$ 9,161</u>
Balance, December 31, 2016	<u>\$ 9,161</u>

## EXHIBIT B-16

**TOWN OF WEST NEW YORK  
STATEMENT OF DUE TO STATE OF NEW JERSEY - UNEMPLOYMENT**

Balance, January 1, 2016	\$ 84,805
Increased by:	
Unemployment Claims Payable	<u>129,106</u>
	213,911
Decreased by:	
Cash Disbursements	<u>202,087</u>
Balance, December 31, 2016	\$ <u>11,824</u>

## EXHIBIT B-17

**STATEMENT OF DUE FROM COUNTY OF HUDSON  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, January 1, 2016	\$ 500,010
Increased by:	
2016 Grant Award	<u>340,000</u>
Balance, December 31, 2016	\$ <u>840,010</u>

## EXHIBIT B-18

**STATEMENT OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, January 1, 2016	\$ 500,010
Increased by:	
2016 Grant Award	<u>340,000</u>
Balance, December 31, 2016	\$ <u>840,010</u>

Analysis

2013 Traffic Signal Upgrade - Phase I	\$ 239,651
2014 Traffic Signal Upgrade - Phase I	181,081
2015 Traffic Signal Upgrade - Phase I	79,278
2016 Street Improvements - Townwide	<u>340,000</u>
	\$ <u>840,010</u>

EXHIBIT B-19

**TOWN OF WEST NEW YORK  
STATEMENT OF DUE FROM CURRENT FUND  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, January 1, 2016	\$ 117,629
Decreased by:	
Cash Receipts	<u>117,629</u>
Balance, December 31, 2016	\$ <u>-</u>

EXHIBIT B-20

**STATEMENT OF DUE FROM FEDERAL AND STATE GRANT FUND  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, January 1, 2016	\$ 94,883
Decreased by:	
Cash Receipts	<u>94,883</u>
Balance, December 31, 2016	\$ <u>-</u>

EXHIBIT B-21

**STATEMENT OF DUE TO GENERAL CAPITAL FUND  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, January 1, 2016	\$ 218,172
Decreased by:	
Payments to General Capital Fund	<u>218,172</u>
Balance, December 31, 2016	\$ <u>-</u>

**GENERAL CAPITAL FUND**

**TOWN OF WEST NEW YORK  
STATEMENT OF CASH - TREASURER  
GENERAL CAPITAL FUND**

Balance, January 1, 2016		\$ 4,794,317
Increased by:		
Grants Receivable	\$ 265,343	
Current Fund Receipts Deposited in General Capital Fund	303,387	
Receipts from CDBG Trust Fund	218,172	
Receipts from Federal and State Grant Fund	678,827	
Receipts from Current Fund	<u>1,287,841</u>	
		<u>2,753,570</u>
		7,547,887
Decreased by:		
Improvement Authorizations	1,590,027	
Contracts Payable	836,312	
Payments to Other Trust Fund	151,779	
Federal and State Grant Fund Expenditures Paid by General Capital Fund	<u>10,622</u>	
		<u>2,588,740</u>
Balance, December 31, 2016		<u>\$ 4,959,147</u>

**TOWN OF WEST NEW YORK**  
**ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS**

Balance,  
December 31,  
2016

Due to Current Fund	\$ 40,787
Capital Improvement Fund	246,520
Grants Receivable	(2,983,234)
Contracts Payable	2,057,250
Reserve for Payment of Debt	858,289
Fund Balance	725,524
Excess Proceeds	41,841

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement 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)
7/5	Tax Refunding Ordinance	(55,000)
17/10; 23/13; 15/15	Various Capital Improvements	(1,273,696)
27/10	Installation of Electronic Smoke Detection System	(200)
21/11	Various Capital Improvements	312,073
3/13	Various Capital Improvements	709,354
4/13	Acq of All Right, Title and Interest DPW Garage	(49,933)
16/13	Road Improvement Projects	505
7/14	Road Improvement Projects	247,134
8/14	Various Capital Improvements	168,922
16/14	Acquisition of Vehicles and Equipment	30,000
17/14	Acq of 911 Public Safety Equip and Other Imprvts	583,770
7/15	Road Improvement Projects	1,220,916
16/15	Various Capital Improvements	1,257,576
7/16	Road Improvement Projects	511,371
8/16	Various Park Improvements	700,703
		<u>\$ 4,959,147</u>

**TOWN OF WEST NEW YORK**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, January 1, 2016		\$ 26,295,890
Increased by:		
Serial Bonds Issued	\$ 9,647,000	
School Refunding Bonds Issued	<u>1,960,000</u>	
		<u>11,607,000</u>
		37,902,890
Decreased by:		
Payments for:		
General Serial Bonds	\$ 3,818,000	
School Serial Bonds	170,000	
State of New Jersey Green Trust Loan Payable	139,599	
School Bonds Refunded	2,025,000	
General Serial Bonds Refunded	<u>4,765,000</u>	
		<u>10,917,599</u>
Balance, December 31, 2016		<u>\$ 26,985,291</u>



**TOWN OF WEST NEW YORK**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance Number	Improvement Description	Balance, January 1, 2016	Authorized 2016	Paid By Budget	Cancelled by Resolution	Serial Bonds Issued	Balance, December 31, 2016	Analysis of Balance December 31, 2016			Unexpended Improvement Authorizations
								Bond Anticipation Notes Issued	Expenditures		
1836	Improvements to Schools	\$ 275,000					\$ 275,000		\$ 275,000		
2072	Reconstruction and Repair of School Buildings	39,000					39,000		39,000		
2081	Purchase of Land for a New Capital Project - School	19,000					19,000		19,000		
24/94	Improvement to Donnelly Park	27,097					27,097		27,097		
31/97	Reconstruction of Various Streets	31,228					31,228		31,228		
07/05	Tax Refunding	55,000					55,000		55,000		
17/10, 23/13, 15/15, 2/16	Various Capital Improvements	5,152,000				\$ 1,690,000	3,462,000	\$ 812,000	1,273,696	\$ 1,376,304	
27/10	Installation of Electronic Smoke Detection System	200					200		200		
3/13	Various Capital Improvements	2,053,500		\$ 27,558	\$ 55,442	1,958,000	12,500			12,500	
4/13	Acq of All Right, Title and Interest DPW Garage	49,933					49,933		49,933		
16/13	Road Improvement Projects	744,525				744,000	525			525	
7/14	Road Improvement Projects	275,390				275,000	390			390	
8/14	Various Capital Improvements	380,000				380,000					
16/14	Acquisition of Vehicles and Equipment	190,000			1,966		188,034	188,034			
17/14	Acq of 911 Public Safety Equip and Other Improvs	912,000					912,000	912,000			
7/15	Road Improvement Projects	924,629					924,629	924,000		629	
8/15	Refunding Tax Appeals	1,690,000		742,000	39,875		908,125	908,125			
16/15	Various Capital Improvements	2,106,000					2,106,000	2,106,000			
7/16	Road Improvement Projects		\$ 191,629				191,629	191,000		629	
8/16	Various Park Improvements		1,425,000				1,425,000	1,425,000			
		<u>\$ 14,924,502</u>	<u>\$ 1,616,629</u>	<u>\$ 769,558</u>	<u>\$ 97,283</u>	<u>\$ 5,047,000</u>	<u>\$ 10,627,290</u>	<u>\$ 7,466,159</u>	<u>\$ 1,770,154</u>	<u>\$ 1,390,977</u>	
						Bond Anticipation Notes Issued	\$ 7,508,000				
						Less Excess Proceeds:	Ord 16/14	1,966			
							Ord 8/15	39,875			
								<u>7,466,159</u>			
						Improvement Authorizations - Unfunded			\$ 5,078,026		
						Less: Unexpended Proceeds					
						Ord 16/14				30,000	
						Ord 17/14				583,770	
						Ord 7/15				924,000	
						Ord 16/15				1,257,576	
						Ord 7/16				191,000	
						Ord 8/16				<u>700,793</u>	
										<u>\$ 1,390,977</u>	

TOWN OF WEST NEW YORK  
STATEMENT OF GENERAL SERIAL BONDS

Purpose	Amount of Original Issue	Maturities of Bond Outstanding December 31, 2016 Date	Amount	Interest Rate	Balance, January 1, 2016	Issued	Decreased	Balance, December 31, 2016
Pension Refunding Bonds, Series 2003	\$ 5,350,000	03/15/17	\$ 810,000	4.92%	\$ 1,590,000		\$ 720,000	\$ 810,000
General Obligation Refunding Bonds, Series 2006A	8,100,000	4/15/17	1,200,000	4.00%				
		4/15/18	1,320,000	4.00%				
		4/15/19	1,350,000	4.00%	5,045,000		1,175,000	3,870,000
General Improvement Bonds, Series 2007	6,100,000	04/15/17	495,000	5.50%	5,595,000		5,100,000	495,000
General Improvement Bonds, Series 2008	6,888,000				1,088,000		1,088,000	
General Obligation Bonds, Series 2013 A	3,910,000	5/15/2017	180,000	2.00%				
		5/15/2018	185,000	2.00%				
		5/15/2019	190,000	2.00%				
		5/15/2020	245,000	2.00%				
		5/15/2021	255,000	2.00%				
		5/15/2022	260,000	2.50%				
		5/15/2023	270,000	2.50%				
		5/15/2024	280,000	2.50%				
		5/15/2025	285,000	2.50%				
		5/15/2026	295,000	3.00%				
		5/15/2027	305,000	3.00%				
		5/15/2028	320,000	3.00%				
		5/15/2029	330,000	3.00%	3,575,000		175,000	3,400,000

**TOWN OF WEST NEW YORK  
STATEMENT OF GENERAL SERIAL BONDS**

\$ 22,923,000	\$ 9,647,000	\$ 8,583,000	\$ 23,987,000
Paid by Budget Appropriation	\$ 3,818,000		
Refunded Bonds	<u>4,765,000</u>		
	\$ 8,583,000		

**TOWN OF WEST NEW YORK  
STATEMENT OF SCHOOL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Amount</u>	<u>Maturities of Bond Outstanding December 31, 2016</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2016</u>		<u>Issued</u>	<u>Decreased</u>	<u>Balance, December 31, 2016</u>	
			<u>Date</u>	<u>Amount</u>							
School Bonds, Series 2007	4/15/2007	\$ 2,650,000	4/1/2017	\$ 210,000	5.00%	\$ 2,405,000			\$ 2,195,000	\$ 210,000	
School Refunding Bonds, Series 2016B	10/18/2016	1,960,000	4/15/2018	220,000	3.00%						
			4/15/2019	220,000	4.00%						
			4/15/2020	230,000	4.00%						
			4/15/2021	240,000	3.00%						
			4/15/2022	245,000	3.00%						
			4/15/2023	260,000	3.00%						
			4/15/2024	265,000	3.00%						
			4/15/2025	280,000	3.00%						
						-	\$ 1,960,000		-	1,960,000	
						<u>\$ 2,405,000</u>	<u>\$ 1,960,000</u>		<u>\$ 2,195,000</u>	<u>\$ 2,170,000</u>	
						Paid by Budget Appropriation		\$ 170,000			
						Refunded Bonds		<u>2,025,000</u>			
								<u>\$ 2,195,000</u>			

TOWN OF WEST NEW YORK  
STATEMENT OF STATE OF NEW JERSEY GREEN TRUST LOANS PAYABLE

Purpose	Date of Issue	Amount of Original Amount	Maturities of Loan Outstanding December 31, 2016		Interest Rate	Balance, January 1, 2016	Decreased	Balance, December 31, 2016
			Date	Amount				
Little Miss Field	07/08/97	\$ 289,313	01/08/17	8,906	2.00%	\$ 26,455	\$ 17,549	\$ 8,906
Miller Park & Stadium	12/20/2000	500,000	06/20/17	14,960	2.00%	121,515	29,478	92,037
			12/20/17	15,110				
			06/20/18	15,261				
			12/20/18	15,414				
			06/20/19	15,568				
			12/20/19	15,724				
Donnelly Park II	03/09/01	475,000	03/06/17	13,638	2.00%	139,876	26,873	113,003
			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	14,477				
			09/06/20	14,622				
Miller Stadium Ph II	3/20/01	425,000	03/16/17	12,203	2.00%	125,151	24,044	101,107
			09/16/17	12,325				
			03/16/18	12,448				
			09/16/18	12,572				
			03/16/19	12,698				
			09/16/19	12,825				
			03/16/20	12,953				
			09/16/20	13,083				
			Donnelly and Veterans Park	05/09/06				
08/09/17	17,545							
02/09/18	17,721							
08/09/18	17,898							

TOWN OF WEST NEW YORK  
STATEMENT OF STATE OF NEW JERSEY GREEN TRUST LOANS PAYABLE

Purpose	Date of Issue	Amount of Original Amount	Maturities of Loan		Interest Rate	Balance, January 1, 2016	Decreased	Balance, December 31, 2016
			Outstanding Date	December 31, 2016 Amount				
Donnelly and Veterans Park	05/09/06	\$ 675,000	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	19,770				
			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%	\$ 395,748	\$ 34,229	\$ 361,519
Miller Stadium II	10/16/2013	170,010	1/21/2017	3,769				
			7/21/2017	3,806				
			1/21/2018	3,844				
			7/21/2018	3,883				
			1/21/2019	3,922				
			7/21/2019	3,961				
			1/21/2020	4,001				
			7/21/2020	4,040				
			1/21/2021	4,081				
			7/21/2021	4,122				
			1/21/2022	4,163				
			7/21/2022	4,205				
			1/21/2023	4,247				
			7/21/2023	4,289				
			1/21/2024	4,332				
			7/21/2024	4,375				
			1/21/2025	4,419				
			7/21/2025	4,463				

TOWN OF WEST NEW YORK  
STATEMENT OF STATE OF NEW JERSEY GREEN TRUST LOANS PAYABLE

Purpose	Date of Issue	Amount of Original Amount	Maturities of Loan		Interest Rate	Balance, January 1, 2016		Decreased	Balance, December 31, 2016	
			Date	Amount						
Miller Stadium II	10/16/2013	\$ 170,010	1/21/2026	\$ 4,508	2.00%	\$ 159,145	\$ 7,426	\$ 151,719		
			7/21/2026	4,553						
			1/21/2027	4,599						
			7/21/2027	4,644						
			1/21/2028	4,691						
			7/21/2028	4,738						
			1/21/2029	4,785						
			7/21/2029	4,833						
			1/21/2030	4,882						
			7/21/2030	4,930						
			1/21/2031	4,980						
			7/21/2031	5,029						
			1/21/2032	5,080						
			7/21/2032	5,130						
			1/21/2033	5,182						
			7/21/2033	5,233						
						\$ 967,890	\$ 139,599	\$ 828,291		

**TOWN OF WEST NEW YORK  
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Date of Original Note	Date of Issuance	Date of Maturity	Interest Rate	Balance, January 1, 2016	Increased	Decreased	Balance, December 31, 2016
17/10, 23/13, 15/15	Various Capital Improvements	1/10/2011	11/12/2015 11/1/2016	11/11/2016 11/1/2017	1.750% 2.000%	\$ 2,502,000	\$ 812,000	\$ 2,502,000	\$ 812,000
3/13	Various Capital Improvements	12/10/2013	11/12/2015 11/1/2016	11/11/2016 11/1/2017	1.750% 2.000%	2,053,000		2,053,000	
16/13	Road Improvement Projects	12/10/2013	11/12/2015 11/1/2016	11/11/2016 11/1/2017	1.750% 2.000%	744,000		744,000	
7/14	Road Improvement Projects	11/25/2014	11/12/2015 11/1/2016	11/11/2016 11/1/2017	1.750% 2.000%	275,000		275,000	
8/14	Various Capital Improvements	11/25/2014	11/12/2015 11/1/2016	11/11/2016 11/1/2017	1.750% 2.000%	380,000		380,000	
16/14	Acquisition of Vehicles and Equipment	11/12/2015	11/12/2015 11/1/2016	11/11/2016 11/1/2017	1.750% 2.000%	190,000	190,000	190,000	190,000
17/14	Acq of 911 Public Safety Equip and Other Impr	11/12/2015	11/12/2015 11/1/2016	11/11/2016 11/1/2017	1.750% 2.000%	912,000	912,000	912,000	912,000
7/15	Road Improvement Projects	11/12/2015	11/12/2015 11/1/2016	11/11/2016 11/1/2017	1.750% 2.000%	924,000	924,000	924,000	924,000
8/15	Refunding Tax Appeals	11/12/2015	11/12/2015 11/1/2016	11/11/2016 11/1/2017	1.750% 2.000%	1,690,000	948,000	1,690,000	948,000
16/15	Various Capital Improvements	11/12/2015	11/12/2015 11/1/2016	11/11/2016 11/1/2017	1.750% 2.000%	2,106,000	2,106,000	2,106,000	2,106,000
7/16	Road Improvement Projects	11/1/2016	11/1/2016	11/1/2017	2.000%		191,000		191,000
8/16	Various Park Improvements	11/1/2016	11/1/2016	11/1/2017	2.000%	-	1,425,000	-	1,425,000
						<u>\$ 11,776,000</u>	<u>\$ 7,508,000</u>	<u>\$ 11,776,000</u>	<u>\$ 7,508,000</u>
						Renewals	\$ 5,892,000	\$ 5,892,000	
						New Issues	1,616,000		
						Notes not Renewed		12,000	
						Serial Bonds Issued		5,047,000	
						Cancelled by Resolution		55,442	
						Paid by Budget	-	769,558	
							<u>\$ 7,508,000</u>	<u>\$ 11,776,000</u>	



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

Balance, January 1, 2016	\$ 168,520
Increased by:	
Budget Appropriation	<u>153,000</u>
	321,520
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>75,000</u>
Balance, December 31, 2016	<u>\$ 246,520</u>

**TOWN OF WEST NEW YORK  
STATEMENT OF GRANTS RECEIVABLE**

		Green Acres Grant (Ordinance 3/13) Improvements to Parks	NJ DOT (Ordinance 16/13) Road Improvement Projects	Green Acres Grant (Ordinance 23/13) Rehabilitation of Veteran's Park and Donnelly Park	NJ DOT (Ordinance 7/14) Road Improvement Projects	NJ DOT Municipal Aid (Ordinance 7/15) Road Improvement Projects	NJ DOT Urban Aid (Ordinance 7/15) Road Improvement Projects	NJ OEM (Ordinance 16/15) Acq of Generator Police Department	CDBG (Ordinance 2/16) Installation/Repair of Traffic Signals	NJ DOT Municipal Aid (Ordinance 7/16) Road Improvement Projects
	<u>Totals</u>									
Balance, January 1, 2016	\$ 2,428,196	\$ 600,000	\$ 86,215	\$ 900,000	\$ 399,610	\$ 270,000	\$ 40,371	\$ 132,000		
Increased by: Grants Awarded	<u>820,381</u>	-	-	-	-	-	-	-	\$ 500,010	\$ 320,371
	<u>3,248,577</u>	<u>600,000</u>	<u>86,215</u>	<u>900,000</u>	<u>399,610</u>	<u>270,000</u>	<u>40,371</u>	<u>132,000</u>	<u>500,010</u>	<u>320,371</u>
Decreased by: Cash Receipts	<u>265,343</u>	-	-	-	<u>265,343</u>	-	-	-	-	-
Balance, December 31, 2016	<u>\$ 2,983,234</u>	<u>\$ 600,000</u>	<u>\$ 86,215</u>	<u>\$ 900,000</u>	<u>\$ 134,267</u>	<u>\$ 270,000</u>	<u>\$ 40,371</u>	<u>\$ 132,000</u>	<u>\$ 500,010</u>	<u>\$ 320,371</u>
<u>Balance Pledged to:</u>										
Improvement Authorization	<u>\$ 2,983,234</u>	<u>\$ 600,000</u>	<u>\$ 86,215</u>	<u>\$ 900,000</u>	<u>\$ 134,267</u>	<u>\$ 270,000</u>	<u>\$ 40,371</u>	<u>\$ 132,000</u>	<u>\$ 500,010</u>	<u>\$ 320,371</u>

**TOWN OF WEST NEW YORK  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Date	Amount	Balance, January 1, 2016		Capital Improvement Fund	2016 Authorizations		Grants Receivable	Contracts Payable Cancelled	Authorizations Cancelled	Expended	Balance, December 31, 2016	
				Funded	Unfunded		Deferred Charges to Future Charges	Unfunded					Funded	Unfunded
2/07	Refunding Authorization - Workers Compensation and Liability	09/15/07	\$ 1,015,000	\$ 15,000							\$ 15,000			
21/07	Acquisition of Computer Equipment	1/16/2008	200,000	41,874							41,874			
04/08	Refunding Emergency - Self-Insured Health Costs	3/19/2008	3,920,000	61,163							61,163			
17/08	Various Improvements	11/17/2008	150,000	31,485							31,485			
06/09	Various Capital Improvements	3/18/2009	601,000	41,160							41,160			
16/09	Various Capital Improvements	7/15/2009	250,000	161,852							161,852			
17/10, 23/13, 15/15, 2/16	Various Capital Improvements	9/15/2010, 11/18/2013 9/16/2015, 4/21/16	5,797,006		\$ 1,923,632				\$ 500,010			\$ 1,047,358		\$ 1,376,304
21/11	Various Capital Improvements	10/19/2011	1,600,000	512,073							200,000		\$ 312,073	
3/13	Various Capital Improvements	3/20/2013	2,730,000		1,083,003						55,442	305,707	709,354	12,500
16/13	Road Improvement Projects	8/21/2013	1,089,385		86,201							85,171	505	525
7/14	Road Improvement Projects	7/16/2014	675,000	1,062	275,390							28,928	247,134	390
8/14	Various Capital Improvements	7/16/2014	400,000		239,809							70,887	168,922	
16/14	Acquisition of Vehicles and Equipment	12/17/2014	200,000		1,966				\$ 30,000	1,966				30,000
17/14	Acq of 911 Public Safety Equip and Other Improvis	12/17/2014	960,000	48,000	912,000							376,230	583,770	
7/15	Road Improvement Projects	7/17/2015	1,235,000	310,371	924,629							13,455	206,916	924,629
8/15	Refunding Tax Appeals	7/17/2015	1,690,000		39,875						39,875			
16/15	Various Capital Improvements	9/16/2015	2,348,195	194,732	2,106,000							1,043,156		1,257,576
7/16	Road Improvement Projects	5/19/2016	512,000			\$ 75,000	\$ 101,629	320,371					320,371	191,629
8/16	Various Park Improvements	5/19/2016	1,500,000				1,425,000					799,297		700,703
				\$ 1,418,774	\$ 7,992,325	\$ 75,000	\$ 1,616,629	\$ 820,381	\$ 30,000	\$ 649,819	\$ 3,770,189	\$ 2,055,275	\$ 5,078,026	

Deferred Charges Unfunded \$ 97,283  
General Capital Fund Balance 552,536  
\$ 649,819

Cash Disbursements \$ 1,590,027  
Due from Current Fund 122,912  
Contracts Payable 2,057,250  
\$ 3,770,189

**TOWN OF WEST NEW YORK  
STATEMENT OF DUE FROM CURRENT FUND**

Balance January 1, 2016 (Due From)		\$ 57,828
Increased by:		
Budget Appropriation - Deferred Charges Unfunded - Ord 3/13	\$ 27,558	
Budget Appropriation - Capital Improvement Fund	153,000	
Budget Appropriation - Principal Payment of BAN	742,000	
Bond Anticipation Notes Deposited in Current Fund	7,508,000	
Premium on Bond Anticipation Notes Issued	46,333	
Serial Bonds Issued Deposited in Current Fund	<u>5,296,382</u>	
		<u>13,773,273</u>
		13,831,101
Decreased by:		
General Capital Expenditures Paid by Current Fund	122,912	
Anticipated Revenue in Current Fund Budget - Reserve for Payment of Debt	212,748	
Anticipated Revenue in Current Fund Budget - Fund Balance	169,000	
Current Fund Receipts Deposited in General Capital Fund	303,387	
Bond Anticipation Notes Paid by Current Fund	11,776,000	
Cash Receipts from Current Fund	<u>1,287,841</u>	
		<u>13,871,888</u>
Balance, December 31, 2016 (Due To)		<u>\$ 40,787</u>

EXHIBIT C-14

**STATEMENT OF DUE FROM COMMUNITY  
DEVELOPMENT BLOCK GRANT FUND**

Balance, January 1, 2016	\$ 218,172
Decreased by:	
Cash Receipts	<u>218,172</u>
Balance, December 31, 2016	<u>\$ -</u>

EXHIBIT C-15

**STATEMENT OF DUE FROM FEDERAL AND STATE GRANT FUND**

Balance, January 1, 2016	\$ 668,205
Increased by:	
Federal and State Grant Fund Expenditures Paid by General Capital Fund	<u>10,622</u>
	678,827
Decreased by:	
Cash Receipts	<u>678,827</u>
Balance, December 31, 2016	<u>\$ -</u>

## EXHIBIT C-16

**TOWN OF WEST NEW YORK  
STATEMENT OF DUE TO TRUST OTHER FUND**

Balance, January 1, 2016	\$ 151,779
Decreased by:	
Cash Disbursements	<u>151,779</u>
Balance, December 31, 2016	<u>\$ -</u>

## EXHIBIT C-17

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT**

Balance, January 1, 2016	\$ 821,655
Increased by:	
Premium on Serial Bonds Issued	<u>249,382</u>
	1,071,037
Decreased by:	
Anticipated Revenue in Current Fund Budget	<u>212,748</u>
Balance, December 31, 2016	<u>\$ 858,289</u>

## EXHIBIT C-18

**STATEMENT OF CONTRACTS PAYABLE**

Balance, January 1, 2016	\$ 866,312
Increased by:	
Contracts Payable	<u>2,057,250</u>
	2,923,562
Decreased by:	
Cancelled	\$ 30,000
Cash Disbursements	<u>836,312</u>
	<u>866,312</u>
Balance, December 31, 2016	<u>\$ 2,057,250</u>

**TOWN OF WEST NEW YORK**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, January 1, 2016</u>	<u>2016 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Notes Not Renewed</u>	<u>Balance, December 31, 2016</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
24/94	Improvement to Donnelly Park	27,097				27,097
31/97	Reconstruction of Various Streets	31,228				31,228
07/05	Tax Refunding	55,000				55,000
27/10	Installation of Electronic Smoke Detection System	200				200
3/13	Various Capital Improvements	500			\$ 12,000	12,500
4/13	Acq of All Right, Title and Interest DPW Garage	49,933				49,933
16/13	Road Improvement Projects	525				525
17/10, 23/13, 15/15	Various Capital Improvements	2,650,000				2,650,000
7/14	Road Improvement Projects	390				390
7/15	Road Improvement Projects	629				629
7/16	Road Improvement Projects		\$ 191,629	\$ 191,000		629
8/16	Various Park Improvements	-	1,425,000	1,425,000	-	-
		<u>\$ 3,148,502</u>	<u>\$ 1,616,629</u>	<u>\$ 1,616,000</u>	<u>\$ 12,000</u>	<u>\$ 3,161,131</u>
	General Obligation	\$ 2,815,502				\$ 2,828,131
	School	333,000				333,000
		<u>\$ 3,148,502</u>				<u>\$ 3,161,131</u>

**GOVERNMENT AUDITING STANDARDS SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Town Council  
Town of West New York  
West New York, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Town of West New York, as of and for the year ended December 31, 2016, and the related notes to the financial statements, and have issued our report thereon dated July 19, 2017. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of West New York'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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Town of West New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of West New York's internal control.

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 Town's financial statements will not be prevented, or detected and corrected on a timely basis. 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.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of West New York'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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards 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".

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of West New York's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of West New York's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Gary W. Higgins  
Registered Municipal Accountant  
RMA Number CR00405

Fair Lawn, New Jersey  
July 19, 2017

**TOWN OF WEST NEW YORK**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Federal CFDA Number	Grant or State Proj. Number	Grant Period		Grant Receivables	Grant Award Amount	Balance, January 1, 2016	Revenue Realized	Budgetary Expenditures	Adjustments	Balance, December 31, 2016	Cumulative Expenditures
		From	To								
<b>U.S. Department of Agriculture</b>											
<i>Passed - Through NJ Dept of Agriculture</i>											
Summer Food Program	10.559	100-010-3350-033/034	7/1/2013	6/30/2014	\$ 120,000	\$ 51,573			\$ (51,573)		\$ 68,427
Summer Food Program	10.559	100-010-3350-033/034	7/1/2014	6/30/2015	95,303	23,659		\$ 23,659			95,303
Summer Food Program	10.559	100-010-3350-033/034	7/1/2015	6/30/2016	\$ 89,818	104,509	\$ 104,509	82,342	(127)	\$ 22,040	82,342
<b>Total U.S. Department of Agriculture</b>					<u>89,818</u>	<u>75,232</u>	<u>104,509</u>	<u>106,001</u>	<u>(51,700)</u>	<u>22,040</u>	<u>246,072</u>
<b>U.S. Department of Housing &amp; Urban Development</b>											
<i>Passed-Through Hudson County Dept. of FINANCE &amp; ADMINISTRATION</i>											
Community Development Block Grant	14.218	N/A	9/1/2015	6/30/2016	500,010	500,010				500,010	-
Community Development Block Grant	14.218	N/A	9/1/2016	6/30/2017	-	340,000	340,000	-	-	340,000	-
<b>Total U.S. Department of Housing &amp; Urban Development</b>					<u>-</u>	<u>500,010</u>	<u>340,000</u>	<u>-</u>	<u>-</u>	<u>840,010</u>	<u>-</u>
<b>U.S. Dept. of Justice</b>											
<i>Direct Aid</i>											
<i>Passed Through NJ Dept of Law and Public Safety</i>											
Justice Assistance Grant 2012	16.592	N/A	7/1/2011	6/30/2012	18,379	379				379	18,000
Justice Assistance Grant 2016	16.592	N/A	7/1/2015	6/30/2016	18,125		18,125			18,125	-
FEMA - Hurricane Sandy	97.036	066-1200-100-A92	1/1/2016	12/31/2016	26,226		26,226	26,226			26,226
FEMA - Severe Winter Storm & Snow Storm	97.036	066-1200-100-B40	1/1/2016	12/31/2016	93,304		93,304	93,304			93,304
Enforcing Underage Drinking	16.727	100-066-1400-014	7/1/2012	6/30/2013	3,248					296	2,952
Drive Sober or Get Pulled Over-2014	20.616	100-066-1160-157	7/1/2013	6/30/2014	4,400	4,400				4,400	
Drive Sober or Get Pulled Over-Labor Day Crackdown	20.616	100-066-1160-157	7/1/2015	6/30/2016	5,000		5,000	4,800		200	4,800
Drive Sober or Get Pulled Over-Holiday Crackdown	20.616	100-066-1160-157	7/1/2016	6/30/2017	5,000		5,000			5,000	
Drive Sober or Get Pulled Over-Holiday Crackdown	20.616	100-066-1160-157	7/1/2013	6/30/2014	7,500	7,500		4,425		3,075	4,425
Drive Sober Get Pulled Over-Year End Crackdown	20.601	100-066-1160-057	7/1/2012	6/30/2013	4,400	625		200		425	3,975
Drive Sober Get Pulled Over-Year End Crackdown	20.601	100-066-1160-057	7/1/2014	6/30/2015	7,400	4,975				4,975	2,825
<b>Total U.S. Dept. of Justice</b>					<u>129,530</u>	<u>17,775</u>	<u>147,655</u>	<u>128,955</u>	<u>-</u>	<u>36,475</u>	<u>156,907</u>
<b>U.S. Dept. of Transportation</b>											
<i>Direct Aid</i>											
<i>Passed through NJ Department of Transportation</i>											
Safe Routes to Schools	20.205	480-078-6300-B9L	7/1/2007	6/30/2008	-	286,375	76,325	-	(76,325)	-	210,050
<b>Total U.S. Dept. of Transportation</b>					<u>-</u>	<u>76,325</u>	<u>-</u>	<u>-</u>	<u>(76,325)</u>	<u>-</u>	<u>210,050</u>
<b>Total Federal Financial Awards</b>					<u>\$ 219,348</u>	<u>\$ 669,342</u>	<u>\$ 592,164</u>	<u>\$ 234,956</u>	<u>\$ (128,025)</u>	<u>\$ 898,525</u>	<u>\$ 612,629</u>

The above schedule is not subject to a Single Audit as defined by U.S. Uniform Guidance.

TOWN OF WEST NEW YORK  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2016

State Grant Program	Grant Number	Grant Period From To	Grant Receipts	Award Amount	Balance, January 1, 2016	Revenue Realized	Budgetary Expenditures	Adjustments	Balance, December 31, 2016	Cumulative Expenditures
<b>NJ Dept. of Community Affairs</b>										
Direct Aid										
Recreational Opportunities Individual Disabilities (ROID)	100-032-8050-035	7/01/2013 6/30/2014		\$ 20,000	\$ 20,000				\$ 20,000	
Police Body Armor Replacement	718-066-1021-001	7/1/2008 6/30/2009		9,788	9,788			\$ (9,788)		
Police Body Armor Replacement	718-066-1021-001	7/1/2010 6/30/2011		14,500	11,454			(11,454)		\$ 3,046
Police Body Armor Replacement	718-066-1020-001	7/1/2012 6/30/2013		12,145	4,711			(4,711)		7,434
Police Body Armor Replacement	718-066-1020-001	7/1/2012 6/30/2013		9,104	9,104		9,104			9,104
Police Body Armor Replacement	718-066-1020-001	7/1/2013 6/30/2014		3,717	3,717		1,802	(1,915)		1,802
Police Body Armor Replacement	718-066-1020-001	7/1/2014 6/30/2015		9,340	9,340		2,728		6,612	2,728
Police Body Armor Replacement	718-066-1020-001	7/1/2015 6/30/2016	\$ 8,921	7,997	-	\$ 7,997	-	-	7,997	-
Total NJ Dept. of Community Affairs			8,921		68,114	7,997	13,634	(27,868)	34,609	24,114
<b>NJ Dept. of Commerce</b>										
Direct Aid										
Urban Enterprise Zone - Bergenline Ave Installment Loan - Year 9	763-020-2830-000	7/1/2007 6/30/2008		133,250	3,583			(3,583)	-	129,667
Urban Enterprise Zone - Litter Clean Up Phase II	763-020-2830-000	7/1/2009 6/30/2010		269,395	181,165			(181,165)	-	88,230
Total NJ Dept. of Commerce					184,748	-	-	(184,748)	-	217,897
<b>NJ Dept. of Environmental Protection</b>										
Direct Aid										
Clean Communities Program	765-042-4900-004	7/01/2012 6/30/2013		61,608	61,608		463		61,143	463
Clean Communities Program	765-042-4900-004	7/01/2013 6/30/2014		57,761	57,761				57,761	
Clean Communities Program	765-042-4900-004	7/01/2014 6/30/2015		70,325	70,325		1		70,324	1
Clean Communities Program	765-042-4900-004	7/01/2015 6/30/2016	80,356	80,356		80,356			80,356	
Recycling Tonnage Grant	752-042-4900-001	7/01/2012 6/30/2013		17,819	16,470	1,349	6,767		11,052	6,767
Recycling Tonnage Grant	752-042-4900-001	7/01/2013 6/30/2014		63,030	63,030				63,030	
Recycling Tonnage Grant	752-042-4900-001	7/01/2014 6/30/2015		16,470	16,470				16,470	
Green Acres Trust Fund:										
Miller Stadium - Phase II	533-042-4800-003	7/1/2000 6/30/2004		500,000	168,848				168,848	331,152
Total NJ Dept. of Environmental Protection			80,356		454,512	81,705	7,233	-	528,984	338,385

See Accompanying Notes to the Schedule of Expenditures 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, 2016

State Grant Program	Grant Number	Grant Period From To	Grant Receipts	Award Amount	Balance, January 1, 2016	Revenue Realized	Budgetary Expenditures	Adjustments	Balance, December 31, 2016	Cumulative Expenditures
<b>NJ Dept. of Law &amp; Public Safety</b>										
Direct Aid										
Pedestrian Safety Grant	N/A	1/1/2015 12/31/2015		\$ 16,000	\$ 16,000				\$ 16,000	
Pedestrian Safety Grant	N/A	1/1/2016 12/31/2016	\$ 15,000	16,000		\$ 16,000	\$ 15,000		1,000	\$ 15,000
NJ OEM - Ordinance #16/15	N/A	1/1/2015 12/31/2015		132,000	132,000		1,324		130,676	1,324
Assistance to Firefighters	N/A	1/1/2016 12/31/2016	9,760	9,760		9,760	9,646		114	9,646
Safe and Secure	232-066-1020-100	7/1/20013 6/30/2014	-	60,000	60,000	-	60,000	-	-	60,000
<b>Total NJ Dept. of Law &amp; Public Safety</b>			<b>24,760</b>		<b>208,000</b>	<b>25,760</b>	<b>85,970</b>	<b>-</b>	<b>147,790</b>	<b>85,970</b>
<b>NJ Dept. of the Treasury</b>										
Passed-Through Hudson County Dept. of Finance & Administration										
Municipal Alliance on Alcoholism & Drug Abuse -										
County Share	100-082-2000-046	1/1/2015 12/31/2015	42,493	42,493	24,524		24,524		-	42,493
County Share	100-082-2000-046	1/1/2016 12/31/2016		42,943		42,943	8,246		34,697	8,246
Local Share	100-082-2000-046	1/1/2015 12/31/2015		22,181	5,670		5,670		-	22,181
Local Share	100-082-2000-046	1/1/2016 12/31/2016	-	10,736	-	10,736	10,736	-	-	10,736
<b>Total NJ Dept. of the Treasury</b>			<b>42,493</b>		<b>30,194</b>	<b>53,679</b>	<b>49,176</b>	<b>-</b>	<b>34,697</b>	<b>83,656</b>
<b>U.S. Dept. of Transportation</b>										
Direct Aid										
Passed through NJ Department of Transportation										
Road Improvement Projects - Ordinance #7/16	480-078-6320-XXXX	1/1/2016 12/31/2016		320,371		320,371			320,371	
Road Improvement Projects - Ordinance #7/15	480-078-6320-XXXX	1/1/2015 12/31/2015		270,000	270,000				270,000	
Road Improvement Projects - Ordinance #7/15	480-078-6320-XXXX	1/1/2015 12/31/2013		40,371	40,371		13,455		26,916	13,455
Road Improvement Projects - Ordinance #7/14	480-078-6320-XXXX	1/1/2014 12/31/2014	265,343	399,610	1,062	-	1,062	-	-	1,062
<b>Total U.S. Dept. of Transportation</b>			<b>265,343</b>		<b>311,433</b>	<b>320,371</b>	<b>14,517</b>	<b>-</b>	<b>617,287</b>	<b>14,517</b>
<b>Total State Financial Awards</b>			<b>\$ 421,873</b>		<b>\$ 1,257,001</b>	<b>\$ 489,512</b>	<b>\$ 170,530</b>	<b>\$ (212,616)</b>	<b>\$ 1,363,367</b>	<b>\$ 764,539</b>

The above schedule is not subject to a single audit as defined by New Jersey OMB Circular 15-08.

**NOTES TO THE SCHEDULES OF EXPENDITURES 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  
YEAR ENDED DECEMBER 31, 2016**

**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 awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed 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 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>	<u>State</u>	<u>Total</u>
Current Fund	\$ 252,164	\$ 169,141	\$ 421,305
Community Development Grant Fund	340,000		340,000
General Capital Fund	<u>-</u>	<u>320,371</u>	<u>320,371</u>
Total Financial Awards	<u>\$ 592,164</u>	<u>\$ 489,512</u>	<u>\$ 1,081,676</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 fiscal year and grant program year.

**TOWN OF WEST NEW YORK  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2016**

**NOTE 5 STATE LOANS OUTSTANDING**

The Town's state loans outstanding at December 31, 2016, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State</u>
N.J. Dept. of Environmental Protection Green Acres Loans	<u>\$ 828,291</u>

**TOWN OF WEST NEW YORK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

***Part I – Summary of Auditor's Results***

**Financial Statements**

Type of auditor's report issued:	<u>Unmodified, Regulatory Basis</u>		
Internal control over financial reporting:			
1) Material weakness(es) identified?	_____ yes	<u>X</u> no	
2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes	<u>X</u> none reported	
Noncompliance material to financial statements noted?	_____ yes	<u>X</u> no	

**Federal Awards Section**

NOT APPLICABLE

**State Awards Section**

NOT APPLICABLE



**TOWN OF WEST NEW YORK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

***Part 2 – Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

**TOWN OF WEST NEW YORK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

This section identified the status of prior-year findings related to the financial statements – regulatory basis and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2015-001:**

Municipal departments ordered goods or services prior to the issuance of a purchase order. Additionally, contracts awarded by the governing body were not encumbered when approved.

**Current Status**

See General Comments.

**TOWN OF WEST NEW YORK**

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**PART III**

**SUPPORTING DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2016**

**TOWN OF WEST NEW YORK**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**CURRENT FUND**

	<u>Year 2016</u>			<u>Year 2015</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>					
Fund Balance Utilized	\$ 4,900,000	4.34 %	\$ 5,573,266	5.10 %	
Miscellaneous - From Other Than Local					
Property Tax Levies	38,990,955	34.57	35,296,532	32.29	
Collection of Delinquent Taxes and Tax Title Liens	94,791	0.08	79,710	0.07	
Collection of Current Tax Levy	65,384,476	57.97	64,338,616	58.86	
Other Credits	3,430,824	3.04	4,016,982	3.68	
Total Income	<u>112,801,046</u>	<u>100.00 %</u>	<u>109,305,106</u>	<u>100.00 %</u>	
<b>EXPENDITURES</b>					
Budget Expenditures					
Municipal Purposes	79,067,694	73.79	75,713,828	72.89 %	
County Taxes	12,490,227	11.66	13,296,083	12.80	
Local District School Tax	15,461,079	14.43	14,860,598	14.31	
Other Expenditures	123,273	0.12	2,000	0.00	
Total Expenditures	<u>107,142,273</u>	<u>100.00 %</u>	<u>103,872,509</u>	<u>100.00 %</u>	
Excess in Revenue	5,658,773		5,432,597		
Fund Balance, January 1	<u>7,638,337</u>		<u>7,779,006</u>		
	13,297,110		13,211,603		
Less Utilization as Anticipated Revenue	<u>4,900,000</u>		<u>5,573,266</u>		
Fund Balance, December 31	<u>\$ 8,397,110</u>		<u>\$ 7,638,337</u>		

**TOWN OF WEST NEW YORK  
COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Tax Rate</u>	<u>\$7.300</u>	<u>\$7.162</u>	<u>\$6.692</u>

Apportionment of Tax Rate

Municipal	4.179	4.029	3.729
County	1.379	1.463	1.309
Local School	1.713	1.643	1.628
Local School Required by Local Municipal Budget	.029	.027	0.026

Assessed Valuation

2016	<u>\$902,624,734</u>	
2015		<u>\$904,573,190</u>
2014		<u>\$904,233,793</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2016	\$ 66,153,311	\$ 65,384,476	98.83%
2015	65,103,071	64,338,616	98.82%
2014	60,810,505	60,337,765	99.22%

**TOWN OF WEST NEW YORK**  
**DELINQUENT TAXES AND TAX TITLE LIENS**

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

December 31 <u>Year</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of <u>Tax Levy</u>
2016	\$ 358,743	\$ 14,322	\$ 373,065	0.56%
2015	334,069	44,367	378,436	0.58%
2014	335,456	45,927	381,383	0.63%

**COMPARATIVE SCHEDULE OF FUND BALANCE**

	<u>Year</u>	Balance <u>Year End</u>	Utilized in Budget of Succeeding <u>Year</u>
Current Fund	2016	\$8,397,110	\$5,400,000
	2015	7,638,337	4,900,000
	2014	7,779,006	5,573,266

**TOWN OF WEST NEW YORK  
OFFICIALS IN OFFICE AND SURETY BONDS  
AS OF DECEMBER 31, 2015**

<u>Name</u>	<u>Title</u>	<u>Term</u>	<u>Amount of Bond</u>
Dr. Felix Roque	Mayor; Director of Department of Public Safety	May 1, 2015-2019	(A)
Cosmo Cirillo	Commissioner; Director of Department of Public Affairs	May 1, 2015-2019	(A)
Margarita Guzman	Commissioner; Director of Department of Parks and Public Property	May 1, 2015-2019	(A)
Susan Colacurcio	Commissioner; Director of Department of Revenue and Finance	May 1, 2015-2019	(A)
Gabriel Rodriguez	Commissioner; Director of Department of Public Works	May 1, 2015-2019	(A)
Jamie Cryan	Municipal Administrator		
Judith Tutela	Acting Chief Financial Officer		(A)
Carmela Riccio	Town Clerk		(A)
Kerri Tierney	Tax Collector		(A)
Sal Bonnaccorsi	Tax Assessor; Tax Searcher		(A)
Amarilis A. Diaz	Judge		(A)
Gloria Lopez	Acting Court Administrator		(A)

(A) All employees and public officials were covered for employee dishonesty in the amount of \$1,000,000 with the Public Entity Joint Insurance Fund.

**TOWN OF WEST NEW YORK  
GENERAL COMMENTS**

Our comments with respect to our examination and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the examination are herewith set forth.

**Prior Year Findings Unresolved**

***FINANCE***

**Finding** – The audit revealed the Town maintained certain miscellaneous reserves in the Other Trust Fund; however, a dedication by rider was not sought from the Division of Local Government Services.

**Recommendation** – The miscellaneous reserves in the Other Trust Fund with no approved dedication by rider be cleared of record or approval of a dedication by rider be requested from the Division of Local Government Services.

**Finding** – The audit of payroll indicated that salary ranges included in the salary ordinance have not been updated to reflect certain contractual salary modifications and a certain job title was omitted from the salary ordinance.

**Recommendation** – No recommendation is warranted since the Town amended the salary ordinance on March 23, 2017.

**Finding** – Our audit indicated that there is no independent verification of state and federal payroll deductions remitted by the Town's third party payroll provider.

**Recommendation** – The Town implement procedures to verify the payment of state and federal payroll deductions by its third party payroll provider.

**Finding** – Record keeping of compensated absences is not integrated with the payroll system and the liability is not calculated on a periodic basis.

**Recommendation** – The function for calculating the liability for compensated absences be integrated with the payroll system and prepared on a periodic basis.

**Finding** – The audit of certain Town bank reconciliations indicated there exists old outstanding checks at December 31, 2016.

**Recommendation** – Old outstanding checks on monthly bank reconciliations be reviewed and cleared of record.

**Finding** – Certain municipal departments ordered goods or services prior to the issuance of a purchase order.

**Recommendation** – The encumbrance system be utilized to ensure that materials and/or services be ordered only after a purchase order has been executed.



**TOWN OF WEST NEW YORK  
GENERAL COMMENTS**

**Prior Year Findings Unresolved (Continued)**

***DEPARTMENTS***

**Finding** – The audit of the Municipal Court indicated numerous tickets included on the “Tickets Assigned Not Issued Report” were outstanding in excess of six months.

**Recommendation** – All tickets outstanding in excess of six months on the Municipal Court’s “Tickets Assigned Not Issued Report” be recalled.

**Finding** – Our audit of the Municipal Court bail account revealed numerous miscellaneous adjustments for overages and shortages are not being entered into the ATS/ACS System. Additionally, the bail bank account is not reconciled timely.

**Recommendation** – Municipal Court bail account overages and shortages should be entered into the ATS/ACS System and the account be reconciled in a timely manner.

**Finding** – The audit indicated that health benefit waiver payments and employee contributions were not made based on calculations required by P.L. 2011, Chapter 78.

**Recommendation** – Health benefit waiver payments and employee contributions be calculated in accordance with P.L. 2011, Chapter 78 prior to payment.

**Current Year Findings**

There are none.

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

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only 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. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement."

If the Town’s purchasing agent is qualified pursuant to subsection b. of Section 9 of P.L. 1971, c. 198 (C.40A:11-9), the Town may establish the bid threshold up to a maximum of \$40,000. The Town’s Purchasing Director is qualified and the Town by resolution, has increased the bid threshold to \$40,000.

The Purchasing Agent and the Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000 within the fiscal year. Where question arises 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.

**TOWN OF WEST NEW YORK  
GENERAL COMMENTS**

**Contracts and Agreements Required to be Advertised for NJS 40A:11-4 (Continued)**

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

Traffic Signal Upgrades	Surveillance Cameras
Municipal Pool Spray Park Renovations	Construction of Dog Park
Solid Waste Collection and Disposal	Town Hall Generator
Exterior Moisture Protection Services	Acquisition of Ambulance
General Contracting Services	Resurfacing St. Mary's Park
Printing Services	Summer Food Program
Improvements to Swimming Pool	Elevator Repairs/Renovation

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 or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

**Collection of 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 could produce 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

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 become 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 made be charged on any delinquency in excess of \$10,000 if not paid by the end of the fiscal year; and

BE IT FURTHER RESOLVED, that the provisions 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

**TOWN OF WEST NEW YORK  
GENERAL COMMENTS**

**Collection of Interest on Delinquent Taxes and Assessments (Continued)**

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”.

An accelerated tax sale was held on December 15, 2016 and was incomplete.

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

<u>Year</u>	<u>Number of Liens</u>
2016	14
2015	16
2014	21

## TOWN OF WEST NEW YORK RECOMMENDATIONS

It is recommended that:

- \* 1. The miscellaneous reserves in the Other Trust Fund with no approved dedication by rider be cleared of record or approval of a dedication by rider be requested from the Division of Local Government Services.
- \* 2. Old outstanding checks on monthly bank reconciliations be reviewed and cleared of record.
- \* 3. All tickets outstanding in excess of six months on the Municipal Court's "Tickets Assigned Not Issued Report" be recalled.
- \* 4. The Town implement procedures to verify the payment of state and federal payroll deductions by its third party payroll provider.
- \* 5. The encumbrance system be utilized to ensure that materials and/or services be ordered only after a purchase order has been executed.
- \* 6. Municipal Court bail account overages and shortages should be entered into the ATS/ACS system and the account be reconciled in a timely manner.
- \* 7. The function for calculating the liability for compensated absences be integrated with the payroll system and prepared on a periodic basis.
- \* 8. Health benefit waiver payments and employee contributions be calculated in accordance with P.L. 2011, Chapter 78 prior to payment.

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A review was performed on all prior years' recommendations and corrective action was taken with the exception of those recommendations denoted with an asterisk (\*).

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

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



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Registered Municipal Accountants



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Certified Public Accountant  
RMA Number CR00405