

TOWN OF WEST NEW YORK
HUDSON COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2018

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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, 2018



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, 2018 and 2017, 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, 2018, 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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 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 as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Town of West New York.

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

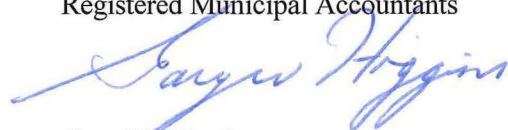
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 9, 2019 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 the effectiveness of the Town of West New York's 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
August 9, 2019

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2018 AND 2017

ASSETS	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Regular Fund			
Cash	A-4	\$ 28,961,677	\$ 28,774,054
Cash Held by Third Party	A-4	961,064	959,689
Cash - Change Funds	A-5	500	500
Prepaid Debt Service	A-7	<u>670,015</u>	<u>667,727</u>
		<u>30,593,256</u>	<u>30,401,970</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	42,964	77,767
Tax Title Liens	A-10	362,061	340,265
Revenue Accounts Receivable	A-11		172,215
Due from Federal and State Grant Fund	A-24	41,179	86,301
Due from General Capital Fund	C-13	5,728	
Due from Animal Control Fund	B-2	<u>20,826</u>	<u>7,087</u>
		<u>472,758</u>	<u>683,635</u>
Total Regular Fund		<u>31,066,014</u>	<u>31,085,605</u>
Federal and State Grant Fund			
Cash - Treasurer	A-23	416,798	132,229
Federal and State Grant Receivables	A-25	<u>352,119</u>	<u>712,005</u>
Total Federal and State Grant Fund		<u>768,917</u>	<u>844,234</u>
Total Assets		<u>\$ 31,834,931</u>	<u>\$ 31,929,839</u>

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund			
Appropriation Reserves	A-3,A-12	\$ 6,670,452	\$ 6,001,389
Due to North Hudson Sewerage Authority	A-13	706,408	684,786
Encumbrances Payable	A-14	3,435,072	3,060,779
Accounts Payable	A-22	18,903	351,022
Prepaid Taxes and PILOTS	A-15	605,212	1,810,651
Tax and PILOT Overpayments	A-16	741,963	800,418
County Taxes Payable	A-17	135,383	206,188
Local District School Taxes Payable	A-18	100,000	
Due to West New York Parking Authority	A-30	35,119	
Due to Other Trust Fund	B-6	1,537,527	1,584,673
Due to General Capital Fund	C-13		1,934,651
Reserve for Tax Appeals	A-20	246,031	175,263
Reserve for Master Tax Plan	A-21	142,967	142,967
Reserve for Retro Pay	A-8		100,488
Reserve for Bid Deposits Payable	A-31	256,961	
Reserve for Insurance Runout Claims	A-19	961,064	959,689
Due to State of New Jersey for Senior Citizens' and Veterans' Deductions	A-6	<u>58,155</u>	<u>54,171</u>
		15,651,217	17,867,135
Reserve for Receivables and Other Assets	A	472,758	683,635
Fund Balance	A-1	<u>14,942,039</u>	<u>12,534,835</u>
Total Regular Fund		<u>31,066,014</u>	<u>31,085,605</u>
Federal and State Grant Fund			
Reserve for Federal and State Grants - Appropriated	A-26	618,748	660,191
Reserve for Federal and State Grants - Unappropriated	A-27	41,074	88,415
Encumbrances Payable	A-29	65,674	8,988
Due to Other Trust Fund	B-5	1,903	
Due to Grantor	A-28	339	339
Due to Current Fund	A-24	<u>41,179</u>	<u>86,301</u>
Total Federal and State Grant Fund		<u>768,917</u>	<u>844,234</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 31,834,931</u>	<u>\$ 31,929,839</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, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	A-2	\$ 7,400,000	\$ 5,400,000
Miscellaneous Revenue Anticipated	A-2	39,001,405	38,268,403
Receipts from Delinquent Taxes	A-2	39,188	92,701
Receipts from Current Taxes	A-2	68,630,966	68,589,858
Non-Budget Revenue	A-2	992,877	1,138,289
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-12	5,636,194	4,523,374
Appropriated Grant Reserves Cancelled	A-26	9,800	1,200,990
Accounts Payable Cancelled	A-22	5,908	
Interfunds Liquidated	A	45,122	81,943
Statutory Excess - Animal Control Fund	B-2	2,242	8,883
Tax Overpayments Cancelled	A-16	62,517	
Cancellation of Reserve for Retro Pay	A	-	736,502
		<u>121,826,219</u>	<u>120,040,943</u>
Total Revenues and Other Income			
EXPENDITURES			
Budget Appropriations			
Operations Within "CAPS"			
Salaries and Wages	A-3	26,546,800	25,081,900
Other Expenses	A-3	27,382,127	27,435,273
Operations Excluded from "CAPS"			
Salaries and Wages	A-3	19,444	43,444
Other Expenses	A-3	15,711,792	15,972,954
Capital Improvements	A-3	125,000	125,000
Municipal Debt Service	A-3	5,809,707	6,257,247
Local School District Purposes	A-3	280,000	278,023
Statutory Expenditures, Deferred Charges and Judgements	A-3	5,930,367	5,445,505
		<u>81,805,237</u>	<u>80,639,346</u>
Total Budget Expenditures			

TOWN OF WEST NEW YORK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
EXPENDITURES (Continued)			
County Taxes	A-17	\$ 12,703,310	\$ 13,136,911
County Open Space Preservation	A-17	284,455	271,159
Local District School Tax	A-18	17,199,617	16,446,409
Senior Citizen/Veterans Deduction Disallowed - Prior Years	A-6	5,123	2,306
Senior Citizen/Veterans Deduction Disallowed - Taxation Audit	A-6	1,806	
Interfunds Advanced	A-1	<u>19,467</u>	<u>7,087</u>
 Total Expenditures		 <u>112,019,015</u>	 <u>110,503,218</u>
 Excess in Revenue		 9,807,204	 9,537,725
 Fund Balance, January 1	 A	 <u>12,534,835</u>	 <u>8,397,110</u>
		22,342,039	17,934,835
 Utilization as Anticipated Revenue	 A-2	 <u>7,400,000</u>	 <u>5,400,000</u>
 Fund Balance, December 31	 A	 <u>\$ 14,942,039</u>	 <u>\$ 12,534,835</u>

TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Reference</u>	<u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or (Deficit)
SURPLUS ANTICIPATED					
Surplus Anticipated	A-1	\$ 7,400,000	-	\$ 7,400,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	104,340		104,180	\$ (160)
Other	A-2	139,000		149,429	10,429
Fees and Permits	A-2	74,580		47,808	(26,772)
Fines and Costs					
Municipal Court	A-11	2,330,000		2,470,156	140,156
Interest and Costs on Taxes	A-11	345,680		267,516	(78,164)
Interest on Investments and Deposits	A-11	18,400		270,370	251,970
Payment in Lieu of Taxes					
Waterfront and All Others	A-11	21,884,816		22,676,651	791,835
Roseland	A-11	400,000		400,000	
Cable T.V. Franchise Tax	A-11	416,950		416,950	
Pool Membership Fees	A-11	124,500		155,450	30,950
EMT Service Fees	A-11	835,750		677,565	(158,185)
Consolidated Municipal Property Tax Relief Aid	A-11	1,948,679		1,948,679	
Energy Receipts Tax	A-11	4,861,700		4,861,700	
Uniform Construction Code Fees (N.J.S.A.40A:4-36)					
Uniform Construction Code Fees	A-11	1,330,000		2,205,610	875,610
Interlocal Agreements					
Reimbursement for Health Services					
Guttenberg	A-11	28,000		11,667	(16,333)

TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Reference</u>	<u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Municipal Alliance on Alcoholism and Drug Abuse	A-25	\$ 42,943		\$ 42,943	
Summer Food Program	A-25	106,578		106,578	
Distracted Driver Grant	A-25	6,600		6,600	
Bulletproof Vest Partnership Grant	A-25	8,000		8,000	
Drive Sober or Get Pulled Over -Holiday Crackdown	A-25	5,500		5,500	
Reserve for Recycling Tonnage Grant	A-27	50,000		50,000	
Clean Communities Program	A-25	65,363		65,363	
Safe and Secure Grant	A-25	60,000		60,000	
2015 Byrne Grant	A-25	17,369		17,369	
Pedestrian Safety Grant	A-25		\$ 14,300	14,300	
Alcohol Education Rehabilitation Grant	A-25		19,553	19,553	
Towing Admin Fees	A-11	24,400		32,585	\$ 8,185
Reserve for Payment of Debt - General Capital Fund	C-15	265,000		265,000	
UEZ Reserve - Other Trust Fund	B-8	140,000		140,000	
West New York Board of Education					
Reimbursement for Recreation Services	A-11	887,100		843,099	(44,001)
Reimbursement for Police Security	A-11	515,568		560,784	45,216
Reimbursement for Fuel	A-11	100,000	-	100,000	-
Total Miscellaneous Revenues	A-1	<u>37,136,816</u>	<u>33,853</u>	<u>39,001,405</u>	<u>1,830,736</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-2	<u>60,000</u>	<u>-</u>	<u>39,188</u>	<u>(20,812)</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET:					
Local Tax for Municipal Purposes	A-2	37,220,980		38,478,482	1,257,502
Addition to Local District School Tax	A-2	280,000		280,000	
Minimum Library Tax	A-2	930,102	-	930,102	-
TOTAL AMOUNT TO BE RAISED BY TAXES BY FOR SUPPORT OF MUNICIPAL BUDGET		<u>38,431,082</u>	<u>-</u>	<u>39,688,584</u>	<u>1,257,502</u>
Total General Revenues	A-3	<u>\$ 83,027,898</u>	<u>\$ 33,853</u>	86,129,177	<u>\$ 3,067,426</u>
Non-Budget Revenue	A-1,A-2,A-4			<u>992,877</u>	
				<u>\$ 87,122,054</u>	

TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-1,A-9	\$ 68,630,966
Less: Allocated to School and County Taxes	A-17,A-18	<u>30,187,382</u>
Balance for Support of Municipal Budget Appropriations		38,443,584
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,245,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 39,688,584</u>
Licenses- Other		
Borough Clerk		\$ 83,740
Police		49,468
Board of Health		<u>16,221</u>
	A-2,A-11	<u>\$ 149,429</u>
Fees and Permits - Other		
Zoning Board		\$ 26,820
Police		<u>20,988</u>
	A-2,A-11	<u>\$ 47,808</u>
Receipts from Delinquent Taxes		
Taxes Receivable	A-9	\$ 26,684
Tax Title Liens	A-10	<u>12,504</u>
	A-2	<u>\$ 39,188</u>

TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

Reference

ANALYSIS OF NON-BUDGET REVENUES

Prior Year Reimbursements/Miscellaneous	\$ 135,463
Assessor's Office - Certified Property Lists	24,921
Cancellation of Old Outstanding Checks	32,043
Rent Control Board	20,425
Tower Viewer - Donnelly Park	585
North Hudson Sewerage Authority (FOG)	400,000
LEA/Housing Inspections	104,815
Copier Lease Reimbursement	110,210
Property Registrations	130,500
Pole Relocation	31,159
Administrative Fee Senior and Veteran Deductions	611
Miscellaneous	<u>2,145</u>

A-1,A-2,A-4 \$ 992,877

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
OPERATIONS - WITHIN "CAPS"		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
GENERAL GOVERNMENT					
Department of Public Affairs					
Director's Office					
Salaries and Wages	\$ 100,000	\$ 71,900	\$ 29,744	\$ 42,156	
Other Expenses	96,000	45,000	23,854	21,146	
Town Clerk					
Salaries and Wages	375,000	375,000	374,156	844	
Other Expenses					
Legal Advertising and Publications	15,000	15,000	10,344	4,656	
Miscellaneous Other Expenses	32,000	32,000	27,874	4,126	
Codifications of Ordinances	6,000	6,000	3,860	2,140	
Poormaster's Fund					
Other Expenses	1,500	1,500	-	1,500	
Elections					
Salaries and Wages	25,000	25,000	-	25,000	
Other Expenses	164,000	164,000	33,750	130,250	
Community Development					
Salaries and Wages				-	
Other Expenses	100	100	-	100	
Board of Health					
Salaries and Wages	480,000	480,000	350,618	129,382	
Other Expenses	143,860	143,860	92,380	51,480	
Vital Statistics	75,000	75,000	62,917	12,083	
Prosecutor					
Other Expenses	120,000	120,000	74,962	45,038	
Public Relations					
Other Expenses	140,000	140,000	74,133	65,867	
Rent Control Board					
Salaries and Wages	175,000	146,900	105,858	41,042	
Other Expenses	43,000	43,000	24,504	18,496	
Town Funding Program					
Other Expenses	133,000	133,000	114,000	19,000	

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

OPERATIONS - WITHIN "CAPS"	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT					
Housing Inspection					
Salaries and Wages	\$ 380,000	\$ 418,000	\$ 395,508	\$ 22,492	
Other Expenses	800	800	-	800	
Tenants Relations					
Other Expenses	143,920	143,920	57,753	86,167	
School Crossing Guards					
Salaries and Wages	800,000	800,000	728,337	71,663	
Law Department					
Salaries and Wages	15,000	15,000	15,000		
Other Expenses	800,000	800,000	774,237	25,763	
Supervised Play Activity					
Salaries and Wages	800,000	806,000	788,526	17,474	
Other Expenses	295,000	314,000	280,188	33,812	
Senior Citizens Coordinator of Events					
Salaries and Wages	240,000	250,000	246,435	3,565	
Other Expenses	120,000	120,000	75,574	44,426	
Administrative Offices					
Salaries and Wages	280,000	284,000	279,094	4,906	
Other Expenses	68,000	68,000	58,339	9,661	
Insurance/Personnel Department					
Salaries and Wages	45,000	45,020	37,870	7,150	
Other Expenses	5,510	5,510	50	5,460	
Zoning Board					
Other Expenses	27,000	35,000	25,740	9,260	
Planning Board					
Salaries and Wages	65,000	65,000	61,073	3,927	
Other Expenses	33,000	37,200	29,980	7,220	
North Hudson Regional Council of Mayors					
Town Share	65,380	65,380	59,026	6,354	

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
OPERATIONS - WITHIN "CAPS"		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
GENERAL GOVERNMENT					
North Hudson Regional Council of Mayors Aid Task Force					
Town Share	\$ 11,193	\$ 11,193	\$ 6,354	\$ 4,839	
Urban Enterprise Zone					
Other Expenses	8,000	8,000	-	8,000	
Department of Revenue and Finance					
Director's Office					
Salaries and Wages	100,000	100,000	87,813	12,187	
Other Expenses	33,000	33,000	9,568	23,432	
Treasurer's Office					
Salaries and Wages	530,000	521,480	374,043	147,437	
Other Expenses					
Annual F/S and Annual Audit	120,000	120,000	85,282	34,718	
Miscellaneous Other Expenses	559,654	559,654	337,299	222,355	
Payroll Service Fee	45,000	45,000	29,342	15,658	
Assessment of Taxes					
Salaries and Wages	250,000	250,000	234,794	15,206	
Other Expenses	64,000	64,000	21,002	42,998	
Collection of Taxes					
Salaries and Wages	355,000	355,000	325,225	29,775	
Other Expenses	39,000	39,000	24,510	14,490	
Insurance					
General Liability Insurance	1,300,000	1,265,000	882,891	382,109	
Workers Compensation Insurance	970,000	1,005,000	975,513	29,487	
Employee Group Health	13,195,000	12,716,000	11,555,312	1,160,688	
Unemployment Insurance	165,000	165,000	165,000		
Health Waiver	25,000	25,000		25,000	
Purchasing Agent					
Salaries and Wages	180,000	183,000	182,967	33	
Other Expenses	12,000	12,000	7,625	4,375	
DEPARTMENT OF PUBLIC SAFETY					
Director's Office					
Salaries and Wages	380,000	565,000	548,856	16,144	
Other Expenses	75,000	65,000	23,780	41,220	
Police					
Salaries and Wages	14,300,000	14,350,000	13,961,897	388,103	
Other Expenses	575,000	575,000	536,583	38,417	
Public Safety Mechanics					
Salaries and Wages	200,000	200,000	175,825	24,175	
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, 2018**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
OPERATIONS - WITHIN "CAPS"		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
GENERAL GOVERNMENT (Continued)					
DEPARTMENT OF PUBLIC SAFETY (Continued)					
Uniform Fire Safety					
Salaries and Wages	\$ 185,000	\$ 185,000	\$ 121,114	\$ 63,886	
Ambulance Squad					
Salaries and Wages	790,000	805,000	799,616	5,384	
Other Expenses	155,000	155,000	134,034	20,966	
Office of Emergency Management					
Other Expenses	9,000	9,000	5,472	3,528	
Department of Public Works					
Director's Office					
Salaries and Wages	75,000	75,000	58,087	16,913	
Other Expenses	35,000	35,000	18,796	16,204	
Streets and Sewers					
Salaries and Wages	2,090,000	2,090,000	1,675,872	414,128	
Other Expenses	370,000	370,000	248,181	121,819	
Snow Removal	105,000	145,000	90,890	54,110	
Street Lighting					
Other Expenses	660,000	574,000	342,218	231,782	
Fire Hydrant Rental					
Other Expenses	230,000	230,000	168,803	61,197	
Recycling					
Other Expenses	553,750	553,750	540,117	13,633	
Garbage and Trash					
Salaries and Wages	650,000	650,000	552,403	97,597	
Other Expenses					
Miscellaneous Other Expenses	3,094,760	3,094,760	2,519,840	574,920	
Engineering Services and Costs					
Other Expenses	575,000	575,000	267,855	307,145	

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<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>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
DEPARTMENT OF PUBLIC SAFETY (Continued)					
Department of Parks and Public Property					
Director's Office					
Salaries and Wages	\$ 200,000	\$ 200,000	\$ 187,898	\$ 12,102	
Other Expenses	9,000	9,350	8,817	533	
Divisions of Parks					
Salaries and Wages	500,000	500,000	466,512	33,488	
Other Expenses	105,000	112,000	105,679	6,321	
Celebration of Public Events Anniversary or Holiday					
Salaries and Wages	65,000	70,500	70,347	153	
Other Expenses	68,000	68,000	55,300	12,700	
Public Buildings and Ground Maintenance					
Salaries and Wages	190,000	190,000	140,359	49,641	
Other Expenses	335,000	318,650	216,358	102,292	
Light and Power					
Other Expenses	475,000	475,000	473,240	1,760	
Centralized Postage					
Other Expenses	60,000	74,000	73,717	283	
Fuel					
Other Expenses	300,000	311,000	292,001	18,999	
Telephone					
Other Expenses	220,000	220,000	208,026	11,974	
Water					
Other Expenses	135,000	165,000	151,574	13,426	
Sewerage					
Other Expenses	123,500	123,500	41,929	81,571	
Signal Bureau					
Other Expenses	20,000	20,000	1,814	18,186	

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<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>
UNIFORM CONSTRUCTION CODE					
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries and Wages	\$ 600,000	\$ 600,000	\$ 578,130	\$ 21,870	
Other Expenses	125,000	157,000	140,240	16,760	
UNCLASSIFIED					
Municipal Court					
Salaries and Wages	800,000	800,000	714,299	85,701	
Other Expenses	225,000	225,000	182,240	42,760	
Reserve for Tax Appeals	125,000	125,000	125,000	-	
Public Defender					
Other Expenses	87,000	87,000	50,967	36,033	-
Total Operations Within "CAPS"	54,148,927	53,923,927	47,694,910	6,229,017	-
Contingent	5,000	5,000	-	5,000	-
Total Operations Including Contingent Within "CAPS"	54,153,927	53,928,927	47,694,910	6,234,017	-
Detail:					
Salaries and Wages	26,295,000	26,546,800	24,731,193	1,815,607	-
Other Expenses (Including Contingent)	27,858,927	27,382,127	22,963,717	4,418,410	-
Deferred Charges and Statutory Expenditures -					
Municipal Within "CAPS"					
STATUTORY CHARGES					
Contribution to:					
Public Employees Retirement System of NJ	1,029,452	1,029,452	998,748	30,704	
PERS Adjustments	100,000	100,000	301	99,699	
Police and Fireman's Retirement System of NJ	3,228,367	3,228,367	3,228,367	-	
Social Security System (O.A.S.I.)	1,143,300	1,143,300	1,041,665	101,635	-
Total Deferred Charges and Statutory Expenditures -	5,501,119	5,501,119	5,269,081	232,038	-
Municipal Within "CAPS"					
Total General Appropriations for Municipal Purposes	59,655,046	59,430,046	52,963,991	6,466,055	-
Within "CAPS"					

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library	\$ 930,102	\$ 930,102	\$ 819,174	\$ 110,928	
Interlocal Municipal Service Agreements					
Reimbursements for Health Services	24,000	24,000		24,000	
Board of Health - Guttenberg					
Salaries and Wages	19,444	19,444		19,444	
Board of Health - Chapter 226 Nursing Services					
Salaries and Wages					
Contribution to North Hudson Regional Fire	14,350,748	14,350,748	14,300,723	50,025	
Public and Private Programs Offset by Revenues					
Summer Food Program	106,578	106,578	106,578		
Clean Communities Program	65,363	65,363	65,363		
Municipal Alliance	42,943	42,943	42,943		
Municipal Alliance-Local Match	10,736	10,736	10,736		
Justice Assistance Grant	17,369	17,369	17,369		
Distracted Driver	6,600	6,600	6,600		
Drive Sober Or Get Pulled Over - Holiday Crackdown	5,500	5,500	5,500		
Safe and Secure Communities Grant	60,000	60,000	60,000		
Predestrian Safety Grant		14,300	14,300		
Alcohol Education Rehabilitation Grant		19,553	19,553		
Bulletproof Vest Partnership Grant	8,000	8,000	8,000		
Recycling Tonnage	50,000	50,000	50,000	-	-
Total Operations - Excluded from "CAPS"	15,697,383	15,731,236	15,526,839	204,397	-
Detail:					
Salaries and Wages	19,444	19,444	-	19,444	-
Other Expenses	15,677,939	15,711,792	15,526,839	184,953	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	125,000	125,000	125,000	-	-
Total Capital Improvement Excluded from "CAPS"	125,000	125,000	125,000	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,720,000	2,720,000	2,720,000		
Payment of Note Principal	614,500	839,500	839,307		193
Interest on Bonds	649,578	649,578	649,578		
Interest on Notes	205,380	205,380	204,809		571
Green Trust Loan Program					
Loan Repayments for Principal and Interest	140,273	140,273	140,273		
North Hudson Regional Fire Debt Service	1,126,487	1,126,487	1,125,736		751
HCIA Loan Payment	140,000	140,000	130,004	-	9,996
Total Municipal Debt Service Excluded from "CAPS"	5,596,218	5,821,218	5,809,707	-	11,511

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Judgements	\$ 429,251	\$ 429,251	\$ 429,248	-	\$ 3
Total Operations - Excluded from "CAPS"	<u>21,847,852</u>	<u>22,106,705</u>	<u>21,890,794</u>	<u>\$ 204,397</u>	<u>11,514</u>
For Local School District Purposes - Excluded from "CAPS"					
Type I School District Debt Service					
Payment of Bond Principal	220,000	220,000	220,000		
Interest on School Bonds	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	-	-
Total Type I School District Debt Service	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	-	-
Total General Appropriations	81,782,898	81,816,751	75,134,785	6,670,452	11,514
Reserve for Uncollected Taxes	<u>1,245,000</u>	<u>1,245,000</u>	<u>1,245,000</u>	-	-
Total General Appropriations	<u>\$ 83,027,898</u>	<u>\$ 83,061,751</u>	<u>\$ 76,379,785</u>	<u>\$ 6,670,452</u>	<u>\$ 11,514</u>
Reference	A-2	A-3	A-3	A	

**TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-2	\$83,027,898	
Added Per N.J.S.A. 40A:4-87	A-2	<u>33,853</u>	
	A-3	<u>\$83,061,751</u>	
Cash Disbursed	A-4		\$ 70,126,212
Due to Federal and State Grant Fund	A-26		406,942
Due to General Capital Fund - Budget Appropriation:			
Capital Improvement Fund	C-13		125,000
Principal Payment of BAN	C-13		
Current Fund Expenditures Paid by General Capital Fund	C-13		99,737
Due to Other Trust Fund - Budget Appropriation:			
Unemployment Insurance	B-6		165,000
Reserve for Uncollected Taxes	A-2		1,245,000
Encumbrances Payable	A-14		3,419,167
Prepaid Expense	A-7		667,727
Reserve for Tax Appeals	A-20		<u>125,000</u>
			<u>\$ 76,379,785</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 12,058	\$ 155
Due from Other Trust Fund	B-7	<u>15,390</u>	<u>12,983</u>
		<u>27,448</u>	<u>13,138</u>
OTHER TRUST FUND			
Cash	B-1	4,577,952	4,716,808
Due from Current Fund	B-6	1,537,527	1,584,673
Due from Federal and State Grant Fund	B-5	<u>1,903</u>	<u>-</u>
		<u>6,117,382</u>	<u>6,301,481</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Due from County of Hudson Community Development Block Grant	B-14	<u>114,324</u>	<u>840,010</u>
Total Assets		<u>\$ 6,259,154</u>	<u>\$ 7,154,629</u>

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Reserve for Animal Control Expenditures	B-3	\$ 6,614	\$ 6,050
Due to State of New Jersey	B-4	8	1
Due to Current Fund	B-2	<u>20,826</u>	<u>7,087</u>
		<u>27,448</u>	<u>13,138</u>
OTHER TRUST FUND			
Various Trust Reserves	B-8	5,639,029	6,199,840
Reserve for Payroll Deductions Payable	B-9	5,812	
Accrued Salaries and Wages	B-10	402	
Due to Animal Control Fund	B-7	15,390	12,983
Due to Third Party Lienholders	B-11	141,198	64,226
Encumbrances Payable	B-16	131,239	8,816
Due to State of New Jersey - Unemployment	B-12	<u>184,312</u>	<u>15,616</u>
		<u>6,117,382</u>	<u>6,301,481</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Reserve for Community Development Block Grant	B-14	99,001	500,010
Encumbrances Payable	B-15	<u>15,323</u>	<u>340,000</u>
		<u>114,324</u>	<u>840,010</u>
Total Liabilities and Reserves		<u>\$ 6,259,154</u>	<u>\$ 7,154,629</u>

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
ASSETS			
Cash	C-2,C-3	\$ 6,756,877	\$ 5,077,874
Grants Receivable	C-11	2,042,196	1,511,732
Due from Current Fund	C-13		1,934,651
Deferred Charges to Future Taxation - Funded	C-4	20,189,876	23,256,882
Deferred Charges to Future Taxation - Unfunded	C-5	<u>11,447,858</u>	<u>12,247,290</u>
Total Assets		<u>\$ 40,436,807</u>	<u>\$ 44,028,429</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-6	17,882,000	20,602,000
School Serial Bonds	C-7	1,740,000	1,960,000
State of New Jersey - Green Acres Loans Payable	C-8	567,876	694,882
Bond Anticipation Notes Payable	C-9	10,938,000	9,128,000
Contracts Payable	C-16	1,831,087	1,695,407
Due to Current Fund	C-13	5,728	
Reserve for Capital Projects	C-14		1,325,000
Capital Improvement Fund	C-10	277,385	256,520
Reserve for Payment of Debt	C-15	493,659	665,798
Improvement Authorizations			
Funded	C-12	975,242	1,169,407
Unfunded	C-12	5,100,306	5,805,891
Fund Balance	C-1	<u>625,524</u>	<u>725,524</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 40,436,807</u>	<u>\$ 44,028,429</u>

There were bonds and notes authorized but not issued on December 31, 2018 of \$511,824 and 2017 of \$3,161,131. (Exhibit C-17)

TOWN OF WEST NEW YORK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Balance, January 1	C	\$ 725,524	\$ 725,524
Decreased by:			
Appropriated to Finance Improvement Authorization	C-12	<u>100,000</u>	<u>-</u>
Balance, December 31	C	<u>\$ 625,524</u>	<u>\$ 725,524</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, 2018 AND 2017**

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, 2018 AND 2017**

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, 2017 balances to conform to the December 31, 2018 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, 2018 AND 2017**

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 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Town may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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 - Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

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, 2018 AND 2017**

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 acquisition 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
Vehicles	Estimated Historical Cost
Machinery and Equipment	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, 2018 AND 2017**

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 2018 and 2017 the Commissioners increased the original budget by \$33,853 and \$109,390, respectively. The increases were funded by additional aid allotted to the Town. In addition, the governing body approved several budget transfers during 2018 and 2017.

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 or NCUSIF.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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, 2018 and 2017, the book value of the Town's deposits were \$41,686,926 and \$39,661,309 and bank and brokerage firm balances of the Town's deposits amounted to \$43,220,453 and \$42,979,502, 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>2018</u>	<u>2017</u>
Insured	\$ 42,259,389	\$ 42,019,813
Uninsured and Uncollateralized	<u>961,064</u>	<u>959,689</u>
	<u>\$ 43,220,453</u>	<u>\$ 42,979,502</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, 2018 and 2017, the Town's bank balances of \$961,064 and \$959,689 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2018</u>	<u>2017</u>
Uninsured and Uncollateralized	<u>\$ 961,064</u>	<u>\$ 959,689</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, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). 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, 2018 and 2017 the Town had no outstanding investments.

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

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2018 and 2017 consisted of the following:

2018

Property Taxes	\$ 42,964
Tax Title Liens	<u>362,061</u>
	<u>\$ 405,025</u>

2017

Property Taxes	\$ 77,767
Tax Title Liens	<u>340,265</u>
	<u>\$ 418,032</u>

In 2018 and 2017, the Town collected \$39,188 and \$ 92,701 from delinquent taxes, which represented 11% and 25%, respectively of the prior year delinquent taxes and tax title liens receivable balances.

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2018</u>		<u>2017</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund:				
Regular	\$ 67,733	\$ 1,537,527	\$ 93,388	\$ 3,519,324
Federal and State Grant		43,082		86,301
Trust Funds:				
Animal Control	15,390	20,826	12,983	7,087
Other Trust	1,539,430	15,390	1,584,673	12,983
General Capital Fund	<u>-</u>	<u>5,728</u>	<u>1,934,651</u>	<u>-</u>
Total	<u>\$ 1,622,553</u>	<u>\$ 1,622,553</u>	<u>\$ 3,625,695</u>	<u>\$ 3,625,695</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.

NOTE 6 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>2018</u>		<u>2017</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	\$ 14,272,024	\$ 8,320,000	\$ 11,867,108	\$ 7,400,000
Non-Cash Surplus	<u>670,015</u>	<u>-</u>	<u>667,727</u>	<u>-</u>
	<u>\$ 14,942,039</u>	<u>\$ 8,320,000</u>	<u>\$ 12,534,835</u>	<u>\$ 7,400,000</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 7 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, 2018 and 2017.

	Balance January 1, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2018</u>
<u>2018</u>				
Land	\$ 4,939,575			\$ 4,939,575
Buildings	2,408,050			2,408,050
Building Improvements	11,798,901			11,798,901
Machinery and Equipment	2,105,879	\$ 252,526	\$ 63,645	2,294,760
Vehicles	<u>5,423,317</u>	<u>849,774</u>	<u>141,570</u>	<u>6,131,521</u>
	<u>\$ 26,675,722</u>	<u>\$ 1,102,300</u>	<u>\$ 205,215</u>	<u>\$ 27,572,807</u>
	Balance January 1, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2017</u>
<u>2017</u>				
Land	\$ 4,554,676	\$ 384,899		\$ 4,939,575
Buildings	2,408,050			2,408,050
Building Improvements	11,687,401	111,500		11,798,901
Machinery and Equipment	1,438,884	666,995		2,105,879
Vehicles	<u>4,703,529</u>	<u>719,788</u>	<u>-</u>	<u>5,423,317</u>
	<u>\$ 24,792,540</u>	<u>\$ 1,883,182</u>	<u>\$ -</u>	<u>\$ 26,675,722</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8 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>2018</u>	<u>2017</u>
Issued		
General		
Bonds, Notes and Loans	\$ 29,387,876	\$ 30,424,882
Less Funds Temporarily Held to Pay Bonds and Notes	<u>495,625</u>	<u>707,639</u>
Net Debt Issued	28,892,251	29,717,243
Authorized But Not Issued		
General		
Bonds and Notes	<u>178,824</u>	<u>2,828,131</u>
	<u>29,071,075</u>	<u>32,545,374</u>
Type I Local School District Debt		
Issued and Outstanding		
General Serial Bonds	1,740,000	1,960,000
Authorized But Not Issued	<u>333,000</u>	<u>333,000</u>
	<u>2,073,000</u>	<u>2,293,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 31,144,075</u>	<u>\$ 34,838,374</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8 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 1.02% and 1.23% at December 31, 2018 and 2017, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2018</u>			
Local School District Debt - Type I	\$ 2,073,000	\$ 2,073,000	
Debt Guarantees	12,126,820	12,126,820	
General Debt	<u>29,566,700</u>	<u>495,625</u>	\$ <u>29,071,075</u>
Total	<u>\$ 43,766,520</u>	<u>\$ 14,695,445</u>	<u>\$ 29,071,075</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2017</u>			
Local School District Debt - Type I	\$ 2,293,000	\$ 2,293,000	
Debt Guarantees	13,114,488	13,114,488	
General Debt	<u>33,253,013</u>	<u>707,639</u>	\$ <u>32,545,374</u>
Total	<u>\$ 48,660,501</u>	<u>\$ 16,115,127</u>	<u>\$ 32,545,374</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>2018</u>	<u>2017</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 99,904,987	\$ 92,458,620
Less: Net Debt	<u>29,071,075</u>	<u>32,545,374</u>
Remaining Borrowing Power	<u>\$ 70,833,912</u>	<u>\$ 59,913,246</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

<u>General Obligation Bonds</u>	<u>2018</u>	<u>2017</u>
\$8,100,000, 2006A Refunding Bonds, due in annual installments of \$1,350,000 through April 15, 2019, interest at 4.00%	\$ 1,350,000	\$ 2,670,000
\$3,910,000, 2013 Series A Qualified General Obligation Bonds, due in annual installments of \$190,000 to \$330,000 through May 15, 2029, interest at 2.00% to 3.00%	3,035,000	3,220,000
\$6,725,000, 2013 Series B Qualified General Obligation Bonds (Taxable), due in annual installments of \$340,000 to \$630,000 through May 15, 2028, interest at 3.50% to 4.40%	5,100,000	5,435,000
\$5,047,000, 2016 Series A General Obligation Bonds due in annual installments of \$385,000 to \$487,000 through November 1, 2028, interest at 3.00%	4,302,000	4,677,000
\$4,600,000, 2016A General Improvement Refunding Bonds due in annual installments of \$525,000 to \$650,000 through April 15, 2025, interest at 3.00% to 4.00%	<u>4,095,000</u>	<u>4,600,000</u>
	<u>\$ 17,882,000</u>	<u>\$ 20,602,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Obligation Bonds (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.

<u>School Bonds</u>	<u>2018</u>	<u>2017</u>
\$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%	\$ 1,740,000	\$ 1,960,000
	<u>\$ 1,740,000</u>	<u>\$ 1,960,000</u>

General Intergovernmental Loans Payable

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

<u>Green Trust Loans</u>	<u>2018</u>	<u>2017</u>
\$500,000, 2000 Loan, due in Semi-Annual installments of \$15,568 to \$15,724 through December 20, 2019, interest at 2%	\$ 31,292	\$ 61,967
\$475,000, 2001 Loan, due in Semi-Annual installments of \$14,192 to \$14,622 through September 6, 2020, interest at 2%	57,625	85,590
\$425,000, 2001 Loan, due in Semi-Annual installments of \$12,698 to \$13,083 through September 16, 2020, interest at 2%	51,559	76,579

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable (Continued)

Green Trust Loans (Continued)

	<u>2018</u>	<u>2017</u>
\$675,000, 2006 Loan, due in Semi-Annual installments of \$18,077 to \$20,779 through February 9, 2026, interest at 2%	\$ 290,983	\$ 326,602
\$170,010, 2013 Loan, due in Semi-Annual installments of \$3,922 to \$5,233 through July 21, 2033, interest at 2%	136,417	144,144
	<u>\$ 567,876</u>	<u>\$ 694,882</u>

The Town's principal and interest for long-term debt issued and outstanding as of December 31, 2018 is as follows:

Calendar Year	General		School		Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
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	1,730,000	369,740	245,000	27,825	46,938	5,608	2,425,111
2023	1,800,000	314,640	260,000	20,250	47,881	4,664	2,447,435
2024-2028	7,922,000	728,195	545,000	16,575	147,179	10,613	9,369,562
2029-2033	330,000	4,950	-	-	50,064	2,794	387,808
Total	<u>\$ 17,882,000</u>	<u>\$ 2,863,246</u>	<u>\$ 1,740,000</u>	<u>\$ 195,350</u>	<u>\$ 567,876</u>	<u>\$ 49,193</u>	<u>\$ 23,297,665</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 8 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, 2018 AND 2017**

NOTE 8 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>2018</u>	<u>2017</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%.	\$ 2,258,520	\$ 2,564,760
HCIA 2006A (Tax-Exempt) Lease Revenue Bonds, originally issued on January 1, 2006 for \$1,143,296, maturing annually from January 1, 2008 through 2024, bearing interest rates of 4.0% to 5.0%.	501,468	576,752
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%.	475,948	546,128
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%.	672,508	705,628
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%.	1,453,376	1,716,220
	<u>\$ 5,361,820</u>	<u>\$ 6,109,488</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 8 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>2018</u>	<u>2017</u>
Parking Revenue Bonds, Series 2006 issued on October 19, 2006 for \$9,000,000, maturing annually beginning July 1, 2008 through 2024. The Bonds maturing on July 1, 2030 and 2036 are subject to mandatory sinking fund redemptions on July 1 from 2025 through 2036. Interest is paid semi-annually at interest rates ranging from 3.5% to 5%.	<u>\$ 6,765,000</u>	<u>\$ 7,005,000</u>

Hudson County Improvement Authority – Lease Financing Agreement

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

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

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 8 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, 2018 and 2017 were \$205,000 and \$195,000, respectively.

Minimum future lease payments under the capital lease as of December 31, 2018 for each of the next five years and in the aggregate are:

<u>Years Ended</u> <u>December 31,</u>	<u>Amount</u>
2019	\$ 249,286
2020	271,313
2021	272,875
2022	274,062
2023	279,875
2024	<u>280,125</u>
Total	1,627,536
Less: Amounts representing Interest	<u>177,536</u>
Present value of Net Minimum Lease Payments	<u>\$ 1,450,000</u>

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, 2018 and 2017 was 4.8366% and 3.6203%, respectively.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

The Town's long-term capital debt activity for the years ended December 31, 2018 and 2017 were as follows:

	Balance, January 1, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2018</u>	Due Within <u>One Year</u>
<u>2018</u>					
General Capital Fund					
Serial Bonds Payable	\$ 20,602,000		\$ 2,720,000	\$ 17,882,000	\$ 2,790,000
School Bonds Payable	1,960,000		220,000	1,740,000	220,000
Intergovernmental Loans Payable	<u>694,882</u>	<u>-</u>	<u>127,006</u>	<u>567,876</u>	<u>129,558</u>
General Capital Fund Long-Term Liabilities	<u>\$ 23,256,882</u>	<u>\$ -</u>	<u>\$ 3,067,006</u>	<u>\$ 20,189,876</u>	<u>\$ 3,139,558</u>
	Balance, January 1, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2017</u>	Due Within <u>One Year</u>
<u>2017</u>					
General Capital Fund					
Serial Bonds Payable	\$ 23,987,000		\$ 3,385,000	\$ 20,602,000	\$ 2,720,000
School Bonds Payable	2,170,000		210,000	1,960,000	220,000
Intergovernmental Loans Payable	<u>828,291</u>	<u>-</u>	<u>133,409</u>	<u>694,882</u>	<u>127,006</u>
General Capital Fund Long-Term Liabilities	<u>\$ 26,985,291</u>	<u>\$ -</u>	<u>\$ 3,728,409</u>	<u>\$ 23,256,882</u>	<u>\$ 3,067,006</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Town's short-term debt activity for the years ended December 31, 2018 and 2017 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance, January 1, <u>2018</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	Balance, December 31, <u>2018</u>
<u>2018</u>						
<u>General Capital Fund</u>						
Acquisition of a Building	3.00	10/3/2019		\$ 1,235,000		\$ 1,235,000
Various Capital Improvements	3.00	10/3/2019		3,443,437		3,443,437
Road Improvement Projects	3.00	10/3/2019		1,066,368		1,066,368
Acquisition of Vehicles	3.00	10/3/2019		1,118,888		1,118,888
Improvements to Various Parks	3.00	10/3/2019		4,074,307		4,074,307
Acquisition of a Building	2.25	10/18/2018	\$ 1,235,000		\$ 1,235,000	
Various Capital Improvements	2.25	10/18/2018	5,255,000		5,255,000	
Road Improvement Projects	2.25	10/18/2018	1,115,000		1,115,000	
Acquisition of Vehicles	2.25	10/18/2018	1,140,000		1,140,000	
Refunding Tax Appeals	2.25	10/18/2018	383,000	-	383,000	-
			<u>\$ 9,128,000</u>	<u>\$ 10,938,000</u>	<u>\$ 9,128,000</u>	<u>\$ 10,938,000</u>
<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance, January 1, <u>2017</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	Balance, December 31, <u>2017</u>
<u>2017</u>						
<u>General Capital Fund</u>						
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	
Acquisition of a Building	2.25	10/18/2018		\$ 1,235,000		\$ 1,235,000
Various Capital Improvements	2.25	10/18/2018		5,255,000		5,255,000
Road Improvement Projects	2.25	10/18/2018		1,115,000		1,115,000
Acquisition of Vehicles	2.25	10/18/2018		1,140,000		1,140,000
Refunding Tax Appeals	2.25	10/18/2018	-	383,000	-	383,000
			<u>\$ 7,508,000</u>	<u>\$ 9,128,000</u>	<u>\$ 7,508,000</u>	<u>\$ 9,128,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 8 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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.

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.

NOTE 9 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction/ Other Commitment</u>	<u>Estimated Date of Acquisition/ Completion</u>
<u>2018</u>		
Window Replacement at Town Hall	\$ 123,234	2019
Acquisition of Playground Equipment	363,025	2019
Rubber Playground Surface	300,048	2019
Various Road Improvements	378,995	2019
Acquisition of Telephone Equipment	104,706	2019
Drainage Improvements to Centennial Field	428,000	2019
<u>2017</u>		
Improvements to 66th Street	\$ 174,219	2018
Traffic Signal Upgrades	276,340	2018
Acquisition of Garbage Trucks	409,324	2018
2017 Road Program	388,401	2018
Acquisition of 911 Public Safety Equipment	168,026	2018
Window Replacement at Town Hall	409,000	2018

Additionally, the Town has been charged \$182,972 for prior year's assessments, interest and penalties by the State of New Jersey, Department of Labor and Workforce Development related to unemployment reimbursements. The Town is currently reviewing this matter for disposition.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 10 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, sick leave and compensation time (police only) 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 \$7,938,387 and \$7,508,693 at December 31, 2018 and 2017, respectively. These amounts which is 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 (7.00% effective July 1, 2017 and 7.65% effective July 1, 2016 through June 30, 2017) at December 31, 2018 and 2017 is \$436,117 and \$627,192, respectively.

During the years ended December 31, 2018, 2017 and 2016 the Town was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

Years Ended <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2018	\$ 46,695	\$ 172,911
2017	46,109	171,177
2016	45,606	169,527

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 10 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, 2018 and 2017 were as follows:

	Balance, January 1, 2018	Additions	Reductions	Balance, December 31, 2018	Due Within One Year	
<u>2018</u>						
Compensated Absences	\$ 7,508,693	\$ 429,694		\$ 7,938,387	\$ 250,000	
Net Pension Liability - PERS	23,799,526		\$ 4,774,200	19,025,326		
Net Pension Liability - PFRS	53,298,700		6,515,207	46,783,493		
Deferred Pension Obligation	627,192	28,531	219,606	436,117	220,643	
Net OPEB Obligation	<u>155,108,127</u>	<u>10,185,998</u>	<u>19,167,939</u>	<u>146,126,186</u>	<u>-</u>	
 Total Other Long-Term Liabilities	<u>\$ 240,342,238</u>	<u>\$ 10,644,223</u>	<u>\$ 30,676,952</u>	<u>\$ 220,309,509</u>	<u>\$ 470,643</u>	
	Balance, January 1, 2017	Additions	Reductions	Prior Period Adjustment	Balance, December 31, 2017	Due Within One Year
<u>2017</u>						
Compensated Absences	\$ 7,357,983	\$ 150,710			\$ 7,508,693	\$ 250,000
Net Pension Liability - PERS	31,066,584		\$ 7,267,058		23,799,526	
Net Pension Liability - PFRS	62,315,777		9,017,077		53,298,700	
Deferred Pension Obligation	799,907	44,571	217,286		627,192	219,606
Net OPEB Obligation	<u>47,532,973</u>	<u>13,629,965</u>	<u>7,643,315</u>	<u>\$ 101,588,504</u>	<u>155,108,127</u>	<u>-</u>
 Total Other Long-Term Liabilities	<u>\$ 149,073,224</u>	<u>\$ 13,825,246</u>	<u>\$ 24,144,736</u>	<u>\$ 101,588,504</u>	<u>\$ 240,342,238</u>	<u>\$ 469,606</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 11 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. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which, if applicable, vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). 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 earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. 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 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.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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.

Collective Net Pension Liability

The collective net pension liability of the participating employers for PERS at June 30, 2018 and 2017 is \$43.4 billion and \$48.9 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 40.45% and 36.78%, respectively. The collective net pension liability of the participating employers for PFRS at June 30, 2018 and 2017 is \$19.7 billion and \$21.6 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 57.91% and 54.52%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 and 2016 which were rolled forward to June 30, 2018 and 2017, respectively.

Actuarial Methods and Assumptions

In the July 1, 2017 and 2016 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 for 2018 and 2017 based on 10.0% for PFRS, 7.50% (effective July 1, 2018) and 7.34% (effective July 1, 2017) for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2018 and 2017 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Town for 2018, 2017 and 2016 were equal to the required contributions.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

During the years ended December 31, 2018, 2017 and 2016, the Town, was required to contribute for normal cost pension contributions, accrued liability pension 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>	<u>DCRP</u>
2018	\$ 3,055,456	\$ 947,132	\$ 5,666
2017	2,659,779	931,863	471
2016	2,690,833	805,817	

In addition for the years ended December 31, 2018 and 2017 the Town contributed for long-term disability insurance premiums (LTDI) \$14,904 and \$6,724, respectively for PERS. No contribution was made for calendar year 2016.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2018 and 2017. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2018 and 2017, the Town reported a liability of \$19,025,326 and \$23,799,526, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and 2016, 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, 2018, the Town's proportionate share was 0.09663 percent, which was a decrease of 0.00561 percent from its proportionate share measured as of June 30, 2017 of 0.10224 percent.

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 11 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)

For the years ended December 31, 2018 and 2017, the pension system has determined the Town's pension expense to be \$981,514 and \$1,987,859, respectively, for PERS based on the actuarial valuations which are more than the actual contributions reported in the Town's financial statements of \$947,132 and \$931,863, respectively. At December 31, 2018 and 2017, 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:

	2018		2017	
	<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	\$ 362,816	\$ 98,101	\$ 560,397	
Changes of Assumptions	3,135,059	6,083,287	4,794,784	\$ 4,777,206
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		178,458	162,059	
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	<u>1,321,127</u>	<u>1,860,757</u>	<u>1,892,466</u>	<u>1,239,512</u>
Total	<u>\$ 4,819,002</u>	<u>\$ 8,220,603</u>	<u>\$ 7,409,706</u>	<u>\$ 6,016,718</u>

At December 31, 2018 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>
2019	\$ 81,970
2020	(83,662)
2021	(1,439,647)
2022	(1,454,070)
2023	(506,192)
Thereafter	<u>-</u>
	<u>\$ (3,401,601)</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 11 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)

Actuarial Assumptions

The Town's total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2018</u>	<u>2017</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65-4.15% Based on Age	1.65-4.15% Based on Age
Thereafter	2.65%-5.15% Based on Age	2.65-5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
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, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014, respectively.

TOWN OF WEST NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 11 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, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2018</u>		<u>2017</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>
Risk Mitigation Strategies	5.00%	5.51%	5.00%	5.51%
Cash Equivalents	5.50%	1.00%	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%	10.00%	3.78%
US Equity	30.00%	8.19%	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%	6.50%	11.64%
High Yield	2.50%	6.82%	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%	1.00%	6.61%
Private Real Asset	2.50%	11.83%	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%	8.25%	13.08%

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2018	5.66%
2017	June 30, 2017	5.00%

**TOWN OF WEST NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 11 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:

	<u>2018</u>	<u>2017</u>
Period of Projected Benefit		
Payments for which the Following		
Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2046	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2046 and Thereafter	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, 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, 2018 and 2017 calculated using the discount rate of 5.66% and 5.00%, 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 4.66% and 4.00%, respectively or 1-percentage-point higher 6.66% and 6.00%, respectively than the current rate:

	1% Decrease <u>(4.66%)</u>	Current Discount Rate <u>(5.66%)</u>	1% Increase <u>(6.66%)</u>
<u>2018</u>			
Town's Proportionate Share of the PERS Net Pension Liability	<u>\$ 23,922,155</u>	<u>\$ 19,025,326</u>	<u>\$ 14,917,199</u>
	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
<u>2017</u>			
Town's Proportionate Share of the PERS Net Pension Liability	<u>\$ 29,524,927</u>	<u>\$ 23,799,526</u>	<u>\$ 19,029,557</u>

The sensitivity analysis was based on the proportionate share of the Town's net pension liability at December 31, 2018 and 2017. 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, 2018 AND 2017

NOTE 11 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.

Police and Firemen's Retirement System (PFRS)

At December 31, 2018 and 2017, the Town reported a liability of \$46,783,493 and \$53,298,700, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and 2016, 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, 2018, the Town's proportionate share was 0.34573 percent, which was an increase of 0.00049 percent from its proportionate share measured as of June 30, 2017 of 0.34524 percent.

For the years ended December 31, 2018 and 2017, the pension system has determined the Town pension expense to be \$4,623,280 and \$5,794,174, respectively, for PFRS based on the actuarial valuations which are more than the actual contributions reported in the Town's financial statements of \$3,055,456 and \$2,659,779, respectively. At December 31, 2018 and 2017, 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:

	2018		2017	
	<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	\$ 475,961	\$ 193,601	\$ 345,771	\$ 312,819
Changes of Assumptions	4,015,733	11,989,802	6,572,324	8,728,769
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		255,948	1,017,064	
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	<u>2,640,717</u>	<u>312,307</u>	<u>3,646,768</u>	<u>433,357</u>
Total	<u>\$ 7,132,411</u>	<u>\$ 12,751,658</u>	<u>\$ 11,581,927</u>	<u>\$ 9,474,945</u>

TOWN OF WEST NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 11 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, 2018 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:

<u>Ending December 31,</u>	<u>Total</u>
2019	\$ 1,247,720
2020	(802,333)
2021	(3,225,534)
2022	(2,076,855)
2023	(762,245)
Thereafter	<u>-</u>
	<u>\$ (5,619,247)</u>

Actuarial Assumptions

The Town's total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PFRS</u>	<u>2018</u>	<u>2017</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	2.10%-8.98%	2.10-8.98%
	Based on Age	Based on Age
Thereafter	3.10%-9.98%	3.10-9.98%
	Based on Age	Based on Age
Investment Rate of Return	7.00%	7.00%
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, 2017 and July 1, 2016 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 11 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, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2018</u>		<u>2017</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>
Risk Mitigation Strategies	5.00%	5.51%	5.00%	5.51%
Cash	5.50%	1.00%	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	3.00%	1.87%
Investment Grade Credit	10.00%	3.87%	10.00%	3.78%
US Equity	30.00%	8.19%	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%	6.50%	11.64%
High Yield	2.50%	6.82%	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%	1.00%	6.61%
Private Real Asset	2.50%	11.83%	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%	8.25%	13.08%

Discount Rate

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

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2018	6.51%
2017	June 30, 2017	6.14%

**TOWN OF WEST NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 11 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:

	<u>2018</u>	<u>2017</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2062	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2062 and Thereafter	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, 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, 2018 and 2017 calculated using the discount rate of 6.51% and 6.14%, 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 5.51% and 5.14%, respectively or 1-percentage-point higher 7.51% and 7.14%, respectively than the current rate:

	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
<u>2018</u>			
Town's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 62,613,900</u>	<u>\$ 46,783,493</u>	<u>\$ 33,726,291</u>
	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
<u>2017</u>			
Town's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 70,225,427</u>	<u>\$ 53,298,700</u>	<u>\$ 39,391,469</u>

The sensitivity analysis was based on the proportionate share of the Town's net pension liability at December 31, 2018 and 2017. 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, 2018 AND 2017**

NOTE 11 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 of the net pension liability, deferred outflows and inflows 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, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the Town for the PFRS special funding situation is \$6,354,764 and \$5,969,903, respectively. For the years ended December 31, 2018 and 2017, 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 \$752,712 and \$730,254, respectively, which are more than the actual contributions the State made on behalf of the Town of \$376,356 and \$298,520, respectively. At December 31, 2018 (measurement date June 30, 2018) the State's share of the PFRS net pension liability attributable to the Town was 0.34573 percent, which was an increase of 0.00049percent from its proportionate share measured as of December 31, 2017 (measurement date June 30, 2017) of 0.34524 percent. 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.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including certain eligible former Town employees and/or their dependents under a special funding situation.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

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 the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2018 and 2017 is \$15.7 billion and \$20.4 billion, respectively, and the plan fiduciary net position as a percentage of the total OPEB liability is 1.97% and 1.03%, respectively.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 and 2016 which were rolled forward to June 30, 2018 and 2017.

Actuarial Methods and Assumptions

In the June 30, 2017 and 2016 OPEB actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$421.2 million and \$381.8 million and the State of New Jersey, as the non-employer contributing entity, contributed \$53.5 million and \$53.1 million for fiscal years 2018 and 2017, respectively.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Town is not required to make contributions to the State Plan under the special funding situation. The State as a non-employer contributing entity makes contributions to the plan on behalf of the Town under a special funding situation.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2018 and 2017. Employer allocation percentages have been rounded for presentation purposes.

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Town is responsible for their own OPEB 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 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. 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. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Town's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)**

Special Funding Situation (Continued)

At December 31, 2018 and 2017, the State's proportionate share of the net OPEB liability attributable to the Town for the OPEB special funding situation is \$23,835,500 and \$33,113,524, respectively. For the years ended December 31, 2018 and 2017 the plan has determined the State's proportionate share of the OPEB expense attributable to the Town for the OPEB special funding situation is \$721,528 and \$2,369,805, respectively. At December 31, 2018, (measurement date June 30, 2018), the State's share of the OPEB liability attributable to the Town was .38359 percent, which was an increase of .00277 percent from its proportionate share measured as of December 31, 2017 (measurement date June 30, 2017) of .38082 percent. The State's proportionate share attributable to the Town was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB 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.

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.

Benefits Provided

The Town provides postretirement healthcare insurance benefits for retirees and their dependents who meet certain eligibility requirements.

Employees Covered by Postemployment Benefits

At December 31, 2018, the following employees were covered by postemployment health care benefits:

Active Employees	283
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>292</u>
	<u>575</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2018 and 2017, the Town's total OPEB liabilities were \$146,126,186 and \$155,108,127, respectively. Net OPEB liability was measured as of December 31, 2018 and December 31, 2017, respectively, and the OPEB liability was determined by an actuarial valuation as of those dates.

For the years ended December 31, 2018 and 2017, the Town has determined it's OPEB expense to be \$5,359,075 and \$10,185,983, respectively, based on the actuarial valuations which are more than the actual contributions reported in the Town's financial statements of \$4,687,171 and \$4,725,192, respectively. At December 31, 2018 and 2017, the Town's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Town's financial statements are from the following sources:

	2018	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		
Changes of Assumptions		\$ 9,653,845
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	-	-
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ -</u>	<u>\$ 9,653,845</u>

At December 31, 2018 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2019	\$ (4,826,923)
2020	(4,826,922)
2021	-
2022	-
2023	-
Thereafter	-
	<u>\$ (9,653,845)</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)**

Actuarial Assumptions

The Town's total OPEB liability reported for the year ended December 31, 2018 was based on the December 31, 2018 measurement date as determined by an actuarial valuation as of January 1, 2018, which was rolled forward to December 31, 2018. The total OPEB liability reported for the year ended December 31, 2017 was based on the December 31, 2017 measurement date as determined by an actuarial valuation as of December 31, 2017, which was rolled forward to December 31, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2018</u>	<u>2017</u>
Inflation Rate	2.50%	2.50%
Salary Increases	3.0%	3.0%
Discount Rate	4.1%	3.5%
Healthcare Cost Trend Rates	4.00%-9.75%	4.00%-9.75%

Retirees' Share of Benefit-Related Costs

The discount rate was based on Bond Buyer 20-Bond GO Index for 2018 and for 2017.

Mortality rates were based on the Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2018.

The actuarial assumptions used were consistent with the assumptions used by the Division of Pensions and Benefits and State Health Benefits Plan as reported in the July 1, 2016 actuarial valuation.

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the Town's OPEB liability for the years ended December 31, 2018 and 2017 based on measurement dates of December 31, 2018 and December 31, 2017, respectively are as follows:

	Total OPEB Liability 2018	Total OPEB Liability 2017
Balance - Beginning of Year	\$ 155,108,127	\$ 47,532,973
Changes for the Year:		
Service Cost	4,675,593	
Annual Required Contribution		11,490,981
Adjustment to Annual Required Contribution		(2,918,123)
Interest on the Total OPEB Liability	5,510,405	2,138,984
Prior Period Adjustment (A)		101,588,504
Changes in Assumptions	(14,480,768)	
Benefit Payments	(4,687,171)	(4,725,192)
Net Changes	(8,981,941)	107,575,154
Balance - End of Year	\$ 146,126,186	\$ 155,108,127

(A) The Prior Period Adjustment is the result of the one-time adjustment of \$101,588,504 due to the change in accounting standard from GASB 45 to GASB 75.

Changes of assumptions for 2018 reflect a change in the discount rate from 3.50 percent in 2017 to 4.10 percent in 2018. Changes in assumptions for 2017 reflect a change in the discount rate from 4.50 percent in 2016 to 3.50 percent in 2017.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)**

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Town's net OPEB liability as of December 31, 2018 and 2017 calculated using the discount rate of 4.10% and 3.50%, respectively, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 3.10% and 2.50%, respectively or 1-percentage-point higher 5.10% and 4.50%, respectively than the current rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
<u>2018</u>			
Net OPEB Liability	<u>\$170,477,858</u>	<u>\$ 146,126,186</u>	<u>\$ 126,887,087</u>
	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
<u>2017</u>			
Net OPEB Liability	<u>\$182,954,660</u>	<u>\$ 155,108,127</u>	<u>\$ 133,012,372</u>

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Town's net OPEB liability as of December 31, 2018 and 2017 calculated using the healthcare trend rates as disclosed above as well as what the Town's net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>2018</u>			
Net OPEB Liability	<u>\$124,447,246</u>	<u>\$ 146,126,186</u>	<u>\$ 173,970,959</u>
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>2017</u>			
Net OPEB Liability	<u>\$128,899,384</u>	<u>\$ 155,108,127</u>	<u>\$ 189,234,948</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 13 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 \$13,978,359 for plan year ending December 31, 2018. The plan has a re-insurance agreement with HM Life in place to fund claims in excess of \$175,000 per person. The re-insurance policy also contains an aggregate loss provision in the amount of \$10,941,660 for the policy year ending December 31, 2018. The Town experienced six members and four members that exceeded the specific attachment point of \$175,000 in the calendar years 2018 and 2017, respectively. The Town was reimbursed \$424,686 and \$3,222,807 in the plan years 2018 and 2017, respectively. The Town has not created a liability for loss reserves for claims incurred which were unpaid at December 31, 2018. 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.

The Town of West New York is a member of the Public Entity Joint Insurance Fund (PEJIF). The joint insurance fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The 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 settlements 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</u> <u>December 31</u>	<u>Town</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2018	\$ 165,000	\$ 39,023	\$ 236,214	\$ 238,448
2017	165,000	108,035	166,922	270,639
2016	102,608	126,802	215,617	164,526

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 14 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, 2018 and 2017. 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, 2018 and 2017, the Town reserved \$246,031 and \$175,263, 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, 2018 and 2017, 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 15 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, 2018 and 2017, the Town has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 16 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, 2018 AND 2017**

NOTE 16 RELATED PARTY TRANSACTIONS (Continued)

North Hudson Sewerage Authority (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%.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 16 RELATED PARTY TRANSACTIONS (Continued)

North Hudson Sewerage Authority (Continued)

Annual Charges (Continued)

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, 2018 and 2017.

NOTE 17 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 \$15,426,459 and \$15,181,211 for the years 2018 and 2017, respectively, including health insurance and debt service costs.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 18 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 11th day of the 11th month of each fiscal year. In 2018 and 2017, 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 99.89% and 99.59% for 2018 and 2017, respectively. The underlying tax collection rate was 98.37% and 98.62% for 2018 and 2017, respectively.

NOTE 19 TAX ABATEMENTS

For the years ended December 31, 2018 and 2017, 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, 2018 and 2017 the Town abated property taxes totaling \$31,147,253 and \$35,837,065, respectively under the LTTE program. The Town billed \$21,555,308 and \$21,406,267 in PILOT payments under this program for the years ended December 31, 2018 and 2017, 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, 2018 and 2017 the Town abated property taxes totaling \$339,091 and \$955,418 respectively under the FYEA program. The Town received \$166,160 and \$856,251 in PILOT payments under this program for the years ended December 31, 2018 and 2017, respectively.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 20 SUBSEQUENT EVENTS

Certain capital projects bond ordinances were adopted as of the date of audit authorizing the issuance of \$1,418,000 of bonds and/or notes. No bonds or notes have been issued pertaining to those ordinances as of the date of audit.

Serial Bonds

On August 7, 2019 the Town adopted a resolution for the issuance of 11,620,000 General Obligation Bonds, Series 2019 for the purpose of funding various capital improvements of the Town. The Bonds have not been sold as of the date of this report

Parking Authority Dissolution

On July 10, 2019 the Town introduced an ordinance for the dissolution of the West New York Parking Authority,(the "Authority"), an ordinance creating a parking utility and an ordinance providing for the refunding of the Authority's outstanding bonds and assumption of the Authority's obligations under a lease agreement with the Hudson County Improvement Authority. In addition, on July 24, 2019, the Town submitted an application to the Local Finance Board for approval of the dissolution and the approval to adopt the associated ordinances. The Town held the public hearing for the ordinances on August 7, 2019 and voted to continue the public hearing and schedule a 2nd reading and adoption for a date after the Local Finance Board is expected to act.

CURRENT FUND

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

Balance, January 1, 2018		\$29,733,743
Increased by Receipts:		
Taxes Receivable	\$67,604,890	
Non-Budget Revenue	992,877	
Senior Citizen's and Veteran's Deductions	30,555	
Tax Title Liens	12,504	
Prepaid Taxes and PILOTS	605,212	
Tax and Pilot Overpayments	412,974	
Bid Deposits Payable	256,961	
Revenue Accounts Receivable	36,638,964	
North Hudson Sewerage Authority	759,700	
Due to West New York Parking Authority	525,301	
Reserve for Insurance Runout Claims	1,375	
Receipts from Animal Control Trust Fund	2	
Receipts for Animal Control Trust Fund	152	
Receipts for General Capital Fund	3,144,141	
Receipts from Federal and State Grant Fund	44,186	
Receipts from Other Trust Fund	316,745	
Receipts for Other Trust Fund	<u>1,454,899</u>	
		<u>112,801,438</u>
		142,535,181
Decreased by Disbursements:		
2018 Budget Appropriations	70,126,212	
2017 Appropriation Reserves	986,060	
Encumbrances Payable	2,421,011	
Accounts Payable	345,114	
Tax and Pilot Overpayments	393,403	
County Taxes Payable	13,058,570	
School Taxes Payable	17,099,617	
Reserve for Tax Appeals	53,836	
Reserve for Retro Pay	100,488	
North Hudson Sewerage Authority	738,078	
Due to West New York Parking Authority	490,182	
Payments to Animal Control Trust Fund	11,630	
Payments for Other Trust Fund	1,760,527	
Payments On Behalf of General Capital Fund	86,299	
Payments to General Capital Fund	<u>4,941,413</u>	
		<u>112,612,440</u>
Balance, December 31, 2018		<u><u>\$29,922,741</u></u>
<u>Analysis</u>		
Cash - Treasurer		\$28,961,677
Cash - Held with Third Party		<u>961,064</u>
		<u><u>\$29,922,741</u></u>

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

	Balance, January 1, 2018	Balance, December 31, 2018
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, 2018		\$ 54,171
Increased by:		
Cash Received from State	\$ 30,555	
Senior Citizen and Veteran's Deductions Disallowed - Prior Years	5,123	
Senior Citizen and Veteran's Deductions Disallowed - State Taxation Audit	<u>1,806</u>	
		<u>37,484</u>
		91,655
Decreased by:		
Senior Citizen and Veteran's Deductions Allowed Per Tax Duplicate	31,750	
Senior Citizen and Veteran's Deductions Allowed Per Tax Collector - Prior Years	<u>1,750</u>	
		<u>33,500</u>
Balance, December 31, 2018		<u>\$ 58,155</u>

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

Balance, January 1, 2018	\$ 667,727
Increased by:	
Qualified Debt Service Received	<u>670,015</u>
	1,337,742
Decreased by:	
Qualified Debt Service Paid on Behalf	<u>667,727</u>
Balance, December 31, 2018	<u>\$ 670,015</u>

EXHIBIT A-8

STATEMENT OF SCHEDULE OF RESERVE FOR RETRO PAY

Balance, January 1, 2018	\$ 100,488
Decreased by:	
Cash Disbursements	<u>100,488</u>
Balance, December 31, 2018	<u>\$ -</u>

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

<u>Year</u>	Balance, January 1, <u>2018</u>	Tax <u>Levy</u>	Senior Citizens' and Veterans' Deductions <u>Disallowed</u>	<u>Collected In</u>		Senior Citizens' and Veterans' Deductions <u>Allowed</u>	<u>Cancelled</u>	Transferred to Tax <u>Title Liens</u>	Balance, December 31, <u>2018</u>
				<u>2017</u>	<u>2018</u>				
2013	\$ 500		\$ 1,750		\$ 500				\$ 1,750
2014	306		554		114		\$ 192		554
2015	2				2				-
2016	744				255				489
2017	<u>76,215</u>	<u>-</u>	<u>2,819</u>	<u>-</u>	<u>24,063</u>	<u>\$ 1,750</u>	<u>53,213</u>	<u>-</u>	<u>8</u>
	77,767	-	5,123	-	24,934	1,750	53,405	-	2,801
2018	<u>-</u>	<u>\$ 69,201,344</u>	<u>-</u>	<u>\$ 1,019,260</u>	<u>67,579,956</u>	<u>31,750</u>	<u>495,915</u>	<u>\$ 34,300</u>	<u>40,163</u>
	<u>\$ 77,767</u>	<u>\$ 69,201,344</u>	<u>\$ 5,123</u>	<u>\$ 1,019,260</u>	<u>\$ 67,604,890</u>	<u>\$ 33,500</u>	<u>\$ 549,320</u>	<u>\$ 34,300</u>	<u>\$ 42,964</u>

Analysis of 2018 Tax Levy

TAX YIELD

General Purpose Tax	\$ 68,489,421
Added Taxes (NJSA 54:4-63.1 et seq)	<u>711,923</u>
	<u>\$ 69,201,344</u>

TAX LEVY

Local District School Tax	
Local District School Tax Levy	\$ 17,199,617
Additional Local District School Tax Levy	<u>280,000</u>
	17,479,617
County Taxes	
County Tax Levy	12,567,927
Due County for Open Space Preservation	284,455
Added County Taxes	<u>135,383</u>
	12,987,765
Municipal Taxes	
Local Tax for Municipal Purposes	37,220,980
Minimum Library Tax	930,102
Additional Tax Levied	<u>582,880</u>
	<u>38,733,962</u>
	<u>\$ 69,201,344</u>

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

Balance, January 1, 2018	\$ 340,265
Increased by:	
Transfers from 2018 Taxes Receivable	<u>34,300</u>
	374,565
Decreased by:	
Cash Received	<u>12,504</u>
Balance, December 31, 2018	<u>\$ 362,061</u>

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

	Balance, January 1, <u>2018</u>	Accrued in 2018	Collected	Balance, December 31, <u>2018</u>
Licenses				
Alcoholic Beverages		\$ 104,180	\$ 104,180	
Other		149,429	149,429	
Fines and Costs				
Municipal Court	\$ 172,215	2,297,941	2,470,156	
Fees and Permits		47,808	47,808	
Interest and Costs on Taxes		267,516	267,516	
Interest on Investments and Deposits		270,370	270,370	
Payment in Lieu of Taxes:				
Waterfront and All Other		22,676,651	22,676,651	
Roseland		400,000	400,000	
Cable T.V. Franchise Tax		416,950	416,950	
Pool Membership Fees		155,450	155,450	
Consolidated Municipal Property Tax Relief Aid		1,948,679	1,948,679	
Energy Receipts Tax		4,861,700	4,861,700	
Uniform Construction Code Fees (N.J.S.A. 40A:4-36)				
Uniform Construction Code Fees		2,205,610	2,205,610	
Reimbursement for Health Services				
Guttenberg		11,667	11,667	
EMT Service Fees		677,565	677,565	
West New York Board of Education				
Reimbursement for:				
Recreation Services		843,099	843,099	
Police Security		560,784	560,784	
Fuel		100,000	100,000	
Towing Admin Fees	-	32,585	32,585	-
	<u>\$ 172,215</u>	<u>\$38,027,984</u>	<u>\$ 38,200,199</u>	<u>\$ -</u>

Cash Receipts	\$ 36,638,964
Due from Other Trust Fund	83,263
Due from Animal Control Fund	21
Due from General Capital Fund	16,545
Transferred from Prepaid PILOTS	791,391
Prepaid Debt Service	670,015
	<u>\$38,200,199</u>

**TOWN OF WEST NEW YORK
STATEMENT OF 2017 APPROPRIATION RESERVES**

	Balance, January 1, <u>2018</u>	<u>Transfers</u>	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	\$ 26,073			\$ 26,073		\$ 26,073
Other Expenses	43,682		\$ 1,106	44,788		44,788
Town Clerk						
Salaries and Wages	31,219			31,219		31,219
Other Expenses						
Legal Advertising and Publications	5,849			5,849	\$ 347	5,502
Miscellaneous Other Expenses	1,563			1,563	610	953
Codification of Ordinances	2,010			2,010		2,010
Poormaster's Fund						
Other Expenses	1,500			1,500		1,500
Elections						
Salaries and Wages	16,262			16,262		16,262
Other Expenses	137,665			137,665		137,665
Community Development						
Salaries and Wages	12,639			12,639		12,639
Other Expenses	100			100		100
Board of Health						
Salaries and Wages	89,564			89,564		89,564
Other Expenses	6,798			6,798	4,601	2,197
Blood Borne Pathogens	13,938			13,938		13,938
Prosecutor						
Other Expenses	59,880			59,880	14,703	45,177
Public Relations						
Other Expenses	101,918			101,918	17,456	84,462
Rent Control Board						
Salaries and Wages	34,284			34,284		34,284
Other Expenses	38,238			38,238	755	37,483
Town Funding Program						
Other Expenses	44,000			44,000	19,000	25,000
Housing Inspection						
Salaries and Wages	3,666			3,666		3,666
Other Expenses	800			800	155	645
Tenants Relations						
Other Expenses	57,217			57,217	6,900	50,317
School Crossing Guards						
Salaries and Wages	9,064			9,064		9,064
Law Department						
Salaries and Wages	1,154			1,154		1,154
Other Expenses	104,500			104,500	97,943	6,557
Supervised Play Activity						
Salaries and Wages	66,223			66,223		66,223
Other Expenses	15,535			15,535	4,603	10,932

TOWN OF WEST NEW YORK
STATEMENT OF 2017 APPROPRIATION RESERVES

	Balance, January 1, <u>2018</u>	<u>Transfers</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Senior Citizens Coordinator of Events						
Salaries and Wages	\$ 10,768			\$ 10,768		\$ 10,768
Other Expenses	64,962			64,962	\$ 934	64,028
Administrative Offices						
Salaries and Wages	84,939			84,939		84,939
Other Expenses	47,629			47,629	5,164	42,465
Insurance/Personnel Department						
Salaries and Wages	10,083			10,083		10,083
Other Expenses						-
Other Expenses	5,434			5,434		5,434
Zoning Board						
Other Expenses	2,188	\$ 5,000		7,188	3,400	3,788
Planning Board						
Salaries and Wages	26,903	(5,000)		21,903		21,903
Other Expenses	11,360			11,360	7,428	3,932
North Hudson Council of Mayors						
Town Share	7,418			7,418		7,418
North Hudson Regional Council of Mayors Aid Task Force						
Town Share	3,234			3,234	1,082	2,152
Urban Enterprise Zone						
Other Expenses	8,000			8,000		8,000
Department of Revenue and Finance						
Director's Office						
Salaries and Wages	2,882			2,882		2,882
Other Expenses	326			326	79	247
Treasurer's Office						
Salaries and Wages	30,382	(11,000)	\$ 14,413	33,795		33,795
Other Expenses						
Annual Audit	46,000			46,000	25,480	20,520
Miscellaneous Other Expenses	90,922			90,922	59,491	31,431
Payroll Service Fee	30,908			30,908	1,911	28,997
Assessment of Taxes						
Salaries and Wages	1,462			1,462		1,462
Other Expenses	29,485		1,930	31,415		31,415
Collection of Taxes						
Salaries and Wages	48,349	11,000		59,349	11,000	48,349
Other Expenses	9,297			9,297	8,205	1,092
Insurance						
General Liability Insurance	478,083	(145,000)	501,467	834,550		834,550
Workers Compensation Insurance	398,612		7,325	405,937		405,937
Employee Group Health	740,337			740,337	262,255	478,082
Purchasing Agent						
Salaries and Wages	98,953	(1,000)		97,953		97,953
Other Expenses	206	1,000		1,206	648	558

**TOWN OF WEST NEW YORK
STATEMENT OF 2017 APPROPRIATION RESERVES**

	Balance, January 1, <u>2018</u>	<u>Transfers</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
DEPARTMENT OF PUBLIC SAFETY						
Director's Office						
Salaries and Wages	\$ 17,476			\$ 17,476		\$ 17,476
Other Expenses	34,939			34,939	\$ 2,444	32,495
Police						
Salaries and Wages	270,451			270,451		270,451
Other Expenses	57,024			57,024	17,596	39,428
Public Safety Mechanics						
Salaries and Wages	11,438	\$ (10,000)		1,438		1,438
Uniform Fire Safety						
Salaries and Wages	30,055			30,055		30,055
Ambulance Squad						
Salaries and Wages	40,141	(15,000)		25,141		25,141
Other Expenses	1,477	15,000		16,477	16,254	223
Office of Emergency Management						
Other Expenses	347			347	309	38
Department of Public Works						
Director's Office						
Salaries and Wages	58,581	(56,000)		2,581		2,581
Other Expenses	2,791			2,791	542	2,249
Streets and Sewers						
Salaries and Wages	81,658	(75,000)	\$ 21,661	28,319		28,319
Other Expenses	14,509		55,019	69,528		69,528
Snow Removal	1,810		200	2,010		2,010
Street Lighting						
Other Expenses	117,651		27,665	145,316		145,316
Fire Hydrant Rental						
Other Expenses	285			285		285
Recycling						
Other Expenses	120,898			120,898	16,122	104,776
Garbage and Trash						
Salaries and Wages	85,722	(80,000)		5,722		5,722
Other Expenses						
Contractual	277,209	426,000		703,209	302,499	400,710
Miscellaneous Other Expenses	72,702	(60,000)	4,159	16,861		16,861

**TOWN OF WEST NEW YORK
STATEMENT OF 2017 APPROPRIATION RESERVES**

	Balance, January 1, <u>2018</u>	<u>Transfers</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Engineering Services and Costs						
Other Expenses	\$ 90,434			\$ 90,434	\$ 35,453	\$ 54,981
Department of Parks and Public Property						
Director's Office						
Salaries and Wages	46,088			46,088		46,088
Other Expenses	1,867			1,867	1,111	756
Divisions of Parks						
Salaries and Wages	47,495			47,495		47,495
Other Expenses	13,331		\$ 2,322	15,653		15,653
Celebration of Public Events Anniversary or Holiday						
Salaries and Wages	4,380			4,380		4,380
Other Expenses	9,888			9,888	2,079	7,809
Public Buildings and Ground Maintenance						
Salaries and Wages	60,122			60,122		60,122
Other Expenses	113,422			113,422	2,292	111,130
Light and Power						
Other Expenses	90,617			90,617	20,923	69,694
Centralized Postage						
Other Expenses	24,375			24,375		24,375
Fuel						
Other Expenses	102,407			102,407	8,027	94,380
Telephone						
Other Expenses	73,471			73,471	7,810	65,661
Water						
Other Expenses	95,909		1	95,910		95,910
Sewerage						
Other Expenses	124,321			124,321		124,321
Signal Bureau						
Other Expenses	4,082			4,082	1,275	2,807
Construction Code Official						
Salaries and Wages	32,418			32,418		32,418
Other Expenses	4,780			4,780	2,564	2,216
UNCLASSIFIED						
Municipal Court						
Salaries and Wages	105,437			105,437		105,437
Other Expenses	29,298			29,298	10,953	18,345

TOWN OF WEST NEW YORK
STATEMENT OF 2017 APPROPRIATION RESERVES

	Balance, January 1, <u>2018</u>	<u>Transfers</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Public Defender						
Other Expenses	\$ 19,652			\$ 19,652	\$ 2,523	\$ 17,129
Contingent	4,100			4,100		4,100
STATUTORY CHARGES						
Contribution to:						
Public Employees Retirement System	63,991			63,991	1	63,990
PERS Adjustments	2,546			2,546	36	2,510
Police and Fireman's Pension Fund	22,258			22,258		22,258
Social Security System (O.A.S.I.)	121,289			121,289		121,289
Maintenance of Free Public Library	114,057		\$ 2,500	116,557		116,557
Contribution to North Hudson Regional Fire	<u>67,727</u>	<u>-</u>	<u>-</u>	<u>67,727</u>	<u>-</u>	<u>67,727</u>
Total General Appropriations	<u>\$ 6,001,389</u>	<u>\$ -</u>	<u>\$ 639,768</u>	<u>\$ 6,641,157</u>	<u>\$ 1,004,963</u>	<u>\$ 5,636,194</u>
			Transferred to Accounts Payable	\$ 18,903		
			Cash Disbursements	<u>986,060</u>		
				<u>\$ 1,004,963</u>		

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

Balance, January 1, 2018	\$ 684,786
Increased by:	
Cash Receipts	<u>759,700</u>
	1,444,486
Decreased by:	
Cash Disbursements	<u>738,078</u>
Balance, December 31, 2018	<u>\$ 706,408</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, January 1, 2018	\$ 3,060,779
Increased by:	
Charges to 2018 Budget Appropriations	\$ 3,419,167
Charges to Reserve for Tax Appeals	396
Charges to Tax and PILOT Overpayments	<u>15,509</u>
	<u>3,435,072</u>
	6,495,851
Decreased by:	
Cancelled to Appropriation Reserves	639,768
Cash Disbursements	<u>2,421,011</u>
	<u>3,060,779</u>
Balance, December 31, 2018	<u>\$ 3,435,072</u>

STATEMENT OF PREPAID TAXES AND PILOTS

Balance, January 1, 2018	\$ 1,810,651
Increased by:	
Cash Received	<u>605,212</u>
	2,415,863
Decreased by:	
Applied to 2018 Taxes Receivable	\$ 1,019,260
Transferred to Anticipated Revenues - PILOTS	<u>791,391</u>
	<u>1,810,651</u>
Balance, December 31, 2018	<u>\$ 605,212</u>

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

Balance, January 1, 2018		\$ 800,418
Increased by:		
Cash Received		<u>412,974</u>
		1,213,392
Decreased by:		
Cash Disbursements	\$ 393,403	
Cancelled to Operations	62,517	
Encumbrances Payable	<u>15,509</u>	
		<u>471,429</u>
Balance, December 31, 2018		<u><u>\$ 741,963</u></u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2018		\$ 206,188
Increased by:		
2018 Levy		
General County Tax (Abstract)	\$ 12,567,927	
County Open Space Preservation	284,455	
Added County Taxes	<u>135,383</u>	
		<u>12,987,765</u>
		13,193,953
Decreased by:		
Cash Disbursed		<u>13,058,570</u>
Balance, December 31, 2018		<u><u>\$ 135,383</u></u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:		
Levy - 2018		\$ 17,199,617
Decreased by:		
Cash Disbursed		<u>17,099,617</u>
Balance, December 31, 2018		<u><u>\$ 100,000</u></u>

**TOWN OF WEST NEW YORK
SCHEDULE OF RESERVE FOR INSURANCE RUNOUT CLAIMS**

Balance, January 1, 2018	\$ 959,689
Increased by:	
Cash Receipts	<u>1,375</u>
Balance, December 31, 2018	<u>\$ 961,064</u>

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, January 1, 2018	\$ 175,263
Increased by:	
Transferred from 2018 Budget Appropriations	<u>125,000</u>
	300,263
Decreased by:	
County and State Board Judgements Paid	\$ 53,836
Encumbrances Payable	<u>396</u>
	<u>54,232</u>
Balance, December 31, 2018	<u>\$ 246,031</u>

STATEMENT OF RESERVE FOR MASTER PLAN

Balance, January 1, 2018	<u>\$ 142,967</u>
Balance, December 31, 2018	<u>\$ 142,967</u>

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

Balance, January 1, 2018		\$ 351,022
Increased by:		
Transferred from 2017 Appropriation Reserves		<u>18,903</u>
		369,925
Decreased by:		
Cash Disbursements	\$ 345,114	
Cancelled to Operations	<u>5,908</u>	
		<u>351,022</u>
Balance, December 31, 2018		<u>\$ 18,903</u>

STATEMENT OF CURRENT CASH - FEDERAL AND STATE GRANT FUND

Balance, January 1, 2018		\$ 132,229
Increased by Receipts:		
Grants Receivable	\$ 524,185	
Other Trust Fund Receipts Deposited in Federal and State Grant Fund	1,903	
Unappropriated Grant Reserves	<u>2,659</u>	
		<u>528,747</u>
		660,976
Decreased by Disbursements:		
Payments to Current Fund	44,186	
Encumbrances Payable	8,588	
Appropriated Grant Reserves	<u>191,404</u>	
		<u>244,178</u>
Balance, December 31, 2018		<u>\$ 416,798</u>

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

Balance, January 1, 2018			\$	86,301
Increased by:				
Appropriated Grants Cancelled				<u>9,800</u>
				96,101
Decreased by:				
Payments to Current Fund	\$	44,186		
Local Match		<u>10,736</u>		
				<u>54,922</u>
Balance, December 31, 2018			\$	<u>41,179</u>

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

	Balance, January 1, <u>2018</u>	2018 Budget Revenue <u>Realized</u>	Decreased by:			Balance, December 31, <u>2018</u>
			<u>Cash Receipts</u>	Unappropriated Grant Reserves <u>Applied</u>	<u>Cancellations</u>	
NJ Dept of Law and Public Safety:						
Direct Aid						
Safe and Secure Communities - 2018		\$ 60,000			\$ 60,000	
Safe and Secure Communities - 2017	\$ 68,134				68,134	
Pedestrian Safety Grant - 2018	-	14,300	\$ 14,300			
Pedestrian Safety Grant - 2016	16,000					\$ 16,000
Assistance to Firefighters Grant Program	54,546		54,546			
FEMA Hazard Mitigation Grant	132,854		132,854			
NJ Department of Environmental Protection:						
Direct Aid						
Clean Communities Program - 2018		65,363	65,363			
Clean Communities Program - 2017	16,733					16,733
Recycling Tonnage Grant - 2018		50,000		\$ 50,000		
Green Acres Trust Fund:						
Miller Stadium - Phase II	159,980					159,980
NJ Department of Community Affairs:						
Direct Aid						
Body Armor Grant - 2018		8,000				8,000

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

	Balance, January 1, <u>2018</u>	2018 Budget Revenue <u>Realized</u>	Decreased by:			Balance, December 31, <u>2018</u>
			<u>Cash Receipts</u>	Unappropriated Grant Reserves <u>Applied</u>	<u>Cancellations</u>	
NJ Department of Transportation (NJTTFAA):						
Direct Aid						
FY10 Road Resurfacing Program	\$ 2,074					\$ 2,074
Hudson County Dept. of Finance and Administration						
Municipal Alliance - 2018		\$ 42,943	\$ 10,843			32,100
Municipal Alliance - 2017	39,943		39,943			
Recreational Opportunities Grant (ROID)	8,673					8,673
Recreation Grant - 2011	4,400					4,400
US Department of Agriculture:						
Direct Aid						
Summer Food Program - 2018		106,578	67,496		\$ 39,082	
Summer Food Program - 2016	104,509		89,818		14,691	
U.S. Dept of Justice						
Direct Aid						
Alcohol Education Rehabilitation Grant -2018		19,553	19,553			
Distracted Driver- 2018		6,600	6,600			
Drive Sober Get Pulled Over-Holiday Crackdown - 2018		5,500				5,500
Drive Sober Get Pulled Over - 2017	5,500		5,500			

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

	Balance, January 1, <u>2018</u>	2018 Budget Revenue <u>Realized</u>	Decreased by:			Balance, December 31, <u>2018</u>
			<u>Cash Receipts</u>	Unappropriated Grant Reserves <u>Applied</u>	<u>Cancellations</u>	
U.S. Dept of Justice						
Passed through Hudson County Prosecutor's Office						
Justice Assistance Grant - 2015		\$ 17,369	\$ 17,369			
Justice Assistance Grant - 2016	\$ 18,125					\$ 18,125
Justice Assistance Grant - 2017	<u>80,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,534</u>
	<u>\$ 712,005</u>	<u>\$ 396,206</u>	<u>\$ 524,185</u>	<u>\$ 50,000</u>	<u>\$ 181,907</u>	<u>\$ 352,119</u>

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

	Balance, January 1, 2018	2018 Budget	Expended	Cancelled	Balance, December 31, 2018
Green Acres Trust Fund - Miller Stadium Phase II	\$ 168,848				\$ 168,848
FEMA Hazard Mitigation Grant	132,854				132,854
2016 Pedestrian Safety Grant	16,000				16,000
2018 Pedestrian Safety Grant		\$ 14,300	\$ 14,300		-
2016 Body Armor Fund	4,413				4,413
2018 Body Armor Fund		8,000			8,000
Hudson County - Justice Assistance Grant 2016	17,805				17,805
Hudson County - Justice Assistance Grant 2017	80,534				80,534
Hudson County - Justice Assistance Grant 2015		17,369	6,134		11,235
2011 Recreation Grant - Hudson County	4,400				4,400
2016 Summer Food Program	22,040		7,349	\$ 14,691	
2018 Summer Food Program		106,578	67,495	39,083	
Clean Communities 2017	58,185		41,452		16,733
Clean Communities 2018		65,363	65,363		
Recycling Tonnage Grant 2013	1,349			1,349	
Recycling Tonnage Grant 2015	8,451			8,451	
Recycling Tonnage Grant 2018		50,000			50,000
Municipal Alliance - 2017	38,143		38,143		
Municipal Alliance-Local Match - 2017	9,536		9,536		
Municipal Alliance - 2018		42,943			42,943
Municipal Alliance-Local Match - 2018		10,736	6,000		4,736
Drive Sober, Get Pulled Over - Year End Crackdown - 2017	5,500				5,500
Drive Sober, Get Pulled Over - Holiday Crackdown - 2018		5,500			5,500
Distracted Driver - 2018		6,600			6,600
Alcohol Education Rehabilitation Grant - 2018		19,553	906		18,647
Safe and Secure 2017	68,133			68,133	
Safe and Secure 2018		60,000		60,000	
Recreational Opportunities Individual Disabilities (ROID)	20,000				20,000
ROID - Local Match	4,000	-	-	-	4,000
	<u>\$ 660,191</u>	<u>\$ 406,942</u>	<u>\$ 256,678</u>	<u>\$ 191,707</u>	<u>\$ 618,748</u>
Grants Receivable		\$ 346,206		\$ 181,907	Grants Receivable
Unappropriated Grant Reserves		50,000		9,800	Fund Balance
Local Match		<u>10,736</u>			
		<u>\$ 406,942</u>		<u>\$ 191,707</u>	
Cash Disbursements			\$ 191,404		
Encumbrances Payable			<u>65,274</u>		
			<u>\$ 256,678</u>		

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

	Balance, <u>January 1, 2018</u>	<u>Received</u>	Anticipated Revenue <u>Current Fund</u>	Balance, <u>December 31, 2018</u>
Recycling Tonnage	\$ 88,415		\$ 50,000	\$ 38,415
Pedestrian Safety Grant		\$ 2,640		2,640
Alcohol Education Rehabilitation Grant	<u>-</u>	<u>19</u>	<u>-</u>	<u>19</u>
	<u>\$ 88,415</u>	<u>\$ 2,659</u>	<u>\$ 50,000</u>	<u>\$ 41,074</u>

**STATEMENT OF DUE TO GRANTOR
FEDERAL AND STATE GRANT FUND**

Balance, January 1, 2018	<u>\$ 339</u>
Balance, December 31, 2018	<u>\$ 339</u>

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

Balance, January 1, 2018	\$ 8,988
Increased by:	
Charges to Appropriated Grant Reserves	<u>65,274</u>
	74,262
Decreased by:	
Cash Disbursements	<u>8,588</u>
Balance, December 31, 2018	<u>\$ 65,674</u>

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

Increased by:		
Cash Receipts	\$	525,301
Decreased by:		
Cash Disbursements		<u>490,182</u>
Balance, December 31, 2018	\$	<u><u>35,119</u></u>

**STATEMENT OF BID DEPOSITS PAYABLE
CURRENT FUND**

Increased by:		
Cash Receipts	\$	<u>256,961</u>
Balance, December 31, 2018	\$	<u><u>256,961</u></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, 2018	\$ 155		\$ 4,716,808
Increased by Receipts:			
Various Reserves and Deposits			\$ 5,008,614
Payroll Deductions			18,103,826
Accrued Salaries and Wages			13,816,580
Animal License Fees-Due to State	\$ 1,041		
Animal License Fees	263		
Community Development Block Grant		\$ 324,677	
Third Party Lienholders			3,525,356
Receipts from Current Fund	11,630		1,760,527
Receipts for Current Fund			48,064
Receipts for Animal Control Fund			2,407
Interest Earned	<u>21</u>	<u>-</u>	<u>35,199</u>
Total Receipts	<u>12,955</u>	<u>324,677</u>	<u>42,300,573</u>
Total Receipts and Beginning Balance	13,110	324,677	47,017,381
Decreased by Disbursements:			
Various Reserves and Deposits			6,792,392
Unemployment Claims Paid			15,616
Payroll Deductions			18,098,014
Accrued Salaries and Wages			13,816,178
Community Development Block Grant		324,677	
Third Party Lienholders			3,398,317
Encumbrances Payable			2,167
Animal Control Fund Expenditures	16		
Payments to Current Fund	2		316,745
Due to State of NJ - Animal Control Fund	<u>1,034</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>1,052</u>	<u>324,677</u>	<u>42,439,429</u>
Balance, December 31, 2018	<u>\$ 12,058</u>	<u>\$ -</u>	<u>\$ 4,577,952</u>

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

Balance, January 1, 2018		\$ 7,087
Increased by:		
Statutory Excess Due to Current Fund	\$ 2,242	
Receipts from Current Fund	11,630	
Interest Earned	<u>21</u>	
		<u>13,893</u>
		20,980
Decreased by:		
Animal Control Receipts Deposited in Current Fund	152	
Payments to Current Fund	<u>2</u>	
		<u>154</u>
Balance, December 31, 2018		<u><u>\$ 20,826</u></u>

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

Balance, January 1, 2018		\$ 6,050
Increased by:		
Current Year Fees Collected in Other Trust Fund	\$ 2,407	
Current Year Fees Collected in Current Fund	152	
Current Year Fees Collected	<u>263</u>	
		<u>2,822</u>
		8,872
Decreased by:		
Statutory Excess	2,242	
Cash Disbursements	<u>16</u>	
		<u>2,258</u>
Balance, December 31, 2018		<u><u>\$ 6,614</u></u>

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

Balance, January 1, 2018		\$ 1
Increased by:		
State Fees Collected		<u>1,041</u>
		1,042
Decreased by:		
Payments to State of New Jersey		<u>1,034</u>
Balance, December 31, 2018		<u><u>\$ 8</u></u>

EXHIBIT B-5

**TOWN OF WEST NEW YORK
STATEMENT OF DUE FROM FEDERAL AND STATE GRANT FUND
OTHER TRUST FUND**

Decreased by:

Other Trust Fund Receipts Deposited in Federal and State Grant Fund	\$ 1,903
Balance, December 31, 2018	<u>\$ 1,903</u>

EXHIBIT B-6

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

Balance, January 1, 2018	\$ 1,584,673
Increased by:	
Budget Appropriation - Unemployment Insurance	\$ 165,000
Payments to Current Fund	316,745
Other Trust Receipts Deposited in Current Fund	<u>1,454,899</u>
	<u>1,936,644</u>
	3,521,317
Decreased by:	
Interest Earned	35,199
Receipts from Current Fund	1,760,527
Anticipated Revenue - UEZ Reserve	140,000
Current Fund Receipts Deposited in Other Trust Fund	<u>48,064</u>
	<u>1,983,790</u>
Balance, December 31, 2018	<u>\$ 1,537,527</u>

EXHIBIT B-7

**STATEMENT OF DUE TO ANIMAL CONTROL FUND
OTHER TRUST FUND**

Balance, January 1, 2018	\$ 12,983
Increased by:	
Animal Control Fund Receipts Deposited in Other Trust Fund	<u>2,407</u>
Balance, December 31, 2018	<u>\$ 15,390</u>

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

	Balance, January 1, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2018</u>
Housing and Community Development Act of 1974	\$ 1,129,714	\$ 320,000		\$ 1,449,714
Escrow Deposits	577,184	306,155	\$ 281,675	601,664
Unemployment Reserve	270,639	204,023	236,214	238,448
Health/Liability Insurance Reserve		118,867	118,867	-
Parking Offenses Adjudication Act	65,339	135,643	84,214	116,768
Special Law Enforcement	37,772	25,931	11,195	52,508
Uniform Fire Safety Act Penalties	40,154	64,774	29,997	74,931
Performance Bond Deposits	62,913			62,913
Premium on Tax Sale	2,962,469	1,825,471	2,546,996	2,240,944
Public Defender	4,340	1,025		5,365
Recreation Reserve	23,031	17,240	15,695	24,576
Elevator Inspections	708	214,819	152,969	62,558
UEZ Assistance Fund	420,452		140,000	280,452
Reserve for Police	264,788	124,745	138,342	251,191
Federal Law Enforcement	104,531	21,960	35	126,456
DUI Fund	16,431	4,033	5,897	14,567
Other Miscellaneous		1,802,698	1,771,548	31,150
Cultural Affairs	7,500		3,500	4,000
Police Outside Services	<u>211,875</u>	<u>1,443,032</u>	<u>1,654,083</u>	<u>824</u>
	<u>\$ 6,199,840</u>	<u>\$ 6,630,416</u>	<u>\$ 7,191,227</u>	<u>\$ 5,639,029</u>
Cash Receipts/Cash Disbursements	\$ 5,008,614		\$ 6,792,392	
Unemployment Claims Accrued			184,312	
Budget Appropriation - Unemployment		165,000		
UEZ Assistance Fund			140,000	
Due to/from Federal and State Grant Fund		1,903		
Due to/from Current Fund		1,454,899		
Encumbrances Payable		<u>-</u>	<u>74,523</u>	
		<u>\$ 6,630,416</u>	<u>\$ 7,191,227</u>	

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

Increased by:	
Payroll Deductions	\$ 18,103,826
Decreased by:	
Payroll Deductions Paid	<u>18,098,014</u>
Balance, December 31, 2018	<u>\$ 5,812</u>

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

Increased by:	
Accrued Salaries and Wages Earned	\$ 13,816,580
Decreased by:	
Salaries and Wages Paid	<u>13,816,178</u>
Balance, December 31, 2018	<u>\$ 402</u>

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

Balance, January 1, 2018	\$ 64,226
Increased by:	
Cash Receipts	<u>3,525,356</u>
	3,589,582
Decreased by:	
Cash Disbursements	\$ 3,398,317
Encumbrances Payable	<u>50,067</u>
	<u>3,448,384</u>
Balance, December 31, 2018	<u>\$ 141,198</u>

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

Balance, January 1, 2018	\$ 15,616
Increased by:	
Unemployment Claims Payable	<u>184,312</u>
	199,928
Decreased by:	
Cash Disbursements	<u>15,616</u>
Balance, December 31, 2018	<u>\$ 184,312</u>

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

Balance, January 1, 2018	\$ 840,010
Decreased by:	
Cash Receipts	\$ 324,677
CDBG Receipts Deposited in Current Fund	<u>401,009</u>
	<u>725,686</u>
Balance, December 31, 2018	<u>\$ 114,324</u>

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

Balance, January 1, 2018	\$ 500,010
Decreased by:	
Payments made by General Capital Fund	<u>401,009</u>
Balance, December 31, 2018	<u>\$ 99,001</u>

Analysis

2015 Traffic Signal Upgrade - Phase I	<u>\$ 99,001</u>
	<u>\$ 99,001</u>

**TOWN OF WEST NEW YORK
STATEMENT OF ENCUMBRANCES PAYABLE
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, January 1, 2018	\$ 340,000
Decreased by:	
Cash Disbursements	<u>324,677</u>
Balance, December 31, 2018	<u>\$ 15,323</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
OTHER TRUST FUND**

Balance, January 1, 2018	\$ 8,816
Increased by:	
Charges to Various Trust Reserves	\$ 74,523
Charges to Third Party Lienholders	<u>50,067</u>
	<u>124,590</u>
	133,406
Decreased by:	
Cash Disbursements	<u>2,167</u>
Balance, December 31, 2018	<u>\$ 131,239</u>

GENERAL CAPITAL FUND

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

Balance, January 1, 2018		\$ 5,077,874
Increased by:		
Interest Earned	\$ 16,545	
Receipts from Current Fund	<u>4,941,413</u>	
		<u>4,957,958</u>
		10,035,832
Decreased by:		
Improvement Authorizations	1,764,062	
Contracts Payable	1,190,156	
Reserve for Capital Projects	225,000	
Payments for Current Fund	<u>99,737</u>	
		<u>3,278,955</u>
Balance, December 31, 2018		<u>\$ 6,756,877</u>

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

		Balance, December 31, <u>2018</u>
Due to Current Fund		\$ 5,728
Capital Improvement Fund		277,385
Grants Receivable		(2,042,196)
Contracts Payable		1,831,087
Reserve for Payment of Debt		493,659
Fund Balance		625,524
Excess Proceeds		1,966
Improvement Authorizations:		
Ordinance		
<u>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; 2/16; 6/18	Various Capital Improvements	224,687
27/10	Installation of Electronic Smoke Detection System	(200)
3/13	Various Capital Improvements	78,154
4/13	Acq of All Right, Title and Interest DPW Garage	(49,933)
16/13	Road Improvement Projects	173,694
7/14	Road Improvement Projects	224,986
8/14	Various Capital Improvements	11,863
16/14	Acquisition of Vehicles and Equipment	7,813
17/14	Acq of 911 Public Safety Equip and Other Imprvts	252,862
7/15	Road Improvement Projects	1,271,050
16/15	Various Capital Improvements	908,893
7/16	Road Improvement Projects	118,976
3/17	Acquisition of Vehicles	161,267
17/17	Acquisition of a Building	934,159
21/17	Acquisition of Real Property	45,101
32/17	Improvements to Various Parks	1,552,283
33/17	Improvements to Various Parks	94,394
		<u>\$ 6,756,877</u>

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

Balance, January 1, 2018			\$ 23,256,882
Decreased by:			
Payments for:			
General Serial Bonds	\$ 2,720,000		
School Serial Bonds	220,000		
State of New Jersey Green Trust Loan Payable	<u>127,006</u>		
			<u>3,067,006</u>
Balance, December 31, 2018			<u>\$ 20,189,876</u>

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

Analysis of Balance December 31, 2018							
Ordinance Number	Improvement Description	Balance, January 1, 2018	Paid By Budget	Balance, December 31, 2018	Bond Anticipation Notes Issued	Expenditures	Unexpended Improvement Authorizations
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, 23/13,15/15,2/16,6/18	Various Capital Improvements	3,462,000	\$ 253,000	3,209,000	\$ 3,208,307		\$ 693
27/10	Installation of Electronic Smoke Detection System	200		200		200	
3/13	Various Capital Improvements	12,500		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	525		525			525
7/14	Road Improvement Projects	390		390			390
16/14	Acquisition of Vehicles and Equipment	188,034	21,112	166,922	166,922		
17/14	Acq of 911 Public Safety Equip and Other Imprvts	912,000	55,273	856,727	856,727		
7/15	Road Improvement Projects	924,629	48,632	875,997	875,368		629
8/15	Refunding Tax Appeals	343,125	343,125	-			
16/15	Various Capital Improvements	2,106,000	78,290	2,027,710	2,027,710		
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		
3/17	Acquisition of Vehicles	950,000		950,000	950,000		
17/17	Acquisition of Building	1,235,000	-	1,235,000	1,235,000	-	-
		<u>\$ 12,247,290</u>	<u>\$ 799,432</u>	<u>\$ 11,447,858</u>	<u>\$ 10,936,034</u>	<u>\$ 496,458</u>	<u>\$ 15,366</u>
					Bond Anticipation Notes Issued	\$ 10,938,000	
					Less Excess Proceeds: Ord 16/14	1,966	
						<u>\$ 10,936,034</u>	
					Improvement Authorizations - Unfunded		\$ 5,100,306
					Less: Unexpended Proceeds		
					Ord 17/10, 23/13,15/15,2/16,6/18		224,687
					Ord 16/14		7,813
					Ord 17/14		252,862
					Ord 7/15		924,000
					Ord 16/15		908,893
					Ord 7/16		118,976
					Ord 3/17		161,267
					Ord 17/17		934,159
					Ord 32/17		<u>1,552,283</u>
							\$ 15,366

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

<u>Purpose</u>	Amount of Original of Issue	<u>Maturities of Bond Outstanding December 31, 2018</u>		Interest Rate	Balance,		Balance, December 31, 2018
		<u>Date</u>	<u>Amount</u>		<u>January 1, 2018</u>	<u>Decreased</u>	
General Obligation Refunding Bonds, Series 2006A	\$ 8,100,000	4/15/19	\$ 1,350,000	4.00%	\$ 2,670,000	\$ 1,320,000	\$ 1,350,000
General Obligation Bonds, Series 2013 A	3,910,000	5/15/2019	190,000	2.00%	3,220,000	185,000	3,035,000
		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%			

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

<u>Purpose</u>	Amount of Original of Issue	Maturities of Bond <u>Outstanding December 31, 2018</u>		Interest <u>Rate</u>	Balance, <u>January 1, 2018</u>		Balance, <u>December 31, 2018</u>	
		<u>Date</u>	<u>Amount</u>			<u>Decreased</u>		
General Obligation Bonds, Series 2013 B	\$ 6,725,000	5/15/2019	\$ 340,000	3.50%				
		5/15/2020	445,000	3.50%				
		5/15/2021	465,000	3.50%				
		5/15/2022	480,000	3.50%				
		5/15/2023	500,000	4.00%				
		5/15/2024	525,000	4.00%				
		5/15/2025	545,000	4.10%				
		5/15/2026	570,000	4.20%				
		5/15/2027	600,000	4.30%				
		5/15/2028	630,000	4.40%	\$ 5,435,000	\$ 335,000	\$ 5,100,000	
General Obligation Bonds, Series 2016	5,047,000	11/1/2019	385,000	3.00%				
		11/1/2020	395,000	3.00%				
		11/1/2021	400,000	3.00%				
		11/1/2022	410,000	3.00%				
		11/1/2023	425,000	3.00%				
		11/1/2024	435,000	3.00%				
		11/1/2025	445,000	3.00%				
		11/1/2026	455,000	3.00%				
		11/1/2027	465,000	3.00%				
		11/1/2028	487,000	3.00%	4,677,000	375,000	4,302,000	
General Improvement Refunding Bonds, Series 2016 ⁴	4,600,000	4/15/2019	525,000	4.00%				
		4/15/2020	545,000	4.00%				
		4/15/2021	560,000	3.00%				
		4/15/2022	580,000	3.00%				
		4/15/2023	605,000	3.00%				
		4/15/2024	630,000	3.00%				
		4/15/2025	650,000	3.00%	4,600,000	505,000	4,095,000	
					<u>\$ 20,602,000</u>	<u>\$ 2,720,000</u>	<u>\$ 17,882,000</u>	

**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, 2018</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2018</u>	<u>Decreased</u>	<u>Balance, December 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds, Series 2016B	10/18/2016	\$ 1,960,000	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%			
						<u>\$ 1,960,000</u>	<u>\$ 220,000</u>	<u>\$ 1,740,000</u>
						<u>\$ 1,960,000</u>	<u>\$ 220,000</u>	<u>\$ 1,740,000</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Amount</u>	<u>Maturities of Loan</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2018</u>	<u>Decreased</u>	<u>Balance, December 31, 2018</u>
			<u>Outstanding</u>	<u>December 31, 2018</u>				
			<u>Date</u>	<u>Amount</u>				
Miller Park & Stadium	12/20/2000	\$ 500,000	06/20/19	\$ 15,568				
			12/20/19	15,724	2.00%	\$ 61,967	\$ 30,675	\$ 31,292
Donelly Park II	03/09/01	475,000	03/06/19	14,192				
			09/06/19	14,334				
			03/06/20	14,477				
			09/06/20	14,622	2.00%	85,590	27,965	57,625
Miller Stadium Ph II	3/20/01	425,000	03/16/19	12,698				
			09/16/19	12,825				
			03/16/20	12,953				
			09/16/20	13,083	2.00%	76,579	25,020	51,559

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Amount</u>	<u>Maturities of Loan</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2018</u>	<u>Decreased</u>	<u>Balance, December 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
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%	\$ 326,602	\$ 35,619	\$ 290,983
Miller Stadium II	10/16/2013	170,010	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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Amount</u>	<u>Maturities of Loan</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2018</u>	<u>Decreased</u>	<u>Balance, December 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Miller Stadium II	10/16/2013	\$ 170,010	1/21/2026	\$ 4,508	2.00%	\$ 144,144	\$ 7,727	\$ 136,417
			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				
						\$ 694,882	\$ 127,006	\$ 567,876

**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, 2018	Increased	Decreased	Balance, December 31, 2018
17/10, 23/13, 15/15	Various Capital Improvements	1/10/2011	10/19/2017 10/4/2018	10/18/2018 10/3/2019	2.250% 3.000%	\$ 812,000	\$ 559,000	\$ 812,000	\$ 559,000
16/14	Acquisition of Vehicles and Equipment	11/12/2015	10/19/2017 10/4/2018	10/18/2018 10/3/2019	2.250% 3.000%	190,000	168,888	190,000	168,888
17/14	Acq of 911 Public Safety Equip and Other Impr	11/12/2015	10/19/2017 10/4/2018	10/18/2018 10/3/2019	2.250% 3.000%	912,000	856,727	912,000	856,727
7/15	Road Improvement Projects	11/12/2015	10/19/2017 10/4/2018	10/18/2018 10/3/2019	2.250% 3.000%	924,000	875,368	924,000	875,368
8/15	Refunding Tax Appeals	11/12/2015	10/19/2017	10/18/2018	2.250%	383,000		383,000	
16/15	Various Capital Improvements	11/12/2015	10/19/2017 10/4/2018	10/18/2018 10/3/2019	2.250% 3.000%	2,106,000	2,027,710	2,106,000	2,027,710
7/16	Road Improvement Projects	11/1/2016	10/19/2017 10/4/2018	10/18/2018 10/3/2019	2.250% 3.000%	191,000	191,000	191,000	191,000
8/16	Various Park Improvements	11/1/2016	10/19/2017 10/4/2018	10/18/2018 10/3/2019	2.250% 3.000%	1,425,000	1,425,000	1,425,000	1,425,000
3/17	Acquisition of Vehicles	10/19/2017	10/19/2017 10/4/2018	10/18/2018 10/3/2019	2.250% 3.000%	950,000	950,000	950,000	950,000
17/17	Acquisition of Building	10/19/2017	10/19/2017 10/4/2018	10/18/2018 10/3/2019	2.250% 3.000%	1,235,000 -	1,235,000	1,235,000	1,235,000
6/18	Improvements to Various Parks	10/4/2018	10/4/2018	10/3/2019	3.000%	-	2,649,307	-	2,649,307
						<u>\$ 9,128,000</u>	<u>\$ 10,938,000</u>	<u>\$ 9,128,000</u>	<u>\$ 10,938,000</u>
						Renewals	\$ 8,288,693	\$ 8,288,693	
						New Issues	2,649,307		
						Paid by Budget	-	839,307	
							<u>\$ 10,938,000</u>	<u>\$ 9,128,000</u>	

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

Balance, January 1, 2018	\$ 256,520
Increased by:	
Budget Appropriation	<u>125,000</u>
	381,520
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>104,135</u>
Balance, December 31, 2018	<u><u>\$ 277,385</u></u>

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

		Green Acres Grant (Ordinance 3/13) Improvements to	NJ DOT (Ordinance 16/13) Road Improvement	NJ DOT (Ordinance 7/14) Road Improvement	NJ DOT Municipal Aid (Ordinance 7/15) Road Improvement	NJ DOT Urban Aid (Ordinance 7/15) Road Improvement	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	NJ DOT Municipal Aid (Ordinance 22/18) Road Improvement	NJ DOT Municipal Aid (Ordinance 22/18) Road Improvement
	Totals	Parks	Projects	Projects	Projects	Projects			Projects	Projects	Projects
Balance, January 1, 2018	\$ 1,511,732	\$ 28,498	\$ 86,215	\$ 134,267	\$ 270,000	\$ 40,371	\$ 132,000	\$ 500,010	\$ 320,371		
Increased by:											
Grants Awarded	972,312	-	-	-	-	-	-	-	-	\$ 354,249	\$ 618,063
	2,484,044	28,498	86,215	134,267	270,000	40,371	132,000	500,010	320,371	354,249	618,063
Decreased by:											
Due from Current Fund	441,848	-	40,839	-	-	-	-	401,009	-	-	-
Balance, December 31, 2018	<u>\$ 2,042,196</u>	<u>\$ 28,498</u>	<u>\$ 45,376</u>	<u>\$ 134,267</u>	<u>\$ 270,000</u>	<u>\$ 40,371</u>	<u>\$ 132,000</u>	<u>\$ 99,001</u>	<u>\$ 320,371</u>	<u>\$ 354,249</u>	<u>\$ 618,063</u>
<u>Balance Pledged to:</u>											
Improvement Authorization	<u>\$ 2,042,196</u>	<u>\$ 28,498</u>	<u>\$ 45,376</u>	<u>\$ 134,267</u>	<u>\$ 270,000</u>	<u>\$ 40,371</u>	<u>\$ 132,000</u>	<u>\$ 99,001</u>	<u>\$ 320,371</u>	<u>\$ 354,249</u>	<u>\$ 618,063</u>

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

Balance January 1, 2018 (Due From)		\$ 1,934,651
Increased by:		
Budget Appropriation - Capital Improvement Fund	\$ 125,000	
Grant Receipts Deposited in Current Fund	441,848	
Bond Anticipation Notes Issued	2,649,307	
Premium on Bond Anticipation Notes Issued	52,986	
Current Fund Expenditures Paid by General Capital Fund	<u>99,737</u>	
		<u>3,368,878</u>
		5,303,529
Decreased by:		
Anticipated Revenue in Current Fund Budget - Reserve for Payment of Debt	265,000	
General Capital Expenditures Paid by Current Fund	86,299	
Interest Earned	16,545	
Cash Receipts from Current Fund	<u>4,941,413</u>	
		<u>5,309,257</u>
Balance, December 31, 2018 (DueTo)		<u>\$ 5,728</u>

EXHIBIT C-14

STATEMENT OF RESERVE FOR CAPITAL PROJECTS

Balance January 1, 2018		\$ 1,325,000
Decreased by:		
Appropriated to Finance Improvement Authorization	\$ 1,100,000	
Cash Disbursements	<u>225,000</u>	
		<u>1,325,000</u>
Balance, December 31, 2018		<u>\$ -</u>

**TOWN OF WEST NEW YORK
STATEMENT OF RESERVE FOR PAYMENT OF DEBT**

Balance, January 1, 2018		\$ 665,798
Increased by:		
Premium on Bond Anticipation Notes Issued	\$ 52,986	
Current Fund Budget - Payment of Bond Anticipation Note Principal - Excess	<u>39,875</u>	
		<u>92,861</u>
		758,659
Decreased by:		
Anticipated Revenue in Current Fund Budget		<u>265,000</u>
Balance, December 31, 2018		<u>\$ 493,659</u>

EXHIBIT C-16

STATEMENT OF CONTRACTS PAYABLE

Balance, January 1, 2018		\$ 1,695,407
Increased by:		
Contracts Payable		<u>1,831,087</u>
		3,526,494
Decreased by:		
Cancelled	\$ 505,251	
Cash Disbursements	<u>1,190,156</u>	
		<u>1,695,407</u>
Balance, December 31, 2018		<u>\$ 1,831,087</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, 2018</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance, December 31, 2018</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	12,500		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	\$ 2,649,307	693
7/14	Road Improvement Projects	390		390
7/15	Road Improvement Projects	629		629
7/16	Road Improvement Projects	629	-	629
		<u>\$ 3,161,131</u>	<u>\$ 2,649,307</u>	<u>\$ 511,824</u>
	General Obligation	\$ 2,828,131		\$ 178,824
	School	<u>333,000</u>		<u>333,000</u>
		<u>\$ 3,161,131</u>		<u>\$ 511,824</u>

**GOVERNMENT AUDITING STANDARDS AND
SINGLE AUDIT SECTION**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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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, 2018, and the related notes to the financial statements, and have issued our report thereon dated August 9, 2019. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency in internal control over financial reporting.

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 an instance 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 and which is described in the accompanying schedule of findings and questioned costs as item 2018-001.

We also 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".

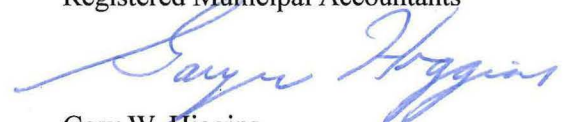
Town of West New York's Responses to Findings

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

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
August 9, 2019



LERCH, VINCI & HIGGINS, LLP

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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the Town of West New York's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Town of West New York's major state programs for the year ended December 31, 2018. The Town of West New York's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of West New York's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of West New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Town of West New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the Town of West New York is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of West New York's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of West New York's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements - regulatory basis of the Town of West New York as of and for the year ended December 31, 2018, and the related notes to the financial statements and have issued our report thereon dated August 9, 2019, which contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America and also contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



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



Gary W. Higgins
Registered Municipal Accountant
RMA Number CR00405

Fair Lawn, New Jersey
August 9, 2019

SCHEDULE A

TOWN OF WEST NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Federal CFDA Number	Grant or State Proj. Number	Grant Period		Grant Receipts	Grant Award Amount	Balance, January 1, 2018	Revenue Realized	Budgetary Expenditures	Adjustments	Balance, December 31, 2018	Cumulative Expenditures
			From	To								
U.S. Department of Agriculture												
Passed - Through NJ Dept of Agriculture												
Summer Food Program	10.559	100-010-3350-033/034	7/1/2015	6/30/2016	\$ 89,818	\$ 104,509	\$ 22,040		\$ 7,349	\$ (14,691)		\$ 89,818
Summer Food Program	10.559	100-010-3350-033/034	7/1/2017	6/30/2018	67,496	106,578	-	\$ 106,578	67,495	(39,083)	-	67,495
Total U.S. Department of Agriculture							22,040	106,578	74,844	(53,774)	-	157,313
U.S. Department of Housing & Urban Development												
Passed-Through Hudson County Dept. of FINANCE & ADMINISTRATION												
Community Development Block Grant	14.218	N/A	9/1/2015	6/30/2016	401,009	500,010	500,010		401,009		\$ 99,001	401,009
Community Development Block Grant	14.218	N/A	9/1/2016	6/30/2017	324,677	340,000	-	-	-	-	-	340,000
Total U.S. Department of Housing & Urban Development							500,010	-	401,009	-	99,001	741,009
U.S. Dept. of Justice												
Direct Aid												
<i>Passed Through NJ Dept of Law and Public Safety</i>												
Justice Assistance Grant 2016	16.592	N/A	7/1/2015	6/30/2016		18,125	17,805				17,805	320
Justice Assistance Grant 2017	16.592	N/A	7/1/2016	6/30/2017		80,534	80,534				80,534	-
Justice Assistance Grant 2018	16.592	N/A	7/1/2017	6/30/2018	17,369	17,369		17,369	6,134		11,235	6,134
FEMA Hazard Mitigation Grant	97.039	N/A	1/1/2017	12/31/2017	132,854	132,854	132,854				132,854	-
Drive Sober or Get Pulled Over -Year End Crackdown	20.616	100-066-1160-157	7/1/2016	6/30/2017	5,500	5,500	5,500				5,500	-
Drive Sober or Get Pulled Over -Holiday Crackdown	20.616	100-066-1160-157	7/1/2017	6/30/2018		5,500		5,500			5,500	-
Distracted Driver	20.601	100-066-1160-057	7/1/2017	6/30/2018	6,600	6,600	-	6,600	-	-	6,600	-
Total U.S. Dept. of Justice							236,693	29,469	6,134	-	260,028	6,454
Total Federal Financial Awards							\$ 758,743	\$ 136,047	\$ 481,987	\$ (53,774)	\$ 359,029	\$ 904,776

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, 2018

State Grant Program	Grant Number	Grant Period		Grant Receipts	Award Amount	Balance, January 1, 2018	Revenue Realized	Budgetary Expenditures	Adjustments	Balance, December 31, 2018	Cumulative Expenditures
		From	To								
NJ Dept. of Community Affairs											
Direct Aid											
Recreational Opportunities Individual Disabilities (ROID)	100-022-8050-035	7/01/2013	6/30/2014		\$ 20,000	\$ 20,000				\$ 20,000	
Alcohol Education and Rehabilitation	098-760-9735-001	7/1/2017	6/30/2018	\$ 19,553	19,553		\$ 19,553	\$ 906		18,647	\$ 906
Alcohol Education and Rehabilitation	098-760-9735-001	7/1/2017	6/30/2018	19							
Police Body Armor Replacement	718-066-1020-001	7/1/2015	6/30/2016		7,997	4,413				4,413	3,584
Police Body Armor Replacement	718-066-1020-001	7/1/2017	6/30/2018		8,000	-	8,000	-	-	8,000	-
Total NJ Dept. of Community Affairs						24,413	27,553	906	-	51,060	4,490
NJ Dept. of Environmental Protection											
Direct Aid											
Clean Communities Program	765-042-4900-004	7/01/2016	6/30/2017		85,000	58,185		41,452		16,733	68,267
Clean Communities Program	765-042-4900-004	7/01/2017	6/30/2018	65,363	65,363		65,363	65,363			65,363
Recycling Tonnage Grant	752-042-4900-001	7/01/2012	6/30/2013		17,819	1,349			\$ (1,349)		16,470
Recycling Tonnage Grant	752-042-4900-001	7/01/2014	6/30/2015		16,470	8,451			(8,451)		8,019
Recycling Tonnage Grant	752-042-4900-001	7/01/2016	6/30/2017		88,415		50,000			50,000	
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
Improvements to Veterans Park & Donnelly Park -Reserve for Capital Projects	582-042-4800-002	1/01/2017	12/31/2017		1,100,000	1,100,000	-	513,582	-	586,418	513,582
Total NJ Dept. of Environmental Protection						1,336,833	115,363	620,397	(9,800)	821,999	1,002,853

TOWN OF WEST NEW YORK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

State Grant Program	Grant Number	Grant Period		Grant Receipts	Award Amount	Balance, January 1, 2018	Revenue Realized	Budgetary Expenditures	Adjustments	Balance, December 31, 2018	Cumulative Expenditures
		From	To								
NJ Dept. of Law & Public Safety											
Direct Aid											
Pedestrian Safety Grant	N/A	1/1/2015	12/31/2015		\$ 16,000	\$ 16,000				\$ 16,000	
Pedestrian Safety Grant	N/A	1/1/2018	12/31/2018	\$ 14,300	14,300		\$ 14,300	\$ 14,300			\$ 14,300
Pedestrian Safety Grant	N/A	1/1/2018	12/31/2018	2,640							
NJ OEM - Ordinance #16/15	N/A	1/1/2015	12/31/2015		132,000	114,383		633		113,750	18,250
Safe and Secure	232-066-1020-100	1/1/2018	12/31/2018		60,000		60,000		\$ (60,000)		
Safe and Secure	232-066-1020-100	1/1/2017	12/31/2017		120,000	68,133	-	-	(68,133)	-	51,867
Total NJ Dept. of Law & Public Safety						198,516	74,300	14,933	(128,133)	129,750	84,417
NJ Dept. of the Treasury											
Passed-Through Hudson County Dept. of Finance & Administration											
Municipal Alliance on Alcoholism & Drug Abuse -											
County Share	100-082-2000-046	1/1/2017	12/31/2017	39,943	42,943	38,143		38,143			42,943
County Share	100-082-2000-046	1/1/2018	12/31/2018	10,843	42,943		42,943			42,943	-
Local Share	100-082-2000-046	1/1/2017	12/31/2017		10,736	9,536		9,536			10,736
Local Share	100-082-2000-046	1/1/2018	12/31/2018		10,736	-	10,736	6,000	-	4,736	6,000
Total NJ Dept. of the Treasury						47,679	53,679	53,679	-	47,679	59,679
U.S. Dept. of Transportation											
Direct Aid											
Passed through NJ Department of Transportation											
Road Improvement Projects - Ordinance #7/16	480-078-6320-XXX	1/1/2016	12/31/2016		320,371	271,970		271,970			320,371
Road Improvement Projects - Ordinance #22/18	480-078-6320-XXX	1/1/2018	12/31/2018		618,063		618,063	618,063			618,063
Road Improvement Projects - Ordinance #22/18	480-078-6320-XXX	1/1/2018	12/31/2018		354,249		354,249	7,199		347,050	7,199
Road Improvement Projects - Ordinance #7/15	480-078-6320-XXX	1/1/2015	12/31/2015		270,000	270,000		270,000			270,000
Road Improvement Projects - Ordinance #7/15	480-078-6320-XXX	1/1/2015	12/31/2015		40,371	26,916	-	26,916	-	-	40,371
Total U.S. Dept. of Transportation						568,886	972,312	1,194,148	-	347,050	1,256,004
Total State Financial Awards						\$ 2,176,327	\$ 1,243,207	\$ 1,884,063	\$ (137,933)	\$ 1,397,538	\$ 2,407,443

The above schedule is 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, 2018**

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	\$ 136,047	\$ 270,895	\$ 406,942
General Capital Fund	<u>-</u>	<u>972,312</u>	<u>972,312</u>
Total Financial Awards	<u>\$ 136,047</u>	<u>\$ 1,243,207</u>	<u>\$ 1,379,254</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, 2018**

NOTE 5 STATE LOANS OUTSTANDING

The Town's state loans outstanding at December 31, 2018, which are not required to be reported on the schedules 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>\$ 567,876</u>

NOTE 6 DE MINIMIS INDIRECT COST RATE

The Town has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified, Regulatory Basis

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Were significant deficiencies identified that were
not considered to be material weaknesses? X yes no

Noncompliance material to financial
statements noted? X yes no

Federal Awards Section

NOT APPLICABLE

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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*.

Finding 2018-001

Our audit noted the following with regards to compliance with the Local Public Contracts Law:

- Quotes were not solicited for the contract for elevator inspections, police body armor and recreation program shirts.
- There was one instance where a resolution was not approved for emergency purchases of gasoline.
- The Political Contribution Disclosure Form was not on file for certain vendors.
- Two state contracts utilized in excess of the bid threshold were not approved in the official minutes.

Criteria or Specific Requirements

Local Public Contracts Law and Regulations (N.J.S.A. 40A:11-1 et seq. and N.J.A.C. 5:34).

Condition

See Finding 2018-001

Questioned Cost

Undeterminable.

Context

- Competitive quotes for elevator inspections - \$37,800, police body armor - \$18,024 and recreation program shirts - \$16,055 were not solicited.
- Emergency contract for gasoline purchases in the amount of \$28,233 was not approved in official minutes.
- The Political Contribution Disclosure Forms for four vendors tested were not on file.
- State contract awards for rock salt and traffic equipment in the amounts of \$103,979 and \$84,500, respectively, were not approved in the official minutes.

Cause

Unknown.

Effects

Noncompliance with the requirements of the Local Public Contracts Law.

Recommendation

Procedures over purchasing be reviewed and revised to ensure all contract awards and purchases are made in accordance with the requirements of the Local Public Contracts Law.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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 2017-001:

Bank reconciliations for the Municipal Court Fines account were not completed timely in conjunction with ATS/ACS monthly procedures.

Status:

Corrective action has been taken.

TOWN OF WEST NEW YORK

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2018

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

	<u>Year 2018</u>			<u>Year 2017</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 7,400,000	6.07 %	\$ 5,400,000	4.50 %	
Miscellaneous - From Other Than Local					
Property Tax Levies	39,994,282	32.83	39,406,692	32.83	
Collection of Delinquent Taxes and Tax Title Liens	39,188	0.03	92,701	0.08	
Collection of Current Tax Levy	68,630,966	56.34	68,589,858	57.14	
Other Credits	<u>5,761,783</u>	<u>4.73</u>	<u>6,551,692</u>	<u>5.45</u>	
Total Income	<u>121,826,219</u>	<u>100.00 %</u>	<u>120,040,943</u>	<u>100.00 %</u>	
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	81,805,237	73.03 %	80,639,346	72.98 %	
County Taxes	12,987,765	11.59	13,408,070	12.13	
Local District School Tax	17,199,617	15.35	16,446,409	14.88	
Other Expenditures	<u>26,396</u>	<u>0.02</u>	<u>9,393</u>	<u>0.01</u>	
Total Expenditures	<u>112,019,015</u>	<u>100.00 %</u>	<u>110,503,218</u>	<u>100.00 %</u>	
Excess in Revenue	9,807,204		9,537,725		
Fund Balance, January 1	<u>12,534,835</u>		<u>8,397,110</u>		
	22,342,039		17,934,835		
Less Utilization as Anticipated Revenue	<u>7,400,000</u>		<u>5,400,000</u>		
Fund Balance, December 31	<u>\$ 14,942,039</u>		<u>\$ 12,534,835</u>		

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Tax Rate</u>	<u>\$7.527</u>	<u>\$7.494</u>	<u>\$7.300</u>
<u>Apportionment of Tax Rate</u>			
Municipal	4.192	4.185	4.179
County	1.414	1.460	1.379
Local School	1.891	1.818	1.713
Local School Required by Local Municipal Budget	.030	.031	.029

Assessed Valuation

2018	<u>\$909,916,526</u>	
2017		<u>\$904,715,851</u>
2016		<u>\$902,624,734</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>
2018	\$ 69,201,344	\$ 68,630,966	99.17%
2017	68,871,143	68,589,858	99.59%
2016	66,153,311	65,384,476	98.83%

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>
2018	\$ 362,061	\$ 42,964	\$ 405,025	0.59%
2017	340,265	77,767	418,032	0.61%
2016	358,743	14,322	373,065	0.56%

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>Year</u>	Balance <u>Year End</u>	Utilized in Budget of Succeeding <u>Year</u>
Current Fund	2018	\$14,942,039	\$8,320,000
	2017	12,534,835	7,400,000
	2016	8,397,110	5,400,000
	2015	7,638,337	4,900,000

**TOWN OF WEST NEW YORK
OFFICIALS IN OFFICE AND SURETY BONDS
AS OF DECEMBER 31, 2018**

<u>Name</u>	<u>Title</u>	<u>Term</u>	<u>Amount of Bond</u>
Dr. Felix Roque	Mayor; Director of Department of Parks and Public Property	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 Revenue and Finance	May 1, 2015-2019	(A)
Susan Colacurcio	Commissioner; Director of Department of Public Works	May 1, 2015-2019	(A)
Gabriel Rodriguez	Commissioner; Director of Department of Public Safety	May 1, 2015-2019	(A)
Jamie Cryan	Municipal Administrator		(A)
Judith Tutela	Acting Chief Financial Officer		(A)
Carmela Riccie	Town Clerk		(A)
Kerri Tierney	Tax Collector		(A)
Sal Bonnaccorsi	Tax Assessor; Tax Searcher		(A)
Armando Hernandez	Judge		(A)
Charles D'Amico	Judge		(A)
Karen Gomez	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.

Current Year Findings

FINANCE

The audit of outstanding liabilities as of December 31, 2018 indicated certain reoccurring Current Fund operating expenses were not encumbered at year end, however sufficient appropriation reserve balances were available in the respective budget accounts. It is recommended that purchase orders be encumbered for reoccurring Current Fund expenditures subsequent to adoption of the annual budget.

Prior Year Findings Unresolved

FINANCE

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

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

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 Fines and Bail bank account reconciliations revealed numerous miscellaneous adjustments are not being entered into the ATS/ACS System and/or cleared of record.

Recommendation – Miscellaneous adjustments on the Municipal Court Fines and Bail bank account reconciliations be entered into the ATS/ACS System and cleared of record.

Finding – Our audit of the Construction Code department revealed the required annual Uniform Construction Code Annual Report was not filed with the State of New Jersey.

Recommendation – Uniform Construction Code Annual Report be prepared and filed with the State, as required.

**TOWN OF WEST NEW YORK
GENERAL COMMENTS**

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.

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

Type 13 Waste Collection and Disposal	Website/Webmaster Maintenance Services
Printing Services	Road Paving
Playground Surface	Summer Food Program
General Contracting Services	Uniform Rental and Cleaning Services
Miller Park Spray Park – Phase II	Payroll Services
Centennial Field Drainage Improvements	Snow Removal

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

**TOWN OF WEST NEW YORK
GENERAL COMMENTS**

Collection of Interest on Delinquent Taxes and Assessments (Continued)

BE IT FURTHER RESOLVED, that the rate of interest for the non-payment of taxes or assessments on real property in the Town of West New York, on or after the date when they would become delinquent, shall be eight percent (8%) per annum on the first \$1,500 provided, however, that no interest shall be charged if payment of any installment is made within the tenth calendar day following the date upon which the same 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

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 20, 2018 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>
2018	13
2017	11
2016	14

TOWN OF WEST NEW YORK RECOMMENDATIONS

It is recommended that:

1. With respect to the Municipal Court:
 - * • Miscellaneous adjustments on the Municipal Court Fines and Bail bank account reconciliations be entered into the ATS/ACS system and/or cleared of record.
 - * • All tickets outstanding in excess of six months on the Municipal Court's "Tickets Assigned Not Issued Report" be recalled.
- * 2. The function for calculating the Police Department liability for compensated absences be integrated with the payroll system and prepared on a periodic basis.
- * 3. The Uniform Construction Code Annual Report be prepared and filed with the State, as required.
4. Purchase orders be encumbered for reoccurring Current Fund expenditures subsequent to adoption of the annual budget.
5. Procedures over purchasing be reviewed and revised to ensure all contract awards and purchases are made in accordance with the requirements of the Local Public Contracts Law.

* * * * *

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.



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



Gary W. Higgins
Certified Public Accountant
RMA Number CR00405