

TOWN OF WEST NEW YORK
HUDSON COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2020

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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, 2020



LERCH, VINCI & HIGGINS, LLP
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REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Town of West New York, as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, 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, 2020 and 2019, or changes in financial position, or, where applicable, cash flows 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, 2020 and 2019, 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 various funds for the year ended December 31, 2020 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, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), schedule of expenditures of state financial assistance as required by NJ 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.

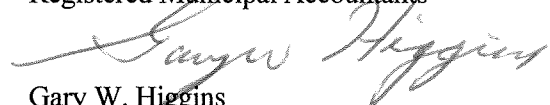
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2021 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 solely 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
September 30, 2021

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2020 AND 2019

ASSETS	<u>Reference</u>	<u>2020</u>	<u>2019</u> (Restated)
Cash	A-4	\$ 26,456,064	\$ 29,241,566
Cash Held by Third Party	A-4	<u>206,337</u>	<u>1,183,279</u>
		<u>26,662,401</u>	<u>30,424,845</u>
Cash - Change Funds	A-5	500	500
Federal and State Grant Receivables	A-23	4,352,078	428,821
Prepaid Debt Service	A-7	<u>841,928</u>	<u>822,165</u>
		<u>31,856,907</u>	<u>31,676,331</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	22,384	20,778
Tax Title Liens	A-10	429,519	395,330
Due from General Capital Fund	C-12	1,137,639	
Due from Parking Utility Operating Fund	A-8	57,582	5,055
Due from Animal Control Fund	B-2	<u>-</u>	<u>20,826</u>
		<u>1,647,124</u>	<u>441,989</u>
Deferred Charges			
Special Emergency	A-29	<u>860,000</u>	<u>-</u>
		<u>860,000</u>	<u>-</u>
Total Assets		<u>\$ 34,364,031</u>	<u>\$ 32,118,320</u>

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2020 AND 2019

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2020</u>	<u>2019</u> (Restated)
Regular Fund			
Appropriation Reserves	A-3,A-12	\$ 9,464,851	\$ 4,573,997
Due to North Hudson Sewerage Authority	A-13	21,588	813,837
Encumbrances Payable	A-14	1,933,585	4,116,400
Accounts Payable	A-22	1,538,593	7,659
Prepaid Taxes and PILOTS	A-15	825,955	1,163,561
Tax and PILOT Overpayments	A-16	822,048	484,604
County Taxes Payable	A-17	89,489	104,446
Tax Sale Deposits Payable	A-27	673,489	
Due to Animal Control Fund	B-2	19	
Due to Other Trust Fund	B-6	4,108,587	2,080,441
Reserve for Tax Appeals	A-20	139,242	359,002
Reserve for Master Tax Plan	A-21	142,967	142,967
Reserve for Bid Deposits Payable	A-28		493,977
Reserve for Insurance Runout Claims	A-19	206,337	1,183,279
Appropriated Grant Reserves	A-24	870,311	708,751
Unappropriated Grant Reserves	A-25	29,533	
Due to Grantor	A-26	339	339
Due to State of New Jersey for Senior Citizens' and Veterans' Deductions	A-6	<u>57,254</u>	<u>58,254</u>
		20,924,187	16,291,514
Reserve for Receivables and Other Assets	A	1,647,124	441,989
Fund Balance	A-1	<u>11,792,720</u>	<u>15,384,817</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 34,364,031</u>	<u>\$ 32,118,320</u>

TOWN OF WEST NEW YORK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u> (Restated)
REVENUES AND OTHER INCOME			
Fund Balance Utilized	A-2	\$ 8,550,000	\$ 8,320,000
Miscellaneous Revenue Anticipated	A-2	43,165,563	39,965,783
Receipts from Delinquent Taxes	A-2	10,952	30,875
Receipts from Current Taxes	A-2	70,642,349	69,632,225
Non-Budget Revenue	A-2	315,212	1,106,062
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-12	4,450,630	5,136,062
Accounts Payable Cancelled	A-1		14,615
Interfunds Liquidated	A-1	20,826	293,722
COVID-19 Special Emergency Revenue Shortfall	A-29	<u>860,000</u>	<u>-</u>
 Total Revenues and Other Income		 <u>128,015,532</u>	 <u>124,499,344</u>
EXPENDITURES			
Budget Appropriations			
Operations Within "CAPS"			
Salaries and Wages	A-3	27,750,500	26,207,225
Other Expenses	A-3	27,989,496	29,264,023
Operations Excluded from "CAPS"			
Salaries and Wages	A-3	-	43,444
Other Expenses	A-3	23,135,453	16,408,370
Capital Improvements	A-3	125,000	125,000
Municipal Debt Service	A-3	4,532,854	5,339,510
Local School District Purposes	A-3	273,300	272,300
Statutory Expenditures, Deferred Charges and Judgements	A-3	<u>6,500,486</u>	<u>6,382,742</u>
 Total Budget Expenditures		 <u>90,307,089</u>	 <u>84,042,614</u>

TOWN OF WEST NEW YORK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u> (Restated)
EXPENDITURES (Continued)			
County Taxes	A-17	\$ 12,940,726	\$ 13,318,481
County Open Space Preservation	A-17	14,154	317,553
Local District School Tax	A-18	18,277,722	17,743,655
Refund of Prior Year Revenue	A-4	327,772	62,393
Interfunds Advanced	A-1	<u>1,190,166</u>	<u>251,870</u>
 Total Expenditures		 <u>123,057,629</u>	 <u>115,736,566</u>
 Excess in Revenue		 4,957,903	 8,762,778
 Fund Balance, January 1	 A	 <u>15,384,817</u>	 <u>14,942,039</u>
		20,342,720	23,704,817
 Utilization as Anticipated Revenue	 A-2	 <u>8,550,000</u>	 <u>8,320,000</u>
 Fund Balance, December 31	 A	 <u>\$ 11,792,720</u>	 <u>\$ 15,384,817</u>

TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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	\$ 8,550,000	-	\$ 8,550,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	100,000		106,340	\$ 6,340
Other	A-2	175,000		137,116	(37,884)
Fees and Permits	A-2	175,000		207,306	32,306
Fines and Costs					
Municipal Court	A-11	1,380,000		974,188	(405,812)
Interest and Costs on Taxes	A-11	130,000		240,801	110,801
Interest on Investments and Deposits	A-11	360,000		402,026	42,026
Payment in Lieu of Taxes					
Waterfront and All Others	A-11	22,994,750		23,326,116	331,366
Cable T.V. Franchise Tax	A-11	378,000		378,621	621
Pool Membership Fees	A-11	75,000		5,000	(70,000)
EMT Service Fees	A-11	750,000		596,859	(153,141)
Hudson County Sewerage Authority (FOG)	A-11	400,000		400,000	-
Consolidated Municipal Property Tax Relief Aid	A-11	1,592,980		1,592,980	-
Energy Receipts Tax	A-11	5,217,399		5,217,399	-
Uniform Construction Code Fees (N.J.S.A.40A:4-36)					
Uniform Construction Code Fees	A-11	1,100,000		906,837	(193,163)

TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Reference</u>	<u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or (<u>Deficit</u>)
Municipal Alliance on Alcoholism and Drug Abuse	A-23	\$ 43,159		\$ 43,159	
Summer Food Program	A-23	687,300	\$ 109,415	796,715	
CARES Act - County Reimbursement	A-23	1,500,000	4,195,859	5,695,859	
Bulletproof Vest Partnership Grant	A-23	7,985		7,985	
BJA Coronavirus Emergency Supplemental Funding Prog	A-23	43,239		43,239	
Recycling Tonnage Grant	A-23	90,822		90,822	
Strengthening Local Public Health Capacity 2021 Grant	A-23		142,236	142,236	
Clean Communities Program	A-23	65,756		65,756	
Safe and Secure Grant	A-23		60,000	60,000	
Recreational Opportunities for Individuals with Disabiliti	A-23	20,000		20,000	
NJ DEP Non-Road Equipment Replacement Grant	A-23		44,700	44,700	
Reserve for Payment of Debt - General Capital Fund	C-13	265,000		265,000	
UEZ Reserve - Other Trust Fund	B-7	133,000		133,000	
West New York Board of Education					
Reimbursement for Recreation Services	A-11	671,684		671,684	
Reimbursement for Police Security	A-11	340,000		298,403	\$ (41,597)
Reimbursement for Waste Disposal	A-11	195,416		195,416	
Reimbursement for Fuel	A-11	90,000	-	100,000	10,000
Total Miscellaneous Revenues	A-1	<u>38,981,490</u>	<u>4,552,210</u>	<u>43,165,563</u>	<u>(368,137)</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-2	<u>32,716</u>	<u>-</u>	<u>10,952</u>	<u>(21,764)</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET:					
Local Tax for Municipal Purposes	A-2	37,954,925		39,171,255	1,216,330
Addition to Local District School Tax	A-2	273,300		273,300	
Minimum Library Tax	A-2	<u>1,110,192</u>	<u>-</u>	<u>1,110,192</u>	<u>-</u>
TOTAL AMOUNT TO BE RAISED BY TAXES BY FOR SUPPORT OF MUNICIPAL BUDGET		<u>39,338,417</u>	<u>-</u>	<u>40,554,747</u>	<u>1,216,330</u>
Total General Revenues	A-3	<u>\$ 86,902,623</u>	<u>\$ 4,552,210</u>	92,281,262	<u>\$ 826,429</u>
Non-Budget Revenue	A-1,A-2,A-4			<u>315,212</u>	
				<u>\$ 92,596,474</u>	

TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-1,A-9	\$ 70,642,349
Less: Allocated to School and County Taxes	A-17,A-18	<u>31,232,602</u>
Balance for Support of Municipal Budget Appropriations		39,409,747
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,145,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 40,554,747</u>
Licenses- Other		
Borough Clerk		\$ 99,522
Police		14,723
Board of Health		<u>22,871</u>
	A-2,A-11	<u>\$ 137,116</u>
Fees and Permits - Other		
Zoning Board		\$ 41,405
Fire Safety		145,478
Police		<u>20,423</u>
	A-2,A-11	<u>\$ 207,306</u>
Receipts from Delinquent Taxes		
Taxes Receivable	A-9	<u>\$ 10,952</u>
	A-2	<u>\$ 10,952</u>

TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

Reference

ANALYSIS OF NON-BUDGET REVENUES

Assessor's Office - Certified Property Lists	\$ 9,235
Elevator Inspection Fees	17,118
Rent Control Board	20,250
Sale of Municipal Assets	16,573
Moratorium Fees	44,364
LEA/Housing Inspections	27,617
Unclaimed Property	26,693
Property Registrations	62,300
Administrative Fee Senior and Veteran Deductions	520
Miscellaneous	<u>90,542</u>

A-1,A-2,A-4 \$ 315,212

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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	\$ 90,000	\$ 90,000	\$ 65,328	\$ 24,672	
Other Expenses	60,000	60,000	27,430	32,570	
Town Clerk					
Salaries and Wages	410,000	410,000	252,089	157,911	
Other Expenses					
Legal Advertising and Publications	38,000	23,000	6,352	16,648	
Miscellaneous Other Expenses	15,000	30,000	23,430	6,570	
Codifications of Ordinances	6,000	11,000	1,295	9,705	
Poormaster's Fund					
Other Expenses	1,500	1,500	1,500	-	
Elections					
Salaries and Wages	25,000	25,000	-	25,000	
Other Expenses	174,000	174,000	35,793	138,207	
Community Development					
Other Expenses	100	100	-	100	
Board of Health					
Salaries and Wages	281,000	306,000	104,531	201,469	
Other Expenses	225,000	225,000	222,596	2,404	
Vital Statistics - Salaries and Wages	90,000	97,500	29,746	67,754	
Prosecutor					
Other Expenses	120,000	105,000	60,062	44,938	
Public Relations					
Other Expenses	140,000	170,000	169,783	217	
Rent Control Board					
Salaries and Wages	60,000	60,000	51,731	8,269	
Other Expenses	43,000	43,000	12,182	30,818	
Town Funding Program					
Other Expenses	133,000	133,000	124,000	9,000	

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
OPERATIONS - WITHIN "CAPS"		Budget After	Paid or		Balance
GENERAL GOVERNMENT	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Housing Inspection					
Salaries and Wages	\$ 240,000	\$ 244,500	\$ 202,137	\$ 42,363	
Other Expenses	800	800	117	683	
Tenants Relations					
Other Expenses	143,920	143,920	48,804	95,116	
School Crossing Guards					
Salaries and Wages	800,000	550,000	214,226	335,774	
Law Department					
Salaries and Wages	15,000	15,000	15,000		
Other Expenses	930,000	930,000	777,313	152,687	
Supervised Play Activity					
Salaries and Wages	550,000	300,000	222,150	77,850	
Other Expenses	303,850	178,850	103,578	75,272	
Senior Citizens Coordinator of Events					
Salaries and Wages	390,000	390,000	228,683	161,317	
Other Expenses	120,000	70,000	54,600	15,400	
Administrative Offices					
Salaries and Wages	380,000	395,000	199,638	195,362	
Other Expenses	68,000	83,000	65,975	17,025	
Insurance/Personnel Department					
Salaries and Wages	60,000	60,000	58,140	1,860	
Other Expenses	5,500	5,500	2,179	3,321	
Zoning Board					
Other Expenses	55,000	55,000	35,858	19,142	
Planning Board					
Salaries and Wages	50,000	50,000	33,663	16,337	
Other Expenses	55,000	55,000	7,699	47,301	
North Hudson Regional Council of Mayors					
Town Share	66,000	66,000	66,000	-	

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
OPERATIONS - WITHIN "CAPS"		Budget After	Paid or		Balance
GENERAL GOVERNMENT	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
North Hudson Regional Council of Mayors Aid Task Force					
Town Share	\$ 12,000	\$ 12,000	\$ 12,000	\$ -	
Urban Enterprise Zone					
Other Expenses	8,000	8,000	-	8,000	
Department of Revenue and Finance					
Director's Office					
Salaries and Wages	14,500	15,500	14,500	1,000	
Other Expenses	33,000	33,000	29,209	3,791	
Treasurer's Office					
Salaries and Wages	650,000	650,000	467,750	182,250	
Other Expenses					
Annual F/S and Annual Audit	450,000	260,000	126,518	133,482	
Miscellaneous Other Expenses	120,000	120,000	115,952	4,048	
Payroll Service Fee	60,000	60,000	53,651	6,349	
Assessment of Taxes					
Salaries and Wages	260,000	260,000	248,316	11,684	
Other Expenses	64,000	94,000	83,451	10,549	
Collection of Taxes					
Salaries and Wages	355,000	355,000	301,593	53,407	
Other Expenses	50,000	50,000	43,861	6,139	
Insurance					
General Liability Insurance	1,265,000	1,065,000	980,728	84,272	
Workers Compensation Insurance	970,000	1,140,000	1,049,057	90,943	
Employee Group Health	12,594,826	12,594,826	12,482,823	112,003	
Unemployment Insurance	165,000	165,000	31,270	133,730	
Health Waiver	25,000	25,000	-	25,000	
Purchasing Agent					
Salaries and Wages	230,000	230,000	134,930	95,070	
Other Expenses	18,000	18,000	6,800	11,200	
DEPARTMENT OF PUBLIC SAFETY					
Director's Office					
Salaries and Wages	565,000	567,000	488,805	78,195	
Other Expenses	67,000	67,000	46,585	20,415	
Police					
Salaries and Wages	15,500,000	15,500,000	14,355,603	1,144,397	
Other Expenses	565,000	565,000	447,712	117,288	
Public Safety Mechanics					
Salaries and Wages	185,000	185,000	172,591	12,409	
Juvenile Aid					
Other Expenses	4,000	4,000	-	4,000	

**TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<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)					
Uniform Fire Safety					
Salaries and Wages	\$ 210,000	\$ 210,000	\$ 191,326	\$ 18,674	
Other Expenses	25,000	25,000	21,368	3,632	
Ambulance Squad					
Salaries and Wages	840,000	1,045,000	649,948	395,052	
Other Expenses	110,000	110,000	106,638	3,362	
Office of Emergency Management					
Other Expenses	9,000	34,000	33,110	890	
Department of Public Works					
Director's Office					
Salaries and Wages	150,000	150,000	134,477	15,523	
Other Expenses	35,000	35,000	25,125	9,875	
Streets and Sewers					
Salaries and Wages	1,950,000	1,825,000	1,516,464	308,536	
Other Expenses	420,000	505,000	392,903	112,097	
Snow Removal	125,000	225,000	168,348	56,652	
Street Lighting					
Other Expenses	680,000	680,000	252,337	427,663	
Fire Hydrant Rental					
Other Expenses	230,000	230,000	180,030	49,970	
Recycling					
Other Expenses	750,000	750,000	502,173	247,827	
Garbage and Trash					
Salaries and Wages	900,000	910,000	856,862	53,138	
Other Expenses	3,000,000	3,000,000	2,894,105	105,895	
Engineering Services and Costs					
Other Expenses	650,000	650,000	331,759	318,241	

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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	\$ 250,000	\$ 260,000	\$ 147,975	\$ 112,025	
Other Expenses	18,000	18,000	17,173	827	
Divisions of Parks					
Salaries and Wages	790,000	995,000	520,093	474,907	
Other Expenses	150,000	250,000	208,930	41,070	
Celebration of Public Events Anniversary or Holiday					
Salaries and Wages	160,000	160,000	94,770	65,230	
Other Expenses	48,000	48,000	23,544	24,456	
Public Buildings and Ground Maintenance					
Salaries and Wages	160,000	160,000	39,708	120,292	
Other Expenses	450,000	450,000	442,987	7,013	
Light and Power					
Other Expenses	475,000	760,000	654,317	105,683	
Centralized Postage					
Other Expenses	70,000	70,000	38,137	31,863	
Fuel					
Other Expenses	290,000	290,000	194,769	95,231	
Telephone					
Other Expenses	225,000	225,000	215,225	9,775	
Water					
Other Expenses	165,000	130,000	67,870	62,130	
Sewerage					
Other Expenses	123,000	73,000	4,055	68,945	
Signal Bureau					
Other Expenses	20,000	20,000	409	19,591	

**TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<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	\$ 567,633	\$ 32,367	
Other Expenses	150,000	110,000	49,708	60,292	
UNCLASSIFIED					
Municipal Court					
Salaries and Wages	680,000	680,000	588,276	91,724	
Other Expenses	240,000	240,000	146,838	93,162	
Reserve for Tax Appeals	125,000	125,000	125,000		
Public Defender					
Other Expenses	87,000	87,000	37,230	49,770	-
Total Operations Within "CAPS"	55,734,996	55,734,996	47,658,933	8,076,063	-
Contingent	5,000	5,000	-	5,000	-
Total Operations Including Contingent Within "CAPS"	55,739,996	55,739,996	47,658,933	8,081,063	-
Detail:					
Salaries and Wages	27,890,500	27,750,500	23,168,682	4,581,818	-
Other Expenses (Including Contingent)	27,849,496	27,989,496	24,490,251	3,499,245	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
DEFERRED CHARGES:					
Contribution to:					
Public Employees Retirement System of NJ	1,111,000	1,111,000	751,738	359,262	
PERS Adjustments	100,000	100,000	7,257	92,743	
Police and Fireman's Retirement System of NJ	3,767,000	3,767,000	3,758,234	8,766	
Social Security System (O.A.S.I.)	1,145,000	1,145,000	951,750	193,250	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	6,123,000	6,123,000	5,468,979	654,021	-
Total General Appropriations for Municipal Purposes Within "CAPS"	61,862,996	61,862,996	53,127,912	8,735,084	-

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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 - EXCLUDED FROM "CAPS"					
Public Library					
Maintenance of Free Public Library	\$ 1,110,192	\$ 1,110,192	\$ 631,723	\$ 478,469	
Contribution to North Hudson Regional Fire	15,000,000	15,000,000	14,748,702	251,298	
Public and Private Programs Offset by Revenues					
Summer Food Program	687,300	796,715	796,715		
Clean Communities Program	65,756	65,756	65,756		
Municipal Alliance	43,159	43,159	43,159		
Municipal Alliance-Local Match	10,790	10,790	10,790		
Bulletproof Vest Partnership Grant	7,985	7,985	7,985		
Safe and Secure Communities Grant		60,000	60,000		
Strengthening Local Public Health Capacity 2021 Grant		142,236	142,236		
ROID Grant	20,000	20,000	20,000		
ROID Grant - Local Match	4,000	4,000	4,000		
CARES Act - County Reimbursement	1,500,000	5,695,859	5,695,859		
BJA Coronavirus Emergency Supplemental Funding Program	43,239	43,239	43,239		
Recycling Tonnage Grant	90,822	90,822	90,822		
NJDEP Non-Road Equipment Replacement Grant	-	44,700	44,700	-	-
Total Operations - Excluded from "CAPS"	<u>18,583,243</u>	<u>23,135,453</u>	<u>22,405,686</u>	<u>729,767</u>	<u>-</u>
Detail:					
Other Expenses	<u>18,583,243</u>	<u>23,135,453</u>	<u>22,405,686</u>	<u>729,767</u>	<u>-</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvement Excluded from "CAPS"	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,365,000	2,365,000	2,365,000		
Interest on Bonds	807,308	807,308	807,308		
Green Trust Loan Program					
Loan Repayments for Principal and Interest	108,600	108,600	108,510		\$ 90
North Hudson Regional Fire Debt Service	1,119,300	1,119,300	1,119,161		139
HCIA Loan Payment	<u>132,876</u>	<u>132,876</u>	<u>132,875</u>	<u>-</u>	<u>1</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>4,533,084</u>	<u>4,533,084</u>	<u>4,532,854</u>	<u>-</u>	<u>230</u>

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriated</u>	<u>Budget After</u>	<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
			<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Judgements	\$ 380,000	\$ 380,000	\$ 377,486	-	\$ 2,514
Total Operations - Excluded from "CAPS"	<u>23,621,327</u>	<u>28,173,537</u>	<u>27,441,026</u>	<u>\$ 729,767</u>	<u>2,744</u>
For Local School District Purposes - Excluded from "CAPS"					
Type I School District Debt Service					
Payment of Bond Principal	230,000	230,000	230,000		
Interest on School Bonds	<u>43,300</u>	<u>43,300</u>	<u>43,300</u>	-	-
Total Type I School District Debt Service	<u>273,300</u>	<u>273,300</u>	<u>273,300</u>	-	-
Total General Appropriations	85,757,623	90,309,833	80,842,238	9,464,851	2,744
Reserve for Uncollected Taxes	<u>1,145,000</u>	<u>1,145,000</u>	<u>1,145,000</u>	-	-
Total General Appropriations	<u>\$ 86,902,623</u>	<u>\$ 91,454,833</u>	<u>\$ 81,987,238</u>	<u>\$ 9,464,851</u>	<u>\$ 2,744</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, 2020**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-2	\$ 86,902,623	
Added Per N.J.S.A. 40A:4-87	A-2	<u>4,552,210</u>	
	A-3	<u>\$ 91,454,833</u>	
Cash Disbursed	A-4		\$ 70,159,949
Transferred to Appropriated Grant Reserves	A-24		7,025,261
Due to General Capital Fund - Budget Appropriation:			
Capital Improvement Fund	C-12		125,000
Reserve for Uncollected Taxes	A-2		1,145,000
Encumbrances Payable	A-14		1,833,859
Accounts Payable	A-22		751,004
Prepaid Expense	A-7		822,165
Reserve for Tax Appeals	A-20		<u>125,000</u>
			<u>\$ 81,987,238</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, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 2,278	\$ 21,918
Due from Current Fund	B-2	<u>19</u>	<u>-</u>
		<u>2,297</u>	<u>21,918</u>
OTHER TRUST FUND			
Cash	B-1	4,299,072	4,263,149
Due from Current Fund	B-6	4,108,587	2,080,441
Due from Parking Utility Operating Fund	B-5	<u>2,425</u>	<u>-</u>
		<u>8,410,084</u>	<u>6,343,590</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Due from County of Hudson Community Development Block Grant	B-12	<u>485,810</u>	<u>114,324</u>
Total Assets		<u>\$ 8,898,191</u>	<u>\$ 6,479,832</u>

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Reserve for Animal Control Expenditures	B-3	\$ 2,282	\$ 1,091
Due to State of New Jersey	B-4	15	1
Due to Current Fund	B-2	<u>-</u>	<u>20,826</u>
		<u>2,297</u>	<u>21,918</u>
OTHER TRUST FUND			
Various Trust Reserves	B-7	8,023,567	5,710,638
Due to Third Party Lienholders	B-10	66,859	273,266
Encumbrances Payable	B-14	79,221	258,046
Due to State of New Jersey - Unemployment	B-11	<u>240,437</u>	<u>101,640</u>
		<u>8,410,084</u>	<u>6,343,590</u>
COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
Reserve for Community Development Block Grant	B-13	<u>485,810</u>	<u>114,324</u>
		<u>485,810</u>	<u>114,324</u>
Total Liabilities and Reserves		<u>\$ 8,898,191</u>	<u>\$ 6,479,832</u>

TOWN OF WEST NEW YORK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Cash	C-2,C-3	\$ 15,821	\$ 4,268,618
Grants Receivable	C-10	6,883,160	5,327,377
Deferred Charges to Future Taxation - Funded	C-4	25,980,076	28,785,317
Deferred Charges to Future Taxation - Unfunded	C-5	9,092,938	955,058
Overexpenditure of Ordinance	C-11	<u>19,833</u>	<u>-</u>
 Total Assets		 <u>\$ 41,991,828</u>	 <u>\$ 39,336,370</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-6	24,352,000	26,827,000
School Serial Bonds	C-7	1,290,000	1,520,000
State of New Jersey - Green Acres Loans Payable	C-8	338,076	438,317
Contracts Payable	C-14	3,071,973	967,054
Due to Current Fund	C-12	1,137,639	
Capital Improvement Fund	C-9	63,458	324,708
Reserve for Payment of Debt	C-13	48,162	313,162
Improvement Authorizations			
Funded	C-11	2,744,404	7,964,145
Unfunded	C-11	8,279,586	356,460
Fund Balance	C-1	<u>666,530</u>	<u>625,524</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 41,991,828</u>	 <u>\$ 39,336,370</u>

There were bonds and notes authorized but not issued on December 31, 2020 of \$9,092,938 and 2019 of \$955,058. (Exhibit C-15)

TOWN OF WEST NEW YORK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	C	\$ 625,524	\$ 625,524
Increased by:			
Improvement Authorizations Cancelled	C-11	<u>41,006</u>	<u>-</u>
Balance, December 31	C	<u>\$ 666,530</u>	<u>\$ 625,524</u>

**TOWN OF WEST NEW YORK
BALANCE SHEET - REGULATORY BASIS -
PARKING UTILITY FUND
AS OF DECEMBER 31, 2020 AND 2019 (INCEPTION YEAR)**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Operating Fund			
Cash	D-4	\$ 2,906,243	\$ 2,903,198
Receivables Offset with Reserves			
Other Receivables	D-8	<u>-</u>	<u>42,399</u>
Total Operating Fund		<u>2,906,243</u>	<u>2,945,597</u>
Capital Fund			
Fixed Capital	D-5	16,384,954	16,384,954
Fixed Capital Authorized and Uncompleted	D-6	<u>10,550,000</u>	<u>-</u>
Total Capital Fund		<u>26,934,954</u>	<u>16,384,954</u>
Total Assets		<u>\$ 29,841,197</u>	<u>\$ 19,330,551</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund			
Appropriation Reserves	D-3,D-14	\$ 368,222	\$ 221,126
Encumbrances Payable	D-9	98,988	105,332
Accrued Interest on Bonds	D-10	116,956	35,162
Accounts Payable	D-11	140,585	268,371
Due to Current Fund	D-7	57,582	5,055
Due to Other Trust Fund	D-13	<u>2,425</u>	<u>-</u>
		784,758	635,046
Reserve for Receivables	D-7		42,399
Fund Balance	D, D-1	<u>2,121,485</u>	<u>2,268,152</u>
Total Operating Fund		<u>2,906,243</u>	<u>2,945,597</u>
Capital Fund			
Improvement Authorization - Unfunded	D-15	10,550,000	
Serial Bonds Payable	D-16	5,720,000	6,140,000
Reserve for Amortization	D-12	<u>10,664,954</u>	<u>10,244,954</u>
Total Capital Fund		<u>26,934,954</u>	<u>16,384,954</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 29,841,197</u>	<u>\$ 19,330,551</u>

There were bonds and notes authorized but not issued on December 31, 2020 and 2019 of \$10,550,000 and \$-0- respectively. (Exhibit D-17)

TOWN OF WEST NEW YORK
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - PARKING UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (INCEPTION YEAR)

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Revenues and Other Income Realized			
Fund Balance Anticipated	D-2	\$ 500,000	
Parking Fees	D-2	2,260,738	\$ 322,277
Non-Budget Revenue	D-2	68,812	
Other Credits to Income			
Appropriation Reserves Lapsed	D-14	210,227	
Liquidation of Reserve for Other Accounts Receivable	D-1	42,399	
Assumption of West New York Parking Authority	D	<u>-</u>	<u>2,314,375</u>
		<u>3,082,176</u>	<u>2,636,652</u>
Expenditures			
Budget Appropriations			
Operating	D-3	1,897,045	360,000
Debt Service	D-3	681,746	
Deferred Charges and Statutory Expenditures	D-3	<u>150,052</u>	<u>8,500</u>
		<u>2,728,843</u>	<u>368,500</u>
Statutory Excess to Fund Balance		353,333	2,268,152
Fund Balance, January 1	D	<u>2,268,152</u>	<u>-</u>
		2,621,485	2,268,152
Decreased by:			
Utilized as Anticipated Revenue	D-1, D-2	<u>500,000</u>	<u>-</u>
Fund Balance, December 31	D	<u>\$ 2,121,485</u>	<u>\$ 2,268,152</u>

**TOWN OF WEST NEW YORK
STATEMENT OF REVENUES - REGULATORY BASIS
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	D-1	\$ 500,000	\$ 500,000	
Parking Fees	D-1, D-4	2,231,000	2,260,738	\$ 29,738
NJ DEP - Electric Vehicle Charging Grant	D-1, D-4	<u>162,000</u>	<u>-</u>	<u>(162,000)</u>
	D-3	<u>\$ 2,893,000</u>	\$ 2,760,738	<u>\$ (132,262)</u>
Non- Budget Revenue	D-1, D-2		<u>68,812</u>	
			<u>\$ 2,829,550</u>	
<u>Analysis of Realized Revenue</u>				
Parking Fees	D-4		<u>\$ 2,260,738</u>	
<u>Non-Budget Revenue</u>				
Interest on Deposits	D-4		\$ 34,852	
Miscellaneous	D-4		<u>33,960</u>	
	D-2		<u>\$ 68,812</u>	

TOWN OF WEST NEW YORK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 680,000	\$ 680,000	\$ 567,715	\$ 112,285	
Other Expenses	1,231,045	1,217,045	969,919	247,126	
NJ DEP - Electric Vehicle Charging Grant	162,000	162,000	-	-	\$ 162,000
Total Operating	<u>2,073,045</u>	<u>2,059,045</u>	<u>1,537,634</u>	<u>359,411</u>	<u>162,000</u>
DEBT SERVICE					
Payment of Bond Principal	420,000	420,000	420,000		
Interest on Notes	263,903	263,903	261,746	-	2,157
Total Debt Service	<u>683,903</u>	<u>683,903</u>	<u>681,746</u>	<u>-</u>	<u>2,157</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employee's Retirement System (PERS)	94,052	94,052	94,052		
Social Security System (O.A.S.I.)	42,000	56,000	47,189	8,811	-
Total Deferred Charges and Statutory Expenditures	<u>136,052</u>	<u>150,052</u>	<u>141,241</u>	<u>8,811</u>	<u>-</u>
	<u>\$ 2,893,000</u>	<u>\$ 2,893,000</u>	<u>\$ 2,360,621</u>	<u>\$ 368,222</u>	<u>\$ 164,157</u>
<u>Reference</u>	D-3	D-3	D-1	D, D-1	
	<u>Reference</u>				
Cash Disbursed	D-4		\$ 1,947,360		
Encumbrances Payable	D-9		98,988		
Accrued Interest on Bonds	D-10		261,746		
Due to Current Fund	D-7		52,527		
			<u>\$ 2,360,621</u>		

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NOTES TO FINANCIAL STATEMENTS

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 and housing 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, 2020 AND 2019**

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.

Parking Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Town's parking facilities and services. Acquisition or improvement of capital facilities and other capital assets for the parking utility is accounted for in the capital section of the fund. The Parking Utility Fund commenced operations on November 26, 2019 upon dissolution of the Parking Authority of the Town of West New York.

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, 2019 balances to conform to the December 31, 2020 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, 2020 AND 2019**

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, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Deferred Charges - Certain expenditures and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures and certain other items generally to be recognized when incurred, if measurable. 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, 2020 AND 2019

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.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the parking utility fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Parking Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on 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, 2020 AND 2019**

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
Utility 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 2020 and 2019 the Commissioners increased the original budget by \$4,552,210 and \$258,409, respectively. The increases were funded by additional grants and aid allotted to the Town. In addition, the governing body approved several budget transfers during 2020 and 2019.

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, 2020 AND 2019

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, 2020 and 2019, the book value of the Town's deposits were \$33,886,315 and \$41,882,228 and bank and brokerage firm balances of the Town's deposits amounted to \$38,446,382 and \$43,016,564, 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>2020</u>	<u>2019</u>
Insured	\$ 38,240,045	\$ 41,833,285
Uninsured and Uncollateralized	<u>206,337</u>	<u>1,183,279</u>
	<u>\$ 38,446,382</u>	<u>\$ 43,016,564</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, 2020 and 2019, the Town's bank balances of \$206,337 and \$1,183,279 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2020</u>	<u>2018</u>
Uninsured and Uncollateralized	<u>\$ 206,337</u>	<u>\$ 1,183,279</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, 2020 AND 2019**

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, 2020 and 2019 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. Interest earned in the Parking Utility Capital Fund is assigned to the Parking Utility Operating Fund in accordance with the regulatory basis of accounting.

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2020 and 2019 consisted of the following:

<u>2020</u>	
Property Taxes	\$ 22,384
Tax Title Liens	<u>429,519</u>
	<u>\$ 451,903</u>
 <u>2019</u>	
Property Taxes	\$ 20,778
Tax Title Liens	<u>395,330</u>
	<u>\$ 416,108</u>

In 2020 and 2019, the Town collected \$10,952 and \$30,875 from delinquent taxes, which represented 3% and 8%, 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, 2020 AND 2019**

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>2020</u>		<u>2019</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund:	\$ 1,195,221	\$ 4,108,606	\$ 319,603	\$ 2,374,163
Trust Funds:				
Animal Control	19			20,826
Other Trust	4,111,012		2,080,441	
General Capital Fund		1,137,639		
Parking Utility Operating Fund	<u>-</u>	<u>60,007</u>	<u>-</u>	<u>5,055</u>
Total	<u>\$ 5,306,252</u>	<u>\$ 5,306,252</u>	<u>\$ 2,400,044</u>	<u>\$ 2,400,044</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 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance</u>
<u>2020</u>			
Current Fund			
Special Emergency Authorizations (40A:4-53 (m) (A))	<u>\$ 860,000</u>	<u>\$ 860,000</u>	<u>\$ -</u>
General Capital Fund			
Overexpenditure of Ordinance	<u>\$ 19,833</u>	<u>\$ -</u>	<u>\$ 19,833</u>

2019

None

(A) The above special emergency authorization was approved to fund the deficit in Current Fund budget operations due to revenue shortfalls as a result of the COVID-19 pandemic.

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Parking Utility Operating Fund are 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:

	2020		2019	
	<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	\$ 5,738,714	\$ 8,550,000	\$ 14,562,652	\$ 8,550,000
Non-Cash Surplus	<u>6,054,006</u>	<u>-</u>	<u>822,165</u>	<u>-</u>
	<u>\$ 11,792,720</u>	<u>\$ 8,550,000</u>	<u>\$ 15,384,817</u>	<u>\$ 8,550,000</u>
Parking Utility Operating Fund				
Cash Surplus	\$ 2,121,485	\$ -	\$ 2,268,152	\$ 500,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,121,485</u>	<u>\$ -</u>	<u>\$ 2,268,152</u>	<u>\$ 500,000</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2020 and 2019.

	Balance January 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Land and Improvements	\$ 4,954,573	\$ 1,131,175		\$ 6,085,748
Buildings	2,408,050			2,408,050
Building Improvements	13,462,537	993,017		14,455,554
Machinery and Equipment	2,915,098	565,956		3,481,054
Vehicles	6,282,285	428,769	-	6,711,054
	<u>\$ 30,022,543</u>	<u>\$ 3,118,917</u>	<u>\$ -</u>	<u>\$ 33,141,460</u>
	Balance January 1, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Land and Improvements	\$ 4,939,575	\$ 14,998		\$ 4,954,573
Buildings	2,408,050			2,408,050
Building Improvements	11,798,901	1,663,636		13,462,537
Machinery and Equipment	2,294,760	641,838	\$ 21,500	2,915,098
Vehicles	6,131,521	366,665	215,901	6,282,285
	<u>\$ 27,572,807</u>	<u>\$ 2,687,137</u>	<u>\$ 237,401</u>	<u>\$ 30,022,543</u>

B. Utility Fund Fixed Assets

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2020 and 2019..

	Balance January 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
<u>Parking Utility Fund</u>				
<u>2020</u>				
Fixed Capital				
Land	\$ 3,816,901			\$ 3,816,901
Buildings and Improvements	9,160,341			9,160,341
Parking Lot Improvements	1,568,628			1,568,628
Equipment	1,839,084	-	-	1,839,084
	<u>\$ 16,384,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,384,954</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 8 FIXED ASSETS (Continued)

B. Utility Fund Fixed Assets (Continued)

	Assumption of Parking Authority	Increases	Decreases	Balance, December 31, 2019
<u>2019</u>				
Fixed Capital				
Land	\$ 3,816,901			\$ 3,816,901
Buildings and Improvements	9,160,341			9,160,341
Parking Lot Improvements	1,568,628			1,568,628
Equipment	1,839,084	-	-	1,839,084
	<u>\$ 16,384,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,384,954</u>

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and parking utility capital fund projects and acquisition or other purposes permitted by the Local Bond Law. 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 and acquisitions or other purposes permitted by the Local Bond Law, 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>2020</u>	<u>2019</u>
Issued		
General		
Bonds, Notes and Loans	\$ 24,690,076	\$ 27,265,317
Parking Utility		
Bonds	5,720,000	6,140,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>48,162</u>	<u>313,162</u>
Net Debt Issued	30,361,914	33,092,155
Authorized But Not Issued		
General		
Bonds and Notes	9,092,938	955,058
Parking Utility		
Bonds and Notes	<u>10,550,000</u>	<u>-</u>
	<u>50,004,852</u>	<u>34,047,213</u>
Type I Local School District Debt		
Issued and Outstanding		
General Serial Bonds	<u>1,290,000</u>	<u>1,520,000</u>
	<u>1,290,000</u>	<u>1,520,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 51,294,852</u>	<u>\$ 35,567,213</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Town's Annual Debt Statement and indicates a statutory net debt of 1.024% and .888% at December 31, 2020 and 2019, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2020</u>			
Local School District Debt - Type I	\$ 1,290,000	\$ 1,290,000	
Utility Debt	16,270,000	16,270,000	
Debt Guarantees	3,617,460	3,617,460	
General Debt	<u>33,783,014</u>	<u>48,162</u>	\$ <u>33,734,852</u>
Total	<u>\$ 54,960,474</u>	<u>\$ 21,225,622</u>	<u>\$ 33,734,852</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2019</u>			
Local School District Debt - Type I	\$ 1,520,000	\$ 1,520,000	
Utility Debt	6,140,000	6,140,000	
Debt Guarantees	4,501,728	4,501,728	
General Debt	<u>28,220,375</u>	<u>313,162</u>	\$ <u>27,907,213</u>
Total	<u>\$ 40,382,103</u>	<u>\$ 12,474,890</u>	<u>\$ 27,907,213</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>2020</u>	<u>2019</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 115,352,904	\$ 107,621,851
Less: Net Debt	<u>33,734,852</u>	<u>27,907,213</u>
Remaining Borrowing Power	<u>\$ 81,618,052</u>	<u>\$ 79,714,638</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

<u>General Obligation Bonds</u>	<u>2020</u>	<u>2019</u>
\$3,910,000, 2013 Series A Qualified General Obligation Bonds, due in annual installments of \$255,000 to \$330,000 through May 15, 2029, interest at 2.00% to 3.00%	\$ 2,600,000	\$ 2,845,000
\$6,725,000, 2013 Series B Qualified General Obligation Bonds (Taxable), due in annual installments of \$465,000 to \$630,000 through May 15, 2028, interest at 3.50% to 4.40%	4,315,000	4,760,000
\$5,047,000, 2016 Series A General Obligation Bonds due in annual installments of \$400,000 to \$487,000 through November 1, 2028, interest at 3.00%	3,522,000	3,917,000
\$4,600,000, 2016A General Improvement Refunding Bonds due in annual installments of \$560,000 to \$650,000 through April 15, 2025, interest at 3.00%	3,025,000	3,570,000
\$11,125,000, 2019 Series General Obligation Bonds due in annual installments of \$755,000 to \$985,000 through September 1, 2032, interest at 2.00% to 4.00%	10,390,000	11,125,000
\$715,000, 2018 Refunded HCIA Pooled Loan Program Bonds due in annual installments of \$115,000 to \$135,000 through July 15, 2024 interest at 3.75%	500,000	610,000
	<u>\$ 24,352,000</u>	<u>\$ 26,827,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9 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.

School Bonds

	<u>2020</u>	<u>2019</u>
\$1,960,000, 2016B Series School Refunding Bonds, due in annual installments of \$240,000 to \$280,000 through April 15, 2025, interest rates at 3.00%	\$ 1,290,000	\$ 1,520,000
	<u>\$ 1,290,000</u>	<u>\$ 1,520,000</u>

Parking Utility Bonds

	<u>2020</u>	<u>2019</u> <u>(Inception Year)</u>
\$5,515,000 2019 Parking Utility Refunding Bonds, due in annual installments of \$225,000 to \$445,000 through July 15, 2036 interest at 4.00% to 5.00%	\$ 5,210,000	\$ 5,515,000
\$735,000 2018 Refunding HCIA Pooled Loan Governmental Loan Program Bonds, due in annual installments of \$120,000 to \$135,000 through July 15, 2024 interest at 3.75%	<u>510,000</u>	<u>625,000</u>
	<u>\$ 5,720,000</u>	<u>\$ 6,140,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

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>2020</u>	<u>2019</u>
\$475,000, 2001 Loan, due in Semi-Annual installments of \$14,477 to \$14,622 through September 6, 2020, interest at 2%	\$	29,099
\$425,000, 2001 Loan, due in Semi-Annual installments of \$12,953 to \$13,083 through September 16, 2020, interest at 2%		26,036
\$675,000, 2006 Loan, due in Semi-Annual installments of \$18,811 to \$20,779 through February 9, 2026, interest at 2%	\$ 217,583	254,648
\$170,010, 2013 Loan, due in Semi-Annual installments of \$4,081 to \$5,233 through July 21, 2033, interest at 2%	120,493	128,534
	<u>\$ 338,076</u>	<u>\$ 438,317</u>

The Town's principal and interest for long-term debt issued and outstanding as of December 31, 2019 is as follows:

Calendar Year	General		School		Loans		Parking Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 2,550,000	\$ 754,128	\$ 240,000	\$ 35,100	\$ 46,013	\$ 6,533	\$ 345,000	\$ 252,975	\$ 4,229,749
2022	2,635,000	668,178	245,000	27,825	46,938	5,608	365,000	239,475	4,233,024
2023	2,745,000	577,178	260,000	20,250	47,881	4,664	380,000	225,188	4,260,161
2024	2,855,000	481,052	265,000	12,375	48,843	3,702	390,000	210,312	4,266,284
2025	2,810,000	381,005	280,000	4,200	49,825	2,720	270,000	192,500	3,990,250
2026-2030	8,817,000	776,850			67,941	5,904	1,570,000	745,500	11,983,195
2031-2035	1,940,000	58,500			30,635	1,081	1,955,000	357,900	4,343,116
2036-2039	-	-	-	-	-	-	445,000	17,800	462,800
Total	<u>\$ 24,352,000</u>	<u>\$ 3,696,891</u>	<u>\$ 1,290,000</u>	<u>\$ 99,750</u>	<u>\$ 338,076</u>	<u>\$ 30,212</u>	<u>\$ 5,720,000</u>	<u>\$ 2,241,650</u>	<u>\$ 37,768,579</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Debt Guarantees

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

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

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

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

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

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Debt Guarantees (Continued)

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

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

	<u>2020</u>	<u>2019</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, rates are between 5.80% to 6.64%.	\$ 1,595,000	\$ 1,939,520
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%.	349,624	428,736
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%.	335,588	409,596
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 bear interest of 5.4% to 5.7%.	381,524	495,088
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%.	955,724	1,228,788
	<u>\$ 3,617,460</u>	<u>\$ 4,501,728</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9 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, 2020 and 2019 were as follows:

	Balance, January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
General Capital Fund					
Serial Bonds Payable	\$ 26,827,000		\$ 2,475,000	\$ 24,352,000	\$ 2,550,000
School Bonds Payable	1,520,000		230,000	1,290,000	240,000
Intergovernmental Loans Payable	<u>438,317</u>	<u>-</u>	<u>100,241</u>	<u>338,076</u>	<u>46,013</u>
General Capital Fund Long-Term Liabilities	<u>\$ 28,785,317</u>	<u>\$ -</u>	<u>\$ 2,805,241</u>	<u>\$ 25,980,076</u>	<u>\$ 2,836,013</u>
Parking Utility Capital Fund					
Serial Bonds Payable	<u>\$ 6,140,000</u>	<u>\$ -</u>	<u>\$ 420,000</u>	<u>\$ 5,720,000</u>	<u>\$ 345,000</u>
Parking Utility Capital Fund Long-Term Liabilities	<u>\$ 6,140,000</u>	<u>\$ -</u>	<u>\$ 420,000</u>	<u>\$ 5,720,000</u>	<u>\$ 345,000</u>
	Balance, January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<u>2019</u>					
General Capital Fund					
Serial Bonds Payable	\$ 18,597,000	\$ 11,125,000	\$ 2,895,000	\$ 26,827,000	\$ 2,475,000
School Bonds Payable	1,740,000		220,000	1,520,000	230,000
Intergovernmental Loans Payable	<u>567,876</u>	<u>-</u>	<u>129,559</u>	<u>438,317</u>	<u>100,241</u>
General Capital Fund Long-Term Liabilities	<u>\$ 20,904,876</u>	<u>\$ 11,125,000</u>	<u>\$ 3,244,559</u>	<u>\$ 28,785,317</u>	<u>\$ 2,805,241</u>
Parking Utility Capital Fund					
Serial Bonds Payable	<u>\$ -</u>	<u>\$ 6,140,000</u>	<u>\$ -</u>	<u>\$ 6,140,000</u>	<u>\$ 420,000</u>
Parking Utility Capital Fund Long-Term Liabilities	<u>\$ -</u>	<u>\$ 6,140,000</u>	<u>\$ -</u>	<u>\$ 6,140,000</u>	<u>\$ 420,000</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Town's short-term debt activity for the years ended December 31, 2020 and 2019 was as follows:

Bond Anticipation Notes

			Balance, January 1, <u>2020</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2020</u>
<u>Purpose</u>	Rate (%)	Maturity Date				
<u>2020</u>						
NONE						
			Balance, January 1, <u>2019</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2019</u>
<u>Purpose</u>	Rate (%)	Maturity Date				
<u>2019</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	-
			<u>\$ 10,938,000</u>	<u>\$ -</u>	<u>\$ 10,938,000</u>	<u>\$ -</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general 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.

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

	<u>Capital Project</u>	<u>Construction/ Other Commitment</u>	<u>Estimated Date of Acquisition/ Completion</u>
<u>2020</u>	Patricia McElDowny Field Site Improvements	\$ 1,078,556	2021
	Miller Stadium Phase 2 Renovation	970,000	2021
	Patricia McElDowny Field Improvements	578,000	2021
	Miller Stadium Field Improvements	646,091	2021
	Miller Stadium Synthetic Turf	639,928	2021
	Bergenline Ave. and 50th Street Improvements	297,992	2021
<u>2019</u>	Drainage Improvements to Centennial Field	\$ 428,000	2020
	DPW Garage Roof Replacement	115,338	2020
	Acquisition of Network Switches and Related Equipment	236,285	2020
	Acquisition of Computer Hardware and Software	150,000	2020

Additionally, the Town has been charged \$195,920 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.

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Town, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, 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 \$6,897,934 and \$6,655,613 at December 31, 2020 and 2019, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

B. Deferred Pension Obligation

During the year ended December 31, 2009 the Town elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$1,589,585 and will be paid back with interest over 15 years beginning in the 2012 year. The Town is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (7.00% effective July 1, 2017) at December 31, 2020 and 2019 is \$9,262 and \$230,557, respectively.

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

B. Deferred Pension Obligation (Continued)

During the years ended December 31, 2020, 2019 and 2018 the Town was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

<u>Years Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2020	\$ 47,337	\$ 174,564
2019	46,956	173,687
2018	46,695	172,911

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, 2020 and 2019 were as follows:

	<u>Balance,</u> <u>January 1,</u> <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2020</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>2020</u>					
Compensated Absences	\$ 6,655,613	\$ 242,321		\$ 6,897,934	\$ 250,000
Net Pension Liability - PERS	19,586,206		\$ 2,348,282	17,237,924	
Net Pension Liability - PFRS	43,518,032	3,349,943		46,867,975	
Deferred Pension Obligation	230,557	606	221,901	9,262	9,262
Net OPEB Obligation	<u>137,782,175</u>	<u>19,896,109</u>	<u>4,584,951</u>	<u>153,093,333</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 207,772,583</u>	<u>\$ 23,488,979</u>	<u>\$ 7,155,134</u>	<u>\$ 224,106,428</u>	<u>\$ 259,262</u>
	<u>Balance,</u> <u>January 1,</u> <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2019</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>2019</u>					
Compensated Absences	\$ 7,938,387		\$ 1,282,774	\$ 6,655,613	\$ 250,000
Net Pension Liability - PERS	19,025,326	\$ 560,880		19,586,206	
Net Pension Liability - PFRS	46,783,493		3,265,461	43,518,032	
Deferred Pension Obligation	436,117	15,083	220,643	230,557	221,901
Net OPEB Obligation	<u>146,126,186</u>	<u>10,108,180</u>	<u>18,452,191</u>	<u>137,782,175</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 220,309,509</u>	<u>\$ 10,684,143</u>	<u>\$ 23,221,069</u>	<u>\$ 207,772,583</u>	<u>\$ 471,901</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. 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, 2020 AND 2019**

NOTE 12 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, 2020 AND 2019**

NOTE 12 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 local PERS at June 30, 2020 and 2019 is \$16.4 billion and \$18.1 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 58.32% and 56.27%, respectively. The collective net pension liability of the participating employers for local PFRS at June 30, 2020 and 2019 is \$14.9 billion and \$14.2 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 63.52% and 65.00%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 and 2018 which were rolled forward to June 30, 2020 and 2019, respectively.

Actuarial Methods and Assumptions

In the July 1, 2019 and 2018 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 2020 and 2019 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2020 and 2019 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 2020, 2019 and 2018 were equal to the required contributions.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2020, 2019 and 2018, 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 December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2020	\$ 3,591,982	\$ 1,057,343	
2019	3,380,058	961,124	1,591
2018	3,055,456	947,132	5,666

In addition for the years ended December 31, 2020, 2019 and 2018 the Town contributed for long-term disability insurance premiums (LTDI) \$6,317, \$5,191 and \$14,904, respectively for PERS.

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, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2020 and 2019, the Town reported a liability of \$17,237,924 and \$19,586,206, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, respectively. The Town's proportionate share of the net pension liability was based on the ratio of the Town's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Town's proportionate share was .10571 percent, which was a decrease of 0.00299 percent from its proportionate share measured as of June 30, 2019 of .10870 percent.

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the years ended December 31, 2020 and 2019, the pension system has determined the Town's pension expense to be \$879,882 and \$1,359,828, respectively, for PERS based on the actuarial valuations which are less than the actual reported contribution reported in the Town's 2020 financial statements and more than the actual contribution reported in the Town's financial statements for 2019 of \$1,057,343 and \$961,124, respectively. At December 31, 2020 and 2019, 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:

	<u>2020</u>		<u>2019</u>	
	<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	\$ 313,874	\$ 60,961	\$ 351,547	\$ 86,523
Changes of Assumptions	559,218	7,217,682	1,955,755	6,798,310
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	589,206			309,176
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	<u>1,911,982</u>	<u>1,291,133</u>	<u>2,959,758</u>	<u>1,216,261</u>
Total	<u>\$ 3,374,280</u>	<u>\$ 8,569,776</u>	<u>\$ 5,267,060</u>	<u>\$ 8,410,270</u>

At December 31, 2020 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>
2021	\$ (1,843,322)
2022	(1,857,742)
2023	(909,863)
2024	(468,832)
2025	(115,737)
Thereafter	<u>-</u>
	<u>\$ (5,195,496)</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Town's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2020 and 2019</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020 and 2019.

The actuarial assumptions used in the July 1, 2019 and 2018 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020 and 2019, as reported for the years ended December 31, 2020 and 2019, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>		<u>2019</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	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
US Equity	27.00%	7.71%	28.00%	8.26%
Non-US Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
High Yield	2.00%	5.95%	2.00%	5.37%
Real Assets	3.00%	9.73%	2.50%	9.31%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Estate	8.00%	9.56%	7.50%	8.33%
Private Equity	13.00%	11.42%	12.00%	10.85%

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>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.28%

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

	<u>2020</u>	<u>2019</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	All Periods	Through June 30, 2057
Municipal Bond Rate *	Not Applicable	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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, 2020 and 2019 calculated using the discount rate of 7.00% and 6.28%, 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 6.00% and 5.28%, respectively or 1-percentage-point higher 8.00% and 7.28%, respectively than the current rate:

	1% Decrease (<u>6.00%</u>)	Current Discount Rate (<u>7.00%</u>)	1% Increase (<u>8.00%</u>)
<u>2020</u>			
Town's Proportionate Share of the PERS Net Pension Liability	<u>\$ 21,699,671</u>	<u>\$ 17,237,924</u>	<u>\$ 13,452,010</u>
	1% Decrease (<u>5.28%</u>)	Current Discount Rate (<u>6.28%</u>)	1% Increase (<u>7.28%</u>)
<u>2019</u>			
Town's Proportionate Share of the PERS Net Pension Liability	<u>\$ 24,740,561</u>	<u>\$ 19,586,206</u>	<u>\$ 15,242,932</u>

The sensitivity analysis was based on the proportionate share of the Town's net pension liability at December 31, 2020 and 2019. 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 FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2020 and 2019, the Town reported a liability of \$46,867,975 and \$43,518,032, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, respectively. The Town's proportionate share of the net pension liability was based on the ratio of the Town's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Town's proportionate share was .36272 percent, which was an increase of 0.00712 percent from its proportionate share measured as of June 30, 2019 of 0.35560 percent.

For the years ended December 31, 2020 and 2019, the pension system has determined the Town pension expense to be \$3,623,328 and \$5,114,261, respectively, for PFRS based on the actuarial valuations which are more than the actual contributions reported in the Town's financial statements of \$3,591,982 and \$3,380,058, respectively. At December 31, 2020 and 2019, 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:

	2020		2019	
	<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	\$ 472,509	\$ 168,203	\$ 367,348	\$ 275,521
Changes of Assumptions	117,943	12,565,024	1,491,165	14,064,629
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,748,089			589,655
Changes in Proportion and Differences Between Town Contributions and Proportionate Share of Contributions	<u>2,836,705</u>	<u>70,207</u>	<u>2,855,562</u>	<u>191,257</u>
Total	<u>\$ 6,175,246</u>	<u>\$ 12,803,434</u>	<u>\$ 4,714,075</u>	<u>\$ 15,121,062</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

At December 31, 2020 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>Year Ending December 31,</u>	<u>Total</u>
2021	\$ (3,290,096)
2022	(2,141,416)
2023	(826,802)
2024	(110,737)
2025	(259,137)
Thereafter	<u>-</u>
	<u>\$ (6,628,188)</u>

Actuarial Assumptions

The Town's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

2020 and 2019

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020 and 2019.

The actuarial assumptions used in the July 1, 2019 and 2018 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020 and 2019, as reported for the years ended December 31, 2020 and 2019, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>		<u>2019</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	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
US Equity	27.00%	7.71%	28.00%	8.26%
Non-US Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
High Yield	2.00%	5.95%	2.00%	5.37%
Real Assets	3.00%	9.73%	2.50%	9.31%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Estate	8.00%	9.56%	7.50%	8.33%
Private Equity	13.00%	11.42%	12.00%	10.85%

Discount Rate

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

Calendar		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.85%

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Discount Rate (Continued)

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

	<u>2020</u>	<u>2019</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	All Periods	Through June 30, 2076
Municipal Bond Rate *	Not Applicable	From July 1, 2076 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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, 2020 and 2019 calculated using the discount rate of 7.00% and 6.85%, 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 6.00% and 5.85%, respectively or 1-percentage-point higher 8.00% and 7.85%, respectively than the current rate:

<u>2020</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 62,324,760</u>	<u>\$ 46,867,975</u>	<u>\$ 34,029,934</u>
<u>2019</u>	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Town's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 58,820,521</u>	<u>\$ 43,518,032</u>	<u>\$ 30,853,018</u>

The sensitivity analysis was based on the proportionate share of the Town's net pension liability at December 31, 2020 and 2019. 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 FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the Town is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Town by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Town's proportionate share percentage 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, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Town for the PFRS special funding situation is \$7,273,696 and \$6,871,580, respectively. For the years ended December 31, 2020 and 2019, 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 \$824,328 and \$798,421, respectively, which are more than the actual contributions the State made on behalf of the Town of \$559,707 and \$463,002, respectively. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the Town was 0.36272 percent, which was an increase of .00712 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of 0.35560 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, 2020 AND 2019**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the Town.

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, 2020 AND 2019**

NOTE 13 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, 2020 was not available and for 2019 is \$13.5 billion and the plan fiduciary net position as a percentage of the total OPEB liability is 1.98% at June 30, 2019.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which was rolled forward to June 30, 2019.

- Actuarial Methods and Assumptions

In the June 30, 2018 OPEB actuarial valuations, the actuarial assumptions and methods used in this valuation 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 \$346.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$43.9 million for fiscal year 2019.

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 contribution entity makes contributions to the plan on behalf of the Town under a special funding situation.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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, 2019 and 2018. Employer allocation percentages have been rounded for presentation purposes.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2020 for the measurement date of June 30, 2020 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2021-10 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB 75 financial information for the year ended December 31, 2020 is not presented in the notes to the financial statements.

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.

At December 31, 2019, the State's proportionate share of the net OPEB liability attributable to the Town for the OPEB special funding situation is \$20,574,074. For the year ended December 31, 2019 the plan has determined the State's proportionate share of the OPEB expense attributable to the Town for the OPEB special funding situation is \$272,715. At December 31, 2019, (measurement date June 30, 2019), the State's share of the OPEB liability attributable to the Town was .37233 percent, which was a decrease of .01126 percent from its proportionate share measured as of December 31, 2018 (measurement date June 30, 2018) of .38359 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.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Plan Description

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

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, 2020, the following employees were covered by postemployment health care benefits:

Active Employees	304	304
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>280</u>	<u>280</u>
	<u>584</u>	<u>584</u>

At December 31, 2020 and 2019, the Town's total OPEB liabilities were \$153,093,333 and \$137,782,175, respectively. Net OPEB liability was measured as of December 31, 2020 and December 31, 2019, respectively, and the OPEB liability was determined by an actuarial valuation as of those dates.

For the years ended December 31, 2020 and 2019, the Town has determined it's OPEB expense to be \$1,620,349 and \$580,814, respectively, based on the actuarial valuations which are less than the actual contributions reported in the Town's financial statements of \$4,584,951 and \$4,350,860, respectively. At December 31, 2020 and 2019, 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:

	2020		2019	
	<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		\$ 5,204,456		10408911
Changes of Assumptions	\$ 9,252,406		\$ 1,008,023	\$ 4,826,922
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>\$ 9,252,406</u>	<u>\$ 5,204,456</u>	<u>\$ 1,008,023</u>	<u>\$ 15,235,833</u>

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 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, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ (1,784,313)
2022	2,916,132
2023	2,916,131
2024	-
2025	-
Thereafter	-
	<u>\$ 4,047,950</u>

Actuarial Assumptions

The Town's total OPEB liability reported for the year ended December 31, 2020 was based on the December 31, 2020 measurement date as determined by an actuarial valuation as of January 1, 2020, which was rolled forward to December 31, 2020. The total OPEB liability reported for the year ended December 31, 2019 was based on the December 31, 2019 measurement date as determined by an actuarial valuation as of December 31, 2018, which was rolled forward to December 31, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020</u>	<u>2019</u>
Inflation Rate	2.50%	2.50%
Salary Increases	3.0%	3.0%
Discount Rate	2.15%	2.75%
Healthcare Cost Trend Rates	4.00%-6.75%	4.00%-6.75%
Retirees' Share of Benefit-Related Costs		

The discount rate was based on Bond Buyer 20-Bond GO Index for both 2020 and 2019.

Mortality rates were based on the Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2020.

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, 2019 actuarial valuation.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 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, 2020 and 2019 based on measurement dates of December 31, 2020 and December 31, 2019, respectively are as follows:

	Total OPEB Liability 2020	Total OPEB Liability 2019
Balance - Beginning of Year	<u>\$ 137,782,175</u>	<u>\$ 146,126,186</u>
Changes for the Year:		
Service Cost	\$ 4,385,027	\$ 4,040,537
Interest on the Total OPEB Liability	3,846,555	6,067,643
Actuarial Demographic (gain) or loss	-	(15,613,366)
Differences Between Expected and Actual Experience		
Changes in Assumptions	11,664,527	1,512,035
Benefit Payments	<u>(4,584,951)</u>	<u>(4,350,860)</u>
Net Changes	<u>15,311,158</u>	<u>(8,344,011)</u>
Balance - End of Year	<u>\$ 153,093,333</u>	<u>\$ 137,782,175</u>

Changes of assumptions for 2020 reflect a change in the discount rate from 2.75 percent in 2019 to 2.15 percent in 2020. Changes in assumptions for 2019 reflect a change in the discount rate from 4.10 percent in 2018 to 2.75 percent in 2019.

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 13 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, 2020 and 2019 calculated using the discount rate of 2.15% and 2.75%, 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 1.15% and 1.75%, respectively or 1-percentage-point higher 3.15% and 3.75%, respectively than the current rate:

	1% Decrease (1.15%)	Current Discount Rate (2.15%)	1% Increase (3.15%)
<u>2020</u>			
Net OPEB Liability	<u>\$179,620,096</u>	<u>\$ 153,093,333</u>	<u>\$ 132,200,407</u>
	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
<u>2019</u>			
Net OPEB Liability	<u>\$160,990,689</u>	<u>\$ 137,782,715</u>	<u>\$ 119,449,441</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, 2020 and 2019 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>2020</u>			
Net OPEB Liability	<u>\$128,995,999</u>	<u>\$ 153,093,333</u>	<u>\$ 184,470,118</u>
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>2019</u>			
Net OPEB Liability	<u>\$117,813,691</u>	<u>\$ 137,782,175</u>	<u>\$ 163,541,728</u>

TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 14 RISK MANAGEMENT

Employee Group Health

The Town of West New York has established a group health and prescription insurance benefit plan for its active employees and eligible dependents as well as its retirees and eligible dependents. Claims dollars are funded by the Town and employee health contributions and are paid by the plan (Horizon BCBSNJ – Medical and Express Scripts – Prescription). The Town has a Medicare Advantage plan with Horizon BCBSNJ 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 \$16,657,851 for plan year ending December 31, 2020. The plan has a re-insurance agreement with Symetra 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 \$14,645,640 for the policy year ending December 31, 2020. The Town experienced nine members and six members that exceeded the specific attachment point of \$175,000 in the calendar years 2020 and 2019, respectively. The Town was reimbursed \$1,593,823 and \$2,046,173 in the plan years 2020 and 2019, respectively. The Town has not created a liability for loss reserves for claims incurred which were unpaid at December 31, 2020. 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>
2020	\$ 31,270	\$ 53,291	\$ 271,707	\$ 138,164
2019	132,036	38,191	136,556	325,310
2018	165,000	39,023	183,023	291,639

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 15 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2020 and 2019. 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, 2020 and 2019, the Town reserved \$139,242 and \$359,002, 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, 2020 and 2019, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Town believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Town is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2020 and 2019, the Town has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 17 RELATED PARTY TRANSACTIONS

North Hudson Sewerage Authority

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

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

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 17 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, 2020 AND 2019**

NOTE 17 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, 2020 and 2019.

NOTE 18 JOINT GOVERNED ORGANIZATION

North Hudson Regional Fire and Rescue

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

Background of the Agreement

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

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

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

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

The annual contribution is based on each an allocation formula set for the original four participating municipalities and subsequent agreement with the Town of Guttenberg on the annual budgeted costs of North Hudson Regional Fire and Rescue. The Towns contribution was \$15,867,863 and \$15,662,175 for the years 2020 and 2019, respectively, including health insurance and debt service costs.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 19 ACCELERATED TAX SALE

Chapter 99 of the Public Laws and 1997 of the State of New Jersey, effective May 12, 1997, authorized any municipality to have an accelerated tax sale. An accelerated tax sale permits a municipality to have a tax sale when a property is in arrears after the 11th day of the 11th month of each fiscal year. In 2020 and 2019, 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 99.53% and 99.92% for 2020 and 2019, respectively. The underlying tax collection rate was 98.48% and 98.76% for 2020 and 2019, respectively.

NOTE 20 TAX ABATEMENTS

For the years ended December 31, 2020 and 2019, 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, 2020 and 2019 the Town abated property taxes totaling \$41,407,323 and \$34,745,222, respectively under the LTTE program. The Town billed \$24,372,672 and \$22,445,589 in PILOT payments under this program for the years ended December 31, 2020 and 2019, respectively.
- The Five-Year Exemption and Abatement Law (NJSA 40:21 et.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, 2020 and 2019 the Town abated property taxes totaling \$170,009 and \$142,823, respectively under the FYEA program. The Town received \$73,004 and \$76,287 in PILOT payments under this program for the years ended December 31, 2020 and 2019, respectively.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 21 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first discovered in China and has since spread to other countries, including the United States (and to the Town) (the “COVID-19 Pandemic”). On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place. Recently, the United States Congress has passed relief and stimulus legislation including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. It is too early to predict if the legislation will have its intended affect.

In compliance with the Governor’s executive orders, the Town has instituted necessary precautions and procedures, so as to allow the Town to continue to provide services during this time. The Town is functioning administratively, and its departments continue to operate both remotely and on-site, where safe and practicable. The Town will continue to collect property taxes and other municipal revenues. Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Town cannot predict how the outbreak will impact the financial condition or operations of the Town, or if there will be any impact on the assessed values of property within the Town or deferral of tax payments to municipalities. The Town cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. At this time, it is not possible to predict any future financial impacts as a result of this pandemic on the Town’s operations; however, such amounts, if any, could be material.

**NOTE 22 ASSUMPTION OF THE PARKING AUTHORITY OF THE TOWN OF WEST NEW YORK
OPERATIONS**

In accordance with N.J.S.A. 40A:5A-20 the dissolution of a local authority must be granted prior approval by the Local Finance Board (the “Board”) of the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The Town of West New York applied to the Local Finance Board to dissolve the Authority and appeared at a hearing of the Board on August 22, 2019. Based upon the testimony at that hearing the Board determined that adequate provisions have been made to pay all creditors or obligees of the Authority and adequate provision has been made for the assumption of service provided by the Authority. As a result of the Board’s determination the Board approved the dissolution of the Parking Authority of the Town of West New York. The effective date of the dissolution was November 26, 2019, at which time the Authority transferred the remaining cash on hand of \$2,617,908 and its capital assets to the Town of West New York, which created a Parking Utility Fund and thereby formally assumed the operations of the Parking Authority of the Town of West New York.

**TOWN OF WEST NEW YORK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 23 SUBSEQUENT EVENTS

Capital Projects

Certain capital projects bond ordinances were adopted as of the date of audit authorizing the issuance of \$12,640,000 of bonds and/or notes. The Town issued notes for \$8,140,000 of those ordinances as of the date of audit.

Bond Anticipation Notes

On June 10, 2021 the Town issued bond anticipation notes in the amount of \$9,800,000 to temporarily finance expenditures related to the Construction of a Parking Deck. The Town has awarded the sale of said notes to Morgan Stanley & Co LLC at an interest rate of 0.216%. These notes dated June 10, 2021 will mature on June 10, 2022.

On August 17, 2021 the Town issued bond anticipation notes through the Hudson County Improvement Authority in the amount of \$17,832,000 to temporarily finance expenditures related to parking and various improvements. The notes were awarded to Oppenheimer & Co. at an interest rate of 1.00%. These notes dated August 17, 2021 will mature on August 16, 2022.

NOTE 24 RESTATEMENTS

The financial statements as of December 31, 2019 of the Current Fund were restated to reflect the combination of the Regular Fund and Federal and State Grant Funds. The effect of this restatement is to eliminate the interfund balances between each of the funds and eliminate the offsetting reserve for the interfund in the Regular Fund with an offsetting increase in fund balance of \$293,722.

CURRENT FUND

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

Balance, January 1, 2020		\$30,424,845
Increased by Receipts:		
Taxes Receivable	\$69,632,150	
Non-Budget Revenue	315,212	
Senior Citizen's and Veteran's Deductions	26,000	
Prepaid Taxes and PILOTS	825,955	
Tax and Pilot Overpayments	606,416	
Grants Receivable	3,087,214	
Revenue Accounts Receivable	34,691,319	
North Hudson Sewerage Authority	980,277	
Unappropriated Grant Reserves	29,533	
Tax Sale Deposits Payable	673,489	
Due to Developer - Accounts Payable	731,141	
Receipts from Animal Control Trust Fund	21,059	
Receipts from General Capital Fund	26,455	
Receipts from Other Trust Fund	6,385	
Receipts for Other Trust Fund	<u>4,057,334</u>	
		<u>115,709,939</u>
		146,134,784
Decreased by Disbursements:		
2020 Budget Appropriations	70,159,949	
2019 Appropriation Reserves	639,261	
Encumbrances Payable	3,541,358	
Accounts Payable	7,659	
Tax and Pilot Overpayments	251,950	
County Taxes Payable	12,969,837	
School Taxes Payable	18,277,722	
Reserve for Tax Appeals	341,252	
Bid Deposits Payable	493,977	
North Hudson Sewerage Authority	1,772,526	
Reserve for Insurance Runout Claims	976,942	
Appropriated Grant Reserves	6,787,205	
Payments to Other Trust Fund	1,879,435	
Payments for General Capital Fund	270,065	
Payments to General Capital Fund	722,946	
Payments for Parking Utility Operating Fund	52,527	
Refund of Prior Year Revenue	<u>327,772</u>	
		<u>119,472,383</u>
Balance, December 31, 2020		<u>\$26,662,401</u>
<u>Analysis</u>		
Cash - Treasurer		\$26,456,064
Cash - Held with Third Party		<u>206,337</u>
		<u>\$26,662,401</u>

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

	Balance, <u>January 1, 2020</u>	Balance, <u>December 31, 2020</u>
Collector	\$ 100	\$ 100
Violations Clerk	<u>400</u>	<u>400</u>
	<u>\$ 500</u>	<u>\$ 500</u>

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

Balance, January 1, 2020	\$ 58,254
Increased by:	
Cash Received from State	<u>26,000</u>
	84,254
Decreased by:	
Senior Citizen and Veteran's Deductions Allowed Per Tax Duplicate	<u>27,000</u>
Balance, December 31, 2020	<u>\$ 57,254</u>

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

Balance, January 1, 2020	\$ 822,165
Increased by:	
Qualified Debt Service Received	<u>841,928</u>
	1,664,093
Decreased by:	
Qualified Debt Service Paid on Behalf	<u>822,165</u>
Balance, December 31, 2020	<u><u>\$ 841,928</u></u>

STATEMENT OF DUE FROM PARKING UTILITY OPERATING FUND

Balance, January 1, 2020	\$ 5,055
Increased by:	
Payments for Parking Utility Operating Fund	<u>52,527</u>
Balance, December 31, 2020	<u><u>\$ 57,582</u></u>

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

<u>Year</u>	<u>Balance, January 1, 2020</u>	<u>Tax Levy</u>	<u>Collected In</u>		<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Cancelled</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance, December 31, 2020</u>
			<u>2019</u>	<u>2020</u>				
2019	\$ 20,778			\$ 10,952		\$ 9,815		\$ 11
2020	<u>-</u>	\$ 70,970,826	\$ 994,151	69,621,198	\$ 27,000	271,915	\$ 34,189	<u>22,373</u>
	<u>\$ 20,778</u>	<u>\$ 70,970,826</u>	<u>\$ 994,151</u>	<u>\$ 69,632,150</u>	<u>\$ 27,000</u>	<u>\$ 281,730</u>	<u>\$ 34,189</u>	<u>\$ 22,384</u>

Analysis of 2020 Tax Levy

TAX YIELD

General Purpose Tax	\$ 70,484,232	
Added Taxes (NJSA 54:4-63.1 et seq)	<u>486,594</u>	
		<u>\$ 70,970,826</u>

TAX LEVY

Local District School Tax		
Local District School Tax Levy	\$ 18,277,722	
Additional Local District School Tax Levy	<u>273,300</u>	
		18,551,022

County Taxes

County Tax Levy	12,851,237	
Due County for Open Space Preservation	14,154	
Added County Taxes	<u>89,489</u>	
		12,954,880

Municipal Taxes

Local Tax for Municipal Purposes	37,954,925	
Minimum Library Tax	1,110,092	
Additional Tax Levied	<u>399,907</u>	
		<u>39,464,924</u>
		<u>\$ 70,970,826</u>

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

Balance, January 1, 2020	\$ 395,330
Increased by:	
Transfers from 2020 Taxes Receivable	<u>34,189</u>
Balance, December 31, 2020	<u><u>\$ 429,519</u></u>

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

	Balance, January 1, <u>2020</u>	Accrued in 2020	Collected	Balance, December 31, <u>2020</u>
Licenses				
Alcoholic Beverages		\$ 106,340	\$ 106,340	
Other		137,116	137,116	
Fines and Costs				
Municipal Court		974,188	974,188	
Fees and Permits		207,306	207,306	
Interest and Costs on Taxes		240,801	240,801	
Interest on Investments and Deposits		402,026	402,026	
Payment in Lieu of Taxes:				
Waterfront and All Other		23,326,116	23,326,116	
Cable T.V. Franchise Tax		378,621	378,621	
Pool Membership Fees		5,000	5,000	
Hudson County Sewerage Authority (FOG)		400,000	400,000	
Consolidated Municipal Property Tax Relief Aid		1,592,980	1,592,980	
Energy Receipts Tax		5,217,399	5,217,399	
Uniform Construction Code Fees (N.J.S.A. 40A:4-36)				
Uniform Construction Code Fees		906,837	906,837	
EMT Service Fees		596,859	596,859	
West New York Board of Education				
Reimbursement for:				
Recreation Services		671,684	671,684	
Police Security		298,403	298,403	
Waste Disposal		195,416	195,416	
Fuel	-	100,000	100,000	-
	<u>\$ -</u>	<u>\$35,757,092</u>	<u>\$35,757,092</u>	<u>\$ -</u>
		Cash Receipts	\$ 34,691,319	
		Due from Other Trust Fund	23,138	
		Due from Animal Control Fund	214	
		Due from General Capital Fund	31,083	
		Transferred from Prepaid PILOTS	169,410	
		Prepaid Debt Service	<u>841,928</u>	
			<u>\$35,757,092</u>	

**TOWN OF WEST NEW YORK
STATEMENT OF 2019 APPROPRIATION RESERVES**

	Balance, January 1, <u>2020</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	\$ 416			\$ 416		\$ 416
Other Expenses	17,379			17,379	\$ 420	16,959
Town Clerk						
Salaries and Wages	371			371		371
Other Expenses						
Legal Advertising and Publications	2,665		2236	4,901		4,901
Miscellaneous Other Expenses	6,034			6,034	4,463	1,571
Codification of Ordinances	4,805			4,805	4,800	5
Poormaster's Fund						
Other Expenses	1,500			1,500		1,500
Elections						
Salaries and Wages	25,000			25,000		25,000
Other Expenses	41,640			41,640	32	41,608
Community Development						
Other Expenses	100			100		100
Board of Health						
Salaries and Wages	61,082			61,082		61,082
Other Expenses	7,497			7,497	4,539	2,958
Vital Statistics	258			258	1	257
Prosecutor						
Other Expenses	43,597			43,597	286	43,311
Public Relations						
Other Expenses	32,472			32,472	25,700	6,772
Rent Control Board						
Salaries and Wages	8,508			8,508		8,508
Other Expenses	21,780			21,780	637	21,143
Town Funding Program						
Other Expenses	13,000			13,000	5,000	8,000
Housing Inspection						
Salaries and Wages	1,831			1,831		1,831
Other Expenses	800			800	155	645
Tenants Relations						
Other Expenses	56,360			56,360	10,605	45,755
School Crossing Guards						
Salaries and Wages	1,131			1,131		1,131
Law Department						
Other Expenses	108,576			108,576	9,242	99,334
Supervised Play Activity						
Salaries and Wages	54,646			54,646		54,646
Other Expenses	3,265			3,265	2,723	542

TOWN OF WEST NEW YORK
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance, January 1, <u>2020</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	\$ 3,352			\$ 3,352		\$ 3,352
Other Expenses	32,592			32,592	\$ 9,232	23,360
Administrative Offices						
Salaries and Wages	1,169			1,169		1,169
Other Expenses	23,336			23,336	14,090	9,246
Insurance/Personnel Department						
Salaries and Wages	58			58	1	57
Other Expenses	2,360			2,360		2,360
Zoning Board						
Other Expenses	966		1703	2,669		2,669
Planning Board						
Salaries and Wages	16			16		16
Other Expenses	25,799			25,799	12,133	13,666
North Hudson Council of Mayors						
Town Share	1,345			1,345		1,345
North Hudson Regional Council of Mayors Aid Task Force						
Town Share	9,848			9,848	1,082	8,766
Urban Enterprise Zone						
Other Expenses	8,000			8,000		8,000
Department of Revenue and Finance						
Director's Office						
Salaries and Wages	356			356		356
Other Expenses	17,330			17330	315	17,015
Treasurer's Office						
Salaries and Wages	428			428		428
Other Expenses						
Annual Audit	122,715			122,715		122,715
Miscellaneous Other Expenses	44,310		62,436	106,746	78,405	28,341
Payroll Service Fee	3,936		904	4,840		4,840
Assessment of Taxes						
Salaries and Wages	11,665			11,665		11,665
Other Expenses	12,763			12,763	5,882	6,881
Collection of Taxes						
Salaries and Wages	6,353			6,353	1,195	5,158
Other Expenses	5,067			5,067	96	4,971
Insurance						
General Liability Insurance	492,580			492,580		492,580
Workers Compensation Insurance	22,886			22,886		22,886
Employee Group Health	593,959	-34000	206,470	766,429		766,429
Health Waiver	25,000			25,000		25,000
Purchasing Agent						
Salaries and Wages	428			428		428
Other Expenses	5,151			5,151	184	4,967

TOWN OF WEST NEW YORK
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance, January 1, 2020	Transfers	Cancelled Encumbrances	Balance After Modification	Paid or Charged	Balance Lapsed
DEPARTMENT OF PUBLIC SAFETY						
Director's Office						
Salaries and Wages	\$ 112			\$ 112		\$ 112
Other Expenses	2,525		\$ 12,157	14,682		14,682
Police						
Salaries and Wages	110,547			110,547	\$ 1,920	108,627
Other Expenses	6,092		23700	29,792		29,792
Public Safety Mechanics						
Salaries and Wages	5,761			5,761		5,761
Juvenile Aid						
Other Expenses	4,000			4,000		4,000
Uniform Fire Safety						
Salaries and Wages	4,656			4,656		4,656
Other Expenses	3,132		972	4,104		4,104
Ambulance Squad						
Salaries and Wages	5,861			5,861		5,861
Other Expenses	4,284	\$ 34,000		38,284	30,904	7,380
Office of Emergency Management						
Other Expenses	951			951	877	74
Department of Public Works						
Director's Office						
Salaries and Wages	11,214			11,214		11,214
Other Expenses	7,044			7,044	618	6,426
Streets and Sewers						
Salaries and Wages	4,768			4,768	1	4,767
Other Expenses	4,290		17,470	21,760		21,760
Snow Removal	70,109		17,181	87,290		87,290
Street Lighting						
Other Expenses	188,495			188,495	1,713	186,782
Fire Hydrant Rental						
Other Expenses	36,204			36,204		36,204
Recycling						
Other Expenses	270,615		53,290	323,905		323,905
Garbage and Trash						
Salaries and Wages	2,528			2,528		2,528
Other Expenses						
Miscellaneous Other Expenses	419,711			419,711	415,674	4,037

TOWN OF WEST NEW YORK
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance, January 1, 2020	Transfers	Cancelled Encumbrances	Balance After Modification	Paid or Charged	Balance Lapsed
Engineering Services and Costs						
Other Expenses	\$ 318,641		42059	\$ 360,700		\$ 360,700
Department of Parks and Public Property						
Director's Office						
Salaries and Wages	1,736			1,736		1,736
Other Expenses	645			645	221	424
Divisions of Parks						
Salaries and Wages	9,814			9,814		9,814
Other Expenses	46,751			46,751	23022	23,729
Celebration of Public Events Anniversary or Holiday						
Salaries and Wages	12,761			12,761		12,761
Other Expenses	3,757			3,757	2613	1,144
Public Buildings and Ground Maintenance						
Salaries and Wages	1,229			1,229		1,229
Other Expenses	7,825		20001	27,826		27,826
Light and Power						
Other Expenses	94,284		103,237	197,521		197,521
Centralized Postage						
Other Expenses	6,479			6,479		6,479
Fuel						
Other Expenses	21,712			21,712	5138	16,574
Telephone						
Other Expenses	9,961			9,961	9012	949
Water						
Other Expenses	56,104		2,670	58,774		58,774
Sewerage						
Other Expenses	57,362			57,362	38	57,324
Signal Bureau						
Other Expenses	20,000			20,000	541	19,459
Construction Code Official						
Salaries and Wages	25,993			25,993		25,993
Other Expenses	2,863			2,863	1064	1,799
UNCLASSIFIED						
Municipal Court						
Salaries and Wages	11,777			11,777		11,777
Other Expenses	62,629		4,758	67,387		67,387

TOWN OF WEST NEW YORK
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance, January 1, 2020	Transfers	Cancelled Encumbrances	Balance After Modification	Paid or Charged	Balance Lapsed
Public Defender						
Other Expenses	\$ 31,241			\$ 31,241		\$ 31,241
Contingent	5,000			5,000		5,000
STATUTORY CHARGES						
Contribution to:						
PERS Adjustments	68,659			68,659		68,659
Social Security System (O.A.S.I.)	29,243			29,243	\$ 1	29,242
Maintenance of Free Public Library	390,344			390,344	539	389,805
Interlocal Municipal Service Agreements						
Contribution to North Hudson Regional Fire	92,843	-	\$ 1,098	93,941	-	93,941
Total General Appropriations	\$ 4,573,997	\$ -	\$ 572,342	\$ 5,146,339	\$ 695,709	\$ 4,450,630
				Transferred to Accounts Payable	\$ 56,448	
				Cash Disbursements	639,261	
					\$ 695,709	

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

Balance, January 1, 2020	\$ 813,837
Increased by:	
Cash Receipts	980,277
	1,794,114
Decreased by:	
Cash Disbursements	1,772,526
Balance, December 31, 2020	<u>\$ 21,588</u>

EXHIBIT A-14

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, January 1, 2020	\$ 4,116,400
Increased by:	
Charges to 2020 Budget Appropriations	\$ 1,833,859
Charges to Appropriated Grant Reserves	79,196
Charges to Reserve for Tax Appeals	3,508
Charges to Tax and PILOT Overpayments	17,022
	1,933,585
	6,049,985
Decreased by:	
Cancelled to Appropriation Reserves	572,342
Cancelled to Reserve for Federal and State Grants - Appropriated	2,700
Cash Disbursements	3,541,358
	4,116,400
Balance, December 31, 2020	<u>\$ 1,933,585</u>

EXHIBIT A-15

STATEMENT OF PREPAID TAXES AND PILOTS

Balance, January 1, 2020	\$ 1,163,561
Increased by:	
Cash Received	825,955
	1,989,516
Decreased by:	
Applied to 2020 Taxes Receivable	\$ 994,151
Transferred to Anticipated Revenues - PILOTS	169,410
	1,163,561
Balance, December 31, 2020	<u>\$ 825,955</u>
<u>Analysis</u>	
Taxes	\$ 556,812
Pilots	269,143
	<u>\$ 825,955</u>

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

Balance, January 1, 2020		\$	484,604
Increased by:			
Cash Received			<u>606,416</u>
			1,091,020
Decreased by:			
Cash Disbursements	\$	251,950	
Encumbrances Payable		<u>17,022</u>	
			<u>268,972</u>
Balance, December 31, 2020		\$	<u>822,048</u>
<u>Analysis</u>			
Taxes		\$	375,077
Pilots			<u>446,971</u>
		\$	<u>822,048</u>

EXHIBIT A-17

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2020		\$	104,446
Increased by:			
2020 Levy			
General County Tax (Abstract)	\$	12,851,237	
County Open Space Preservation		14,154	
Added County Taxes		<u>89,489</u>	
			<u>12,954,880</u>
			13,059,326
Decreased by:			
Cash Disbursed			<u>12,969,837</u>
Balance, December 31, 2020		\$	<u>89,489</u>

EXHIBIT A-18

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:			
Levy - 2020		\$	18,277,722
Decreased by:			
Cash Disbursed			<u>18,277,722</u>
Balance, December 31, 2020		\$	<u>-</u>

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

Balance, January 1, 2020	\$ 1,183,279
Decreased by:	
Cash Disbursements	<u>976,942</u>
Balance, December 31, 2020	<u>\$ 206,337</u>

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, January 1, 2020	\$ 359,002
Increased by:	
Transferred from 2020 Budget Appropriations	<u>125,000</u>
	484,002
Decreased by:	
County and State Board Judgements Paid	\$ 341,252
Encumbrances Payable	<u>3,508</u>
	<u>344,760</u>
Balance, December 31, 2020	<u>\$ 139,242</u>

STATEMENT OF RESERVE FOR MASTER PLAN

Balance, January 1, 2020	<u>\$ 142,967</u>
Balance, December 31, 2020	<u>\$ 142,967</u>

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

Balance, January 1, 2020		\$	7,659
Increased by:			
Transferred from 2019 Appropriation Reserves	\$	56,448	
Transferred from 2020 Budget Appropriations		751,004	
Due to Developer		<u>731,141</u>	
			<u>1,538,593</u>
			1,546,252
Decreased by:			
Cash Disbursements			<u>7,659</u>
Balance, December 31, 2020		\$	<u><u>1,538,593</u></u>

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

	Balance, January 1, <u>2020</u>	2020 Budget Revenue <u>Realized</u>	<u>Decreased by:</u> <u>Cash Receipts</u>	Balance, December 31, <u>2020</u>
NJ Dept of Law and Public Safety:				
Direct Aid				
Safe and Secure Communities - 2019	\$ 15,000		\$ 15,000	
Safe and Secure Communities - 2020		\$ 60,000		\$ 60,000
Pedestrian Safety Grant - 2016	16,000			16,000
Fire Prevention & Safety Grant	57,334		51,290	6,044
FEMA Hazard Mitigation Grant				
NJ Department of Health and Human Services:				
Direct Aid				
Strengthening Local Public Health Capacity 2021 Grant		142,236		142,236
NJ Department of Environmental Protection:				
Direct Aid				
Clean Communities Program - 2020		65,756	65,756	
Clean Communities Program - 2017	16,733			16,733
Recycling Tonnage Grant - 2020		90,822	90,822	
Non Road Equipment Replacement Grant		44,700		44,700
Green Acres Trust Fund:				
Miller Stadium - Phase II	159,980			159,980
NJ Department of Community Affairs:				
Direct Aid				
Bulletproof Vest Partnership Grant - 2020		7,985		7,985
Bulletproof Vest Partnership Grant - 2019	8,000			8,000
Body Armor Grant - 2018	8,000			8,000

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

	Balance, January 1, <u>2020</u>	2020 Budget Revenue <u>Realized</u>	<u>Decreased by:</u> <u>Cash Receipts</u>	Balance, December 31, <u>2020</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 - 2020		\$ 43,159		\$ 43,159
Municipal Alliance - 2019	39,943		29,918	10,025
BJA Coronavirus Emergency Supplemental Funding Program		43,239		43,239
CARES Act - County Reimbursement		5,695,859	2,380,351	3,315,508
Recreational Opportunities Individual Disabilities (ROID) - 2020		20,000		20,000
Recreational Opportunities Grant (ROID)	8,673			8,673
Recreation Grant - 2011	4,400			4,400
US Department of Agriculture:				
Direct Aid				
Summer Food Program - 2020		796,715	446,613	350,102
U.S. Dept of Justice				
Direct Aid				
Distracted Driver- 2019	6,600		5,390	1,210
Drive Sober Get Pulled Over- 2019	5,500			5,500
Drive Sober Get Pulled Over-Holiday Crackdown - 2018				

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

	Balance, January 1, <u>2020</u>	2020 Budget Revenue <u>Realized</u>	<u>Decreased by:</u> <u>Cash Receipts</u>	Balance, December 31, <u>2020</u>
U.S. Dept of Justice				
Passed through Hudson County Prosecutor's Office				
Justice Assistance Grant - 2016	\$ 50			\$ 50
Justice Assistance Grant - 2017	<u>80,534</u>	<u>-</u>	<u>-</u>	<u>80,534</u>
	<u>\$ 428,821</u>	<u>\$ 7,010,471</u>	<u>\$ 3,087,214</u>	<u>\$ 4,352,078</u>

TOWN OF WEST NEW YORK
STATEMENT OF APPROPRIATED GRANT RESERVES

	Balance, <u>January 1, 2020</u>	2020 <u>Budget</u>	Cancelled <u>Encumbrances</u>	<u>Expended</u>	Balance, <u>December 31, 2020</u>
Green Acres Trust Fund - Miller Stadium Phase II	\$ 168,848				\$ 168,848
Non Road Equipment Replacement Grant		\$ 44,700		\$ 44,700	-
Fire Prevention & Safety Grant - 2018	3,344		\$ 2,700		6,044
2016 Pedestrian Safety Grant	16,000				16,000
2018 Pedestrian Safety Grant	2,640			2,640	-
2018 Body Armor Fund	8,000				8,000
2019 Body Armor Fund	5,109			2,178	2,931
2020 Bulletproof Vest Partnership Grant		7,985		1,742	6,243
2019 Bulletproof Vest Partnership Grant	8,000			436	7,564
Hudson County - Justice Assistance Grant 2016	51				51
Hudson County - Justice Assistance Grant 2017	80,534			80,534	-
Hudson County - Justice Assistance Grant 2015	11,235			11,235	-
2011 Recreation Grant - Hudson County	4,400				4,400
2020 Summer Food Program		796,715		447,085	349,630
2019 Summer Food Program	28,637			28,637	-
Clean Communities 2017	17,133			400	16,733
Clean Communities 2018	72,918			72,918	-
Clean Communities 2020		65,756		65,756	-
Recycling Tonnage Grant 2020		90,822		90,772	50
Recycling Tonnage Grant 2019	89,171			89,171	-
Recycling Tonnage Grant 2018	88,415			88,415	-
Municipal Alliance - 2019	42,943			32,918	10,025
Municipal Alliance-Local Match - 2019	736			736	-
Municipal Alliance - 2020		43,159			43,159
Municipal Alliance-Local Match - 2020		10,790		1,200	9,590
Drive Sober, Get Pulled Over - 2019	5,940			440	5,500
Distracted Driver - 2019	6,600			5,390	1,210
Alcohol Education Rehabilitation Grant - 2018	10,674				10,674
Alcohol Education Rehabilitation Grant - 2019	13,423				13,423
Safe and Secure 2020		60,000		60,000	-
Strengthening Local Public Health Capacity 2021 Grant		142,236			142,236
CARES Act - County Reimbursement		5,695,859		5,695,859	-
BJA Coronavirus Emergency Supplemental Funding Program		43,239		43,239	-
Recreational Opportunities Individual Disabilities (ROID) - 2020		20,000			20,000
Recreational Opportunities Individual Disabilities (ROID)	20,000				20,000
ROID - Local Match	4,000	4,000	-	-	8,000
	<u>\$ 708,751</u>	<u>\$ 7,025,261</u>	<u>\$ 2,700</u>	<u>\$ 6,866,401</u>	<u>\$ 870,311</u>
Grants Receivable		\$ 7,010,471			
Local Match		<u>14,790</u>			
		<u>\$ 7,025,261</u>			
				Cash Disbursements	\$ 6,787,205
				Encumbrances Payable	<u>79,196</u>
					<u>\$ 6,866,401</u>

**TOWN OF WEST NEW YORK
STATEMENT OF UNAPPROPRIATED GRANT RESERVES**

	Balance, <u>January 1, 2020</u>	<u>Received</u>	Balance, <u>December 31, 2020</u>
Hudson County Partnership Grant		\$ 3,000	\$ 3,000
Alcohol Education Rehabilitation Grant		7,835	7,835
Dept of Justice		8,126	8,126
Body Armor Grant	<u>-</u>	<u>10,572</u>	<u>10,572</u>
	<u>\$ -</u>	<u>\$ 29,533</u>	<u>\$ 29,533</u>

STATEMENT OF DUE TO GRANTOR

Balance, January 1, 2020	<u>\$ 339</u>
Balance, December 31, 2020	<u>\$ 339</u>

EXHIBIT A-27

**TOWN OF WEST NEW YORK
STATEMENT OF TAX SALE DEPOSITS PAYABLE**

Increased by:		
Cash Receipts	\$	673,489
Balance, December 31, 2020	\$	<u>673,489</u>

EXHIBIT A-28

STATEMENT OF BID DEPOSITS PAYABLE

Balance, January 1, 2020	\$	493,977
Decreased by:		
Cash Disbursements		<u>493,977</u>
Balance, December 31, 2020	\$	<u>-</u>

TOWN OF WEST NEW YORK
STATEMENT OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATION (40A:4-53)

<u>Date</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, December 31, 2019</u>	<u>Amount Resulting from 2020</u>	<u>Balance, December 31, 2020</u>
11/18/2020	COVID-19 Revenue Shortfall	\$ 860,000	\$ 172,000	\$ -	\$ 860,000	\$ 860,000
				\$ -	\$ 860,000	\$ 860,000

TRUST FUND

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

	Animal Control Fund	Other Trust Fund
Balance, January 1, 2020	\$ 21,918	\$ 4,263,149
Increased by Receipts:		
Various Reserves and Deposits		\$ 1,174,101
Payroll Deductions		17,570,824
Accrued Salaries and Wages		27,276,933
Animal License Fees-Due to State	750	
Animal License Fees	2,040	
Third Party Lienholders		1,926,645
Receipts from Current Fund		1,879,435
Receipts for Current Fund		4,715
Receipts from Federal and State Grant Fund		-
Receipts from Other Trust Fund		
Interest Earned	<u>214</u>	<u>18,423</u>
Total Receipts	<u>3,004</u>	<u>49,851,076</u>
Total Receipts and Beginning Balance	24,922	54,114,225
Decreased by Disbursements:		
Various Reserves and Deposits		2,468,273
Unemployment Claims Paid		101,640
Payroll Deductions		17,570,824
Accrued Salaries and Wages		27,276,933
Third Party Lienholders		2,133,052
Encumbrances Payable		258,046
Animal Control Fund Expenditures	849	
Payments to Current Fund	21,059	6,385
Payments to Animal Control Fund		
Due to State of NJ - Animal Control Fund	<u>736</u>	<u>-</u>
Total Disbursements	<u>22,644</u>	<u>49,815,153</u>
Balance, December 31, 2020	<u>\$ 2,278</u>	<u>\$ 4,299,072</u>

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

Balance, January 1, 2020 (Due To)	\$ 20,826
Increased by:	
Interest Earned	<u>214</u>
	21,040
Decreased by:	
Payments to Current Fund	<u>21,059</u>
Balance, December 31, 2020 (Due From)	<u>\$ 19</u>

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

Balance, January 1, 2020	\$ 1,091
Increased by:	
Current Year Fees Collected	<u>2,040</u>
	3,131
Decreased by:	
Cash Disbursements	<u>849</u>
Balance, December 31, 2020	<u>\$ 2,282</u>

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

Balance, January 1, 2020	\$ 1
Increased by:	
State Fees Collected	<u>750</u>
	751
Decreased by:	
Payments to State of New Jersey	<u>736</u>
Balance, December 31, 2020	<u>\$ 15</u>

TOWN OF WEST NEW YORK
STATEMENT OF DUE FROM PARKING UTILITY OPERATING FUND
OTHER TRUST FUND

Increased by:	
Other Trust Receipts Deposited in Parking Utility Operating Fund	\$ 2,425
Balance, December 31, 2020	<u>\$ 2,425</u>

STATEMENT OF DUE FROM CURRENT FUND
OTHER TRUST FUND

Balance, January 1, 2020	\$ 2,080,441
Increased by:	
Payments to Current Fund	\$ 6,385
Other Trust Receipts Deposited in Current Fund	4,057,334
Budget Appropriation - Unemployment Insurance	<u>31,270</u>
	<u>4,094,989</u>
	6,175,430
Decreased by:	
Interest Earned	18,423
Receipts from Current Fund	1,879,435
Anticipated Revenue - UEZ Reserve	133,000
Current Fund Receipts Deposited in Other Trust Fund	4,715
Unemployment Claims Paid by Current Fund	<u>31,270</u>
	<u>2,066,843</u>
Balance, December 31, 2020	<u>\$ 4,108,587</u>

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

	Balance, January 1, 2020	Increases	Decreases	Balance December 31, 2020
Housing and Community Development Act of 1974	\$ 1,449,714			\$ 1,449,714
Escrow Deposits	561,421	\$ 125,878	\$ 136,263	551,036
Unemployment Reserve	325,310	84,561	271,707	138,164
Parking Offenses Adjudication Act	170,473	15,640	51,872	134,241
Special Law Enforcement	54,059	1,398		55,457
Uniform Fire Safety Act Penalties	60,821	500	1,125	60,196
Performance Bond Deposits	143,044	28,133	9,701	161,476
Premium on Tax Sale	2,312,223	4,040,300	1,421,413	4,931,110
Public Defender	11,645	4,460		16,105
Recreation Reserve	23,824		2,010	21,814
Elevator Inspections	124,594	91,945	169,332	47,207
UEZ Assistance Fund	158,452		133,000	25,452
Reserve for Police	79,492	74,900	81,059	73,333
Federal Law Enforcement	99,409	47,918		147,327
DUI Fund	12,664			12,664
Other Miscellaneous	248	19,254	19,502	-
Cultural Affairs	5,443	10,500	15,289	654
Police Outside Services	105,742	716,368	636,137	185,973
Parking Utility Security Deposits	12,060	3,375	3,791	11,644
	<u>\$ 5,710,638</u>	<u>\$ 5,265,130</u>	<u>\$ 2,952,201</u>	<u>\$ 8,023,567</u>
Cash Receipts/Cash Disbursements	\$ 1,174,101		\$ 2,468,273	
Unemployment Claims Accrued			271,707	
UEZ Assistance Fund			133,000	
Due from Parking Utility Operating Fund	2,425			
Due to/from Current Fund	4,057,334			
Encumbrances Payable			79,221	
Budget Appropriation	31,270		-	
		<u>\$ 5,265,130</u>	<u>\$ 2,952,201</u>	

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

Increased by:	
Payroll Deductions	\$ 17,570,824
Decreased by:	
Payroll Deductions Paid	<u>17,570,824</u>
Balance, December 31, 2020	<u>\$ -</u>

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

Increased by:	
Accrued Salaries and Wages Earned	\$ 27,276,933
Decreased by:	
Salaries and Wages Paid	<u>27,276,933</u>
Balance, December 31, 2020	<u>\$ -</u>

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

Balance, January 1, 2020	\$ 273,266
Increased by:	
Cash Receipts	<u>1,926,645</u>
	2,199,911
Decreased by:	
Cash Disbursements	<u>2,133,052</u>
Balance, December 31, 2020	<u>\$ 66,859</u>

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

Balance, January 1, 2020		\$ 101,640
Increased by:		
Claims Incurred		<u>271,707</u>
		373,347
Decreased by:		
Cash Disbursements	\$ 101,640	
Claims Paid by Current Fund	<u>31,270</u>	
		<u>132,910</u>
Balance, December 31, 2020		<u>\$ 240,437</u>

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

Balance, January 1, 2020		\$ 114,324
Increased by:		
2020 Grant Award		<u>485,810</u>
		600,134
Decreased by:		
CDBG Allotment Transferred to General Capital Fund		<u>114,324</u>
Balance, December 31, 2020		<u>\$ 485,810</u>

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

Balance, January 1, 2020		\$ 114,324
Increased by:		
2020 Grant Award		<u>485,810</u>
		600,134
Decreased by:		
CDBG Allotment Transferred to General Capital Fund		<u>114,324</u>
Balance, December 31, 2020		<u>\$ 485,810</u>

Analysis

West New York Public Library	<u>\$ 485,810</u>
	<u>\$ 485,810</u>

**TOWN OF WEST NEW YORK
STATEMENT OF ENCUMBRANCES PAYABLE
OTHER TRUST FUND**

Balance, January 1, 2020	\$ 258,046
Increased by:	
Charges to Various Trust Reserves	<u>79,221</u>
	337,267
Decreased by:	
Cash Disbursements	<u>258,046</u>
Balance, December 31, 2020	<u>\$ 79,221</u>

GENERAL CAPITAL FUND

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

Balance, January 1, 2020		\$ 4,268,618
Increased by:		
Interest Earned	\$ 31,083	
Grants Receivable	545,087	
Receipts from Current Fund	<u>722,946</u>	
		<u>1,299,116</u>
		5,567,734
Decreased by:		
Improvement Authorizations	4,572,308	
Contracts Payable	953,150	
Payments to Current Fund	<u>26,455</u>	
		<u>5,551,913</u>
Balance, December 31, 2020		<u>\$ 15,821</u>

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

			Balance, December 31, <u>2020</u>
Due to Current Fund			\$ 1,137,639
Deferred Charge - Overexpenditure of Ordinance			(19,833)
Capital Improvement Fund			63,458
Grants Receivable			(6,883,160)
Contracts Payable			3,071,973
Reserve for Payment of Debt			48,162
Fund Balance			666,530
Improvement Authorizations:			
	Ordinance		
	<u>Number</u>	<u>Improvement Description</u>	
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	(282)
27/10		Installation of Electronic Smoke Detection System	(200)
3/13		Various Capital Improvements	(12,500)
4/13		Acq of All Right, Title and Interest DPW Garage	(49,933)
16/13		Road Improvement Projects	44,851
7/14		Road Improvement Projects	65,299
17/14		Acq of 911 Public Safety Equip and Other Imprvts	13,904
16/15		Various Capital Improvements	79,539
4/19		Improvements to Patricia McEldowney Field	462,132
5/19		Improvements to Miller Stadium	287,505
12/19		Improvements to Municipal Buildings	(664,209)
9/20		Park Improvements	190,000
24/20		Various Capital Improvements	<u>1,601,174</u>
			<u>\$ 15,821</u>

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

Balance, January 1, 2020			\$ 28,785,317
Decreased by:			
Payments for:			
General Serial Bonds	\$ 2,475,000		
School Serial Bonds	230,000		
State of New Jersey Green Trust Loan Payable	<u>100,241</u>		
			<u>2,805,241</u>
Balance, December 31, 2020			<u><u>\$ 25,980,076</u></u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, January 1, <u>2020</u>	Authorized <u>2020</u>	Balance, December 31, <u>2020</u>	<u>Analysis of Balance December 31, 2020</u>	
					<u>Expenditures</u>	<u>Unexpended Improvement Authorizations</u>
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	282		282	282	
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
12/19	Improvements to Municipal Buildings	805,000		805,000	664,209	140,791
9/20	Park Improvements		\$ 3,610,000	3,610,000		3,610,000
24/20	Various Capital Improvements	-	4,527,880	4,527,880	-	4,527,880
		<u>\$ 955,058</u>	<u>\$ 8,137,880</u>	<u>\$ 9,092,938</u>	<u>\$ 813,352</u>	<u>\$ 8,279,586</u>

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

<u>Purpose</u>	<u>Amount of Original of Issue</u>	<u>Maturities of Bond Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
		<u>Date</u>	<u>Amount</u>				
General Obligation Bonds, Series 2013 A	\$ 3,910,000	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%	\$ 2,845,000	\$ 245,000	\$ 2,600,000
General Obligation Bonds, Series 2013 B	6,725,000	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%	4,760,000	445,000	4,315,000

TOWN OF WEST NEW YORK
STATEMENT OF GENERAL SERIAL BONDS

Purpose	Amount of Original of Issue	Maturities of Bond Outstanding December 31, 2020		Interest Rate	Balance, January 1, 2020	Decreased	Balance, December 31, 2020
		Date	Amount				
General Obligation Bonds, Series 2016	\$ 5,047,000	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%	\$ 3,917,000	\$ 395,000	\$ 3,522,000
General Improvement Refunding Bonds, Series 2016	4,600,000	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%	3,570,000	545,000	3,025,000
General Obligation Bonds, Series 2019	11,125,000	9/1/2021	755,000	4.00%			
		9/1/2022	785,000	4.00%			
		9/1/2023	815,000	4.00%			
		9/1/2024	850,000	4.00%			
		9/1/2025	885,000	4.00%			
		9/1/2026	810,000	4.00%			
		9/1/2027	840,000	3.00%			
		9/1/2028	875,000	2.00%			
		9/1/2029	905,000	2.00%			
		9/1/2030	930,000	2.00%			
		9/1/2031	955,000	2.00%			
		9/1/2032	985,000	2.00%	11,125,000	735,000	10,390,000
2018 Refunded HCIA Pooled Loan Program Bonds	715,000	7/15/2021	115,000	3.75%			
		7/15/2022	120,000	3.75%			
		7/15/2023	130,000	3.75%			
		7/15/2024	135,000	3.75%	610,000	110,000	500,000
					\$ 26,827,000	\$ 2,475,000	\$ 24,352,000
						\$ 2,475,000	

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Amount</u>	<u>Maturities of Bond</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2020</u>		<u>Balance, December 31, 2020</u>	
			<u>Date</u>	<u>Amount</u>		<u>Decreased</u>		<u>Decreased</u>	
School Refunding Bonds, Series 2016B	10/19/2016	\$ 1,960,001	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>\$ 1,520,000</u>	<u>\$ 230,000</u>	<u>\$ 1,290,000</u>	
						<u>\$ 1,520,000</u>	<u>\$ 230,000</u>	<u>\$ 1,290,000</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 Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
Donelly Park II	03/09/01	\$ 475,000			2.00%	\$ 29,099	\$ 29,099	
Miller Stadium Ph II	3/20/01	425,000			2.00%	26,036	26,036	
Donnelly and Veterans Park	05/09/06	675,000	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%	254,648	37,065	\$ 217,583
Miller Stadium II	10/16/2013	170,010	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, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
Miller Stadium II	10/16/2013	\$ 170,010	1/21/2026	\$ 4,508	2.00%	\$ 128,534	\$ 8,041	\$ 120,493
			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				
						\$ 438,317	\$ 100,241	\$ 338,076

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

Balance, January 1, 2020	\$ 324,708
Increased by:	
Budget Appropriation	<u>125,000</u>
	449,708
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>386,250</u>
Balance, December 31, 2020	<u>\$ 63,458</u>

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

	Grand Totals	NJ DOT Municipal Aid (Ordinance 7/15) Road Improvement Projects	NJ DOT Urban Aid (Ordinance 7/15) Road Improvement Projects	NJ DOT Municipal Aid (Ordinance 7/16) Road Improvement Projects	NJ DOT Municipal Aid (Ordinance 22/18) Road Improvement Projects	NJ DOT Municipal Aid (Ordinance 22/18) Road Improvement Projects	Hudson County Open Space Trust (Ordinance 3/19) Improvements to Centennial Field	Hudson County CDBG (Ordinance 3/19) Improvements to Centennial Field	Hudson County Open Space Trust (Ordinance 4/19) Imprvts to Patricia McEldowney Field	Hudson County CDBG (Ordinance 4/19) Imprvts to Patricia McEldowney Field	Hudson County Open Space Trust (Ordinance 5/19) Improvements to Miller Stadium	Totals From Page 2
Balance, January 1, 2020	\$ 5,327,377	\$ 270,000	\$ 40,371	\$ 320,371	\$ 354,249	\$ 618,063	\$ 500,000	\$ 378,000	\$ 500,000	\$ 386,000	\$ 473,999	\$ 1,486,324
Increased by:												
Grants Awarded	<u>2,100,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,100,870</u>
	<u>7,428,247</u>	<u>270,000</u>	<u>40,371</u>	<u>320,371</u>	<u>354,249</u>	<u>618,063</u>	<u>500,000</u>	<u>378,000</u>	<u>500,000</u>	<u>386,000</u>	<u>473,999</u>	<u>3,587,194</u>
Decreased by:												
Cash Receipts	<u>545,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,547</u>	<u>-</u>	<u>19,833</u>	<u>-</u>	<u>14,916</u>	<u>-</u>	<u>46,791</u>
	<u>545,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,547</u>	<u>-</u>	<u>19,833</u>	<u>-</u>	<u>14,916</u>	<u>-</u>	<u>46,791</u>
Balance, December 31, 2020	<u>\$ 6,883,160</u>	<u>\$ 270,000</u>	<u>\$ 40,371</u>	<u>\$ 320,371</u>	<u>\$ 354,249</u>	<u>\$ 154,516</u>	<u>\$ 500,000</u>	<u>\$ 358,167</u>	<u>\$ 500,000</u>	<u>\$ 371,084</u>	<u>\$ 473,999</u>	<u>\$ 3,540,403</u>
<u>Balance Pledged to:</u>												
Improvement Authorization	<u>\$ 6,883,160</u>	<u>\$ 270,000</u>	<u>\$ 40,371</u>	<u>\$ 320,371</u>	<u>\$ 354,249</u>	<u>\$ 154,516</u>	<u>\$ 500,000</u>	<u>\$ 358,167</u>	<u>\$ 500,000</u>	<u>\$ 371,084</u>	<u>\$ 473,999</u>	<u>\$ 3,540,403</u>

TOWN OF WEST NEW YORK
STATEMENT OF GRANTS RECEIVABLES

		Hudson County CDBG (Ordinance 5/19) Improvements to Miller Stadium	NJ DEP Green Acres (Ordinance 5/19) Improvements to Miller Stadium	NJ DEP Green Acres (Ordinance 24/20) Imprvts to Port Imperial Walkway	NJ DOT Municipal Aid (Ordinance 24/20) Road Improvement Projects	NJ DOT Municipal Aid (Ordinance 24/20) Road Improvement Projects
	<u>Totals</u>					
Balance, January 1, 2020	\$ 1,486,324	\$ 486,324	\$ 1,000,000			
Increased by:						
Grants Awarded	<u>2,100,870</u>	<u>-</u>	<u>-</u>	<u>\$ 514,500</u>	<u>\$ 757,980</u>	<u>\$ 828,390</u>
	<u>3,587,194</u>	<u>486,324</u>	<u>1,000,000</u>	<u>514,500</u>	<u>757,980</u>	<u>828,390</u>
Decreased by:						
Cash Receipts	<u>46,791</u>	<u>46,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>46,791</u>	<u>46,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2020	<u>\$ 3,540,403</u>	<u>\$ 439,533</u>	<u>\$ 1,000,000</u>	<u>\$ 514,500</u>	<u>\$ 757,980</u>	<u>\$ 828,390</u>
<u>Balance Pledged to:</u>						
Improvement Authorization	<u>\$ 3,540,403</u>	<u>\$ 439,533</u>	<u>\$ 1,000,000</u>	<u>\$ 514,500</u>	<u>\$ 757,980</u>	<u>\$ 828,390</u>

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

Ordinance Number	Improvement Description	Date	Amount	Balance, January 1, 2020		2020 Authorizations			Contracts Payable Cancelled	Authorizations Cancelled	Expended	Balance, December 31, 2020		Overexpenditure
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation	Grants Receivable				Funded	Unfunded	
17/10, 23/13, 15/15, 2/16	Various Capital Improvements	9/15/2010, 11/18/2013 9/16/2015, 4/21/16	\$ 5,797,006	\$ 257,727	\$ 282						\$ 258,009			
3/13	Various Capital Improvements	3/20/2013	2,730,000	28,150	12,500						40,650			
16/13	Road Improvement Projects	8/21/2013	1,089,385	114,123	525						69,272	\$ 44,851	\$ 525	
7/14	Road Improvement Projects	7/16/2014	675,000	136,945	390						71,646	65,299	390	
8/14	Various Capital Improvements	7/16/2014	400,000	4,383							4,383			
16/14	Acquisition of Vehicles and Equipment	12/17/2014	200,000	6,537							6,537			
17/14	Acq of 911 Public Safety Equip and Other Imprvts	12/17/2014	960,000						\$ 13,904			13,904		
7/15, 22/18	Road Improvement Projects	7/17/2015	1,235,000	1,082,832							1,082,832			
16/15	Various Capital Improvements	9/16/2015	2,348,195	368,672							289,133	79,539		
7/16	Road Improvement Projects	5/19/2016	512,000	191,414							191,414			
3/17	Acquisition of Vehicles	3/23/2017	1,000,000	3,563							3,563			
21/17	Acquisition of Real Property	9/21/2017	430,000	41,006						\$ 41,006				
32/17	Improvements to Various Parks	1/18/2018	2,170,000	1,323,628							1,323,628			
33/17	Improvements to Various Parks	1/18/2018	527,758	94,394							94,394			
3/19	Improvements to Centennial Field	6/19/2019	990,000	947,029							966,862			\$ 19,833
4/19	Improvements to Patricia McEldowney Field	6/19/2019	1,380,000	1,363,956							901,824	462,132		
5/19	Improvements to Miller Stadium	6/19/2019	2,000,000	1,999,786							1,712,281	287,505		
12/19	Improvements to Municipal Buildings	8/7/2019	850,000		342,763						201,972		140,791	
9/20	Park Improvements	3/18/2020	3,800,000			\$ 190,000	\$ 3,610,000					190,000	3,610,000	
24/20	Various Capital Improvements	10/15/2020	6,825,000	-	-	196,250	4,527,880	\$ 2,100,870	-	-	695,946	1,601,174	4,527,880	-
				<u>\$ 7,964,145</u>	<u>\$ 356,460</u>	<u>\$ 386,250</u>	<u>\$ 8,137,880</u>	<u>\$ 2,100,870</u>	<u>\$ 13,904</u>	<u>\$ 41,006</u>	<u>\$ 7,914,346</u>	<u>\$ 2,744,404</u>	<u>\$ 8,279,586</u>	<u>\$ 19,833</u>
											Cash Disbursements	\$ 4,572,308		
											Due to Current Fund	270,065		
											Contracts Payable	<u>3,071,973</u>		
												<u>\$ 7,914,346</u>		
Fund Balance										\$ 41,006				

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

Increased by:

Anticipated Revenue in Current Fund Budget - Reserve for Payment of Debt	\$ 265,000	
General Capital Expenditures Paid by Current Fund	270,065	
Interest Earned	31,083	
Cash Receipts from Current Fund	<u>722,946</u>	
		<u>1,289,094</u>

1,289,094

Decreased by:

Budget Appropriation - Capital Improvement Fund	125,000	
Payments to Current Fund	<u>26,455</u>	
		<u>151,455</u>

Balance, December 31, 2020

\$ 1,137,639

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

Balance, January 1, 2020	\$ 313,162
Decreased by:	
Anticipated Revenue in Current Fund Budget	<u>265,000</u>
Balance, December 31, 2020	<u>\$ 48,162</u>

STATEMENT OF CONTRACTS PAYABLE

Balance, January 1, 2020	\$ 967,054
Increased by:	
Contracts Payable	<u>3,071,973</u>
	4,039,027
Decreased by:	
Cancelled	\$ 13,904
Cash Disbursements	<u>953,150</u>
	<u>967,054</u>
Balance, December 31, 2020	<u>\$ 3,071,973</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, January 1, <u>2020</u>	2020 <u>Authorizations</u>	Balance, December 31, <u>2020</u>
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	282		282
7/14	Road Improvement Projects	390		390
12/19	Improvements to Municipal Buildings	805,000		805,000
9/20	Park Improvements		\$ 3,610,000	3,610,000
24/20	Various Capital Improvements	-	4,527,880	4,527,880
		<u>\$ 955,058</u>	<u>\$ 8,137,880</u>	<u>\$ 9,092,938</u>

PARKING UTILITY FUND

**TOWN OF WEST NEW YORK
PARKING UTILITY CASH
STATEMENT OF CASH**

	<u>Operating</u>
Balance, January 1, 2020	\$ 2,903,198
Increased by Receipts:	
Parking Fees	\$ 2,260,738
Other Receivables	42,399
Receipts for Other Trust Fund	2,425
Interest on Deposits	34,852
Miscellaneous	<u>33,960</u>
	<u>2,374,374</u>
	5,277,572
Decreased by Disbursements:	
2020 Budget Appropriations	1,947,360
2019 Appropriation Reserves	61,536
Accrued Interest on Bonds	179,952
Accounts Payable	<u>182,481</u>
	<u>2,371,329</u>
Balance, December 31, 2020	<u>\$ 2,906,243</u>

**TOWN OF WEST NEW YORK
STATEMENT OF FIXED CAPITAL
PARKING UTILITY CAPITAL FUND**

<u>Account</u>	Balance, January 1, <u>2020</u>	Balance, December 31, <u>2020</u>
Land	\$ 3,816,901	\$ 3,816,901
Buildings and Improvements	9,160,341	9,160,341
Parking Lot Improvements	1,568,628	1,568,628
Equipment	<u>1,839,084</u>	<u>1,839,084</u>
	<u>\$ 16,384,954</u>	<u>\$ 16,384,954</u>

**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
PARKING UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, January 1, <u>2020</u>	<u>2020 Authorizations</u> Deferred Charges to Future Revenue	Balance, December 31, <u>2020</u>
10/20	Municipal Share of a Parking Deck		\$ 9,800,000	\$ 9,800,000
25/20	Various Parking Utility Improvements	<u>-</u>	<u>750,000</u>	<u>750,000</u>
		<u>\$ -</u>	<u>\$ 10,550,000</u>	<u>\$ 10,550,000</u>

EXHIBIT D-7

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

Balance, January 1, 2020	\$ 5,055
Increased by:	
Parking Utility Expenditures Paid by Current Fund	<u>52,527</u>
Balance, December 31, 2020	<u>\$ 57,582</u>

EXHIBIT D-8

**STATEMENT OF OTHER RECEIVABLES
PARKING UTILITY OPERATING FUND**

Balance, January 1, 2020	\$ 42,399
Decreased by:	
Cash Receipts	<u>42,399</u>
Balance, December 31, 2020	<u>\$ -</u>

EXHIBIT D-9

**STATEMENT OF ENCUMBRANCES PAYABLE
PARKING UTILITY OPERATING FUND**

Balance, January 1, 2020	\$ 105,332
Increased by:	
Charges to 2020 Appropriations	<u>98,988</u>
	204,320
Decreased by:	
Restored to 2019 Appropriation Reserves	<u>105,332</u>
Balance, December 31, 2020	<u>\$ 98,988</u>

**TOWN OF WEST NEW YORK
STATEMENT OF ACCRUED INTEREST ON BONDS
PARKING UTILITY OPERATING FUND**

Balance, January 1, 2020	\$ 35,162
Increased by:	
Budget Appropriation for Interest on Bonds	<u>261,746</u>
	296,908
Decreased by:	
Cash Disbursements	<u>179,952</u>
Balance, December 31, 2020	<u>\$ 116,956</u>

**STATEMENT OF ACCOUNTS PAYABLE
PARKING UTILITY OPERATING FUND**

Balance, January 1, 2020	\$ 268,371
Increased by:	
Transfer from 2019 Appropriation Reserves	<u>54,695</u>
	323,066
Decreased by:	
Cash Disbursements	<u>182,481</u>
Balance, December 31, 2020	<u>\$ 140,585</u>

EXHIBIT D-12

**TOWN OF WEST NEW YORK
STATEMENT OF RESERVE FOR AMORTIZATION
PARKING UTILITY OPERATING FUND**

Balance, January 1, 2020	\$ 10,244,954
Increased by:	
Serial Bonds Paid by Operating Budget	<u>420,000</u>
Balance, December 31, 2020	<u>\$ 10,664,954</u>

EXHIBIT D-13

**STATEMENT OF DUE TO OTHER TRUST FUND
PARKING UTILITY OPERATING FUND**

Increased by:	
Cash Receipts	<u>\$ 2,425</u>
Balance, December 31, 2020	<u>\$ 2,425</u>

**TOWN OF WEST NEW YORK
STATEMENT OF 2019 APPROPRIATION RESERVES
PARKING UTILITY OPERATING FUND**

	Balance January 1, 2020	Encumbrances Restored	Budget After Modification	Paid or Charged	Balance Lapsed
OPERATING					
Salaries and Wages	\$ 85,483		\$ 85,483		\$ 85,483
Other Expenses	<u>130,730</u>	<u>\$ 105,332</u>	<u>236,062</u>	<u>\$ 116,231</u>	<u>119,831</u>
Total Operating	<u>216,213</u>	<u>105,332</u>	<u>321,545</u>	<u>116,231</u>	<u>205,314</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	<u>4,913</u>	<u>-</u>	<u>4,913</u>	<u>-</u>	<u>4,913</u>
Total Deferred Charges and Statutory Expenditures	<u>4,913</u>	<u>-</u>	<u>4,913</u>	<u>-</u>	<u>4,913</u>
	<u>\$ 221,126</u>	<u>\$ 105,332</u>	<u>\$ 326,458</u>	<u>\$ 116,231</u>	<u>\$ 210,227</u>
			Cash Disbursements	\$ 61,536	
			Transfer to Accounts Payable	<u>54,695</u>	
				<u>\$ 116,231</u>	

**TOWN OF WEST NEW YORK
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
PARKING UTILITY CAPITAL FUND**

2020 Authorizations

Ordinance Number	Improvement Description	Date	Amount	Balance, January 1, 2020		Deferred Charges to Future Revenue	Expended	Balance, December 31, 2020	
				Funded	Unfunded			Funded	Unfunded
10/20	Municipal Share of a Parking Deck	3/18/2020	\$ 9,800,000			\$ 9,800,000			\$ 9,800,000
25/20	Various Parking Utility Improvements	10/15/2020	750,000	-	-	750,000	-	-	750,000
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,550,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,550,000</u>

**TOWN OF WEST NEW YORK
STATEMENT OF GENERAL SERIAL BONDS
PARKING UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>	
			<u>Date</u>	<u>Amount</u>					
2019 Parking Utility Refunding Bonds	11/7/2019	\$ 5,515,000	7/15/2021	\$ 225,000	4.00	%			
			7/15/2022	240,000	4.00				
			7/15/2023	250,000	4.00				
			7/15/2024	255,000	5.00				
			7/15/2025	270,000	5.00				
			7/15/2026	285,000	5.00				
			7/15/2027	300,000	5.00				
			7/15/2028	310,000	5.00				
			7/15/2029	330,000	5.00				
			7/15/2030	345,000	4.00				
			7/15/2031	360,000	4.00				
			7/15/2032	375,000	4.00				
			7/15/2033	390,000	5.00				
			7/15/2034	405,000	5.00				
			7/15/2035	425,000	4.00				
			7/15/2036	445,000	4.00		\$ 5,515,000	\$ 305,000	\$ 5,210,000
			2018 RefundedHCIA Pooled Loan Governmental Loan Program Bonds	12/10/2018	735,000		7/15/2021	120,000	3.75
7/15/2022	125,000	3.75							
7/15/2023	130,000	3.75							
7/15/2024	135,000	3.75							
						<u>625,000</u>	<u>115,000</u>	<u>510,000</u>	
						<u>\$ 6,140,000</u>	<u>\$ 420,000</u>	<u>\$ 5,720,000</u>	

TOWN OF WEST NEW YORK
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
PARKING UTILITY CAPITAL FUND

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, January 1, 2020</u>	<u>2020 Authorizations</u>	<u>Balance, December 31, 2020</u>
10/20	Municipal Share of a Parking Deck		\$ 9,800,000	\$ 9,800,000
25/20	Various Parking Utility Improvements	-	750,000	750,000
		<u>-</u>	<u>750,000</u>	<u>750,000</u>
		<u>\$ -</u>	<u>\$ 10,550,000</u>	<u>\$ 10,550,000</u>

**GOVERNMENT AUDITING STANDARDS
AND SINGLE AUDIT**



LERCH, VINCI & HIGGINS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS**

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Board of Commissioners
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, 2020, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2021. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness 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 matter that is 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 2020-001.

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

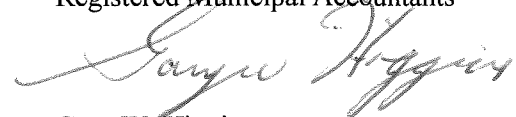
The Town of West New York's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of West New York's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, 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
September 30, 2021



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. UNIFORM GUIDANCE AND 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 Board of Commissioners
Town of West New York
West New York, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Town of West New York's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and 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 federal and state programs for the year ended December 31, 2020. The Town of West New York's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and 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 federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance, 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 federal or 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 federal and state program. However, our audit does not provide a legal determination of the Town of West New York's compliance.

Opinion on Each Major Federal and 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 federal and state programs for the year ended December 31, 2020.

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 federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. Uniform Guidance and 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 federal or 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 federal or 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 federal or 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and 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, 2020, and the related notes to the financial statements and have issued our report thereon dated September 30, 2021, 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 federal awards as required by U.S. Uniform Guidance and 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 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.



LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Registered Municipal Accountants



Gary W. Higgins

Registered Municipal Accountant

RMA Number CR00405

Fair Lawn, New Jersey
September 30, 2021

TOWN OF WEST NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Federal CFDA Number	Grant or State Proj. Number	Grant Period From To		Grant Receipts	Grant Award Amount	Balance, January 1, 2020	Revenue Realized	Budgetary Expenditures	Adjustments (A)	Balance, December 31, 2020	Cumulative Expenditures
U.S. Department of Agriculture Passed - Through NJ Dept of Agriculture												
Summer Food Program	10.559	100-010-3350-033/034	7/1/2018	6/30/2019		\$ 189,354	\$ 28,637		\$ 28,637			\$ 189,354
Summer Food Program	10.559	100-010-3350-033/034	7/1/2019	6/30/2020	\$ 446,613	796,715	-	\$ 796,715	447,085	-	\$ 349,630	447,085
Total U.S. Department of Agriculture							28,637	796,715	475,722	-	349,630	
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		500,010	\$ 114,324			\$ (114,324)	-	385,686
CDBG - Improvements to Centennial Field - Ordinance #03/19	14.218	N/A	9/1/2018	6/30/2019	19,833	378,000	378,000		378,000		-	378,000
CDBG - Improvements to Patricia McDeldowney Field - Ord #04/19	14.218	N/A	9/1/2018	6/30/2019	14,916	386,000	386,000		386,000		-	386,000
CDBG - Improvements to Miller Stadium - Ord #05/19	14.218	N/A	9/1/2018	6/30/2019	46,791	486,324	486,324		486,324		-	486,324
CDBG - West New York Library	14.218	N/A	9/1/2019	6/30/2020		485,810	-	485,810	-	-	485,810	-
Total U.S. Department of Housing & Urban Development							1,364,648	485,810	1,250,324	(114,324)	485,810	
U.S. Dept. of Homeland Security Passed through County of Hudson												
COVID-19 Coronavirus Aid Relief & Economic Security Act	21.019	N/A	1/1/2019	12/31/2020	2,380,351	5,695,859	-	5,695,859	5,695,859	-	-	5,695,859
Total U.S. Department of Homeland Security							-	5,695,859	5,695,859	-	-	
U.S. Dept. of Justice Direct Aid Passed Through NJ Dept of Law and Public Safety												
Justice Assistance Grant 2016	16.592	N/A	7/1/2015	6/30/2016		18,125	51				51	18,074
Justice Assistance Grant 2017	16.592	N/A	7/1/2016	6/30/2017		80,534	80,534		80,534		-	80,534
Justice Assistance Grant 2019	16.592	N/A	7/1/2017	6/30/2018		17,369	11,235		11,235		-	17,369
BJA FY 20 Coronavirus Emergency Supplemental Funding Program		N/A	1/1/2019	12/31/2020		43,239		43,239	43,239		-	43,239
Drive Sober or Get Pulled Over -Year End Crackdown	20.616	100-066-1160-157	7/1/2018	6/30/2019		5,500	440		440		-	5,500
Drive Sober or Get Pulled Over -Holiday Crackdown	20.616	100-066-1160-157	7/1/2018	6/30/2019		5,500	5,500				5,500	-
Distracted Driver	20.601	100-066-1160-057	7/1/2018	6/30/2019	5,390	6,600	6,600	-	5,390	-	1,210	5,390
Total U.S. Dept. of Justice							104,360	43,239	140,838	-	6,761	
Total Federal Financial Awards							\$ 1,497,645	\$ 7,021,623	\$ 7,562,743	\$ (114,324)	\$ 842,201	

The above schedule is subject to a Single Audit as defined by U.S. Uniform Guidance.

(A) - Allotment reprogrammed to Improvements to Miller Stadium

TOWN OF WEST NEW YORK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Period</u>		<u>Grant Receipts</u>	<u>Award Amount</u>	<u>Balance, January 1, 2020</u>	<u>Revenue Realized</u>	<u>Budgetary Expenditures</u>	<u>Adjustments</u>	<u>Balance, December 31, 2020</u>	<u>Cumulative Expenditures</u>
		<u>From</u>	<u>To</u>								
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	
Recreational Opportunities Individual Disabilities (ROID)	100-022-8050-035	7/01/2019	6/30/2020		20,000		\$ 20,000			20,000	
Recreational Opportunities Individual Disabilities (ROID) - Local Match	100-022-8050-035	7/01/2013	6/30/2014		4,000	4,000				4,000	
Recreational Opportunities Individual Disabilities (ROID) - Local Match	100-022-8050-035	7/01/2019	6/30/2020		4,000		4,000			4,000	
Alcohol Education and Rehabilitation	098-760-9735-001	7/1/2017	6/30/2018		19,553	10,674				10,674	\$ 8,879
Alcohol Education and Rehabilitation	098-760-9735-001	7/1/2018	6/30/2019		13,423	13,423				13,423	-
Bulletproof Vest Partnership Grant	718-066-1020-001	7/1/2018	6/30/2019		8,000	8,000		\$ 436		7,564	436
Bulletproof Vest Partnership Grant	718-066-1020-001	7/1/2019	6/30/2020		7,985		7,985	1,742		6,243	1,742
Police Body Armor Replacement	718-066-1020-001	7/1/2017	6/30/2018		8,000	8,000				8,000	-
Police Body Armor Replacement	718-066-1020-001	7/1/2018	6/30/2019		10,874	5,109	-	2,178	-	2,931	7,943
Total NJ Dept. of Community Affairs						69,206	31,985	4,356	-	96,835	
NJ Dept. of Environmental Protection											
Direct Aid											
Clean Communities Program	765-042-4900-004	7/01/2016	6/30/2017		85,000	17,133		400		16,733	68,267
Clean Communities Program	765-042-4900-004	7/01/2018	6/30/2019		72,918	72,918		72,918		-	72,918
Clean Communities Program	765-042-4900-004	7/01/2019	6/30/2020	\$ 65,756	65,756		65,756	65,756		-	65,756
Non-Road Equipment Replacement Grant	N/A	1/1/2020	12/31/2020		44,700		44,700	44,700		-	44,700
Recycling Tonnage Grant	752-042-4900-001	7/01/2016	6/30/2017		88,415	88,415		88,415		-	88,415
Recycling Tonnage Grant	752-042-4900-001	7/01/2017	6/30/2018		90,822	89,171		89,171		-	90,822
Recycling Tonnage Grant	752-042-4900-001	7/01/2018	6/30/2019	90,822	90,822		90,822	90,772		50	90,772
<i>Green Acres Trust Fund:</i>											
Miller Stadium - Phase II	533-042-4800-003	7/1/2000	6/30/2004		500,000	168,848				168,848	331,152
Improvements to Port Imperial Walkway - Ordinance #24/20	533-042-4800-003	1/01/2020	12/31/2020		514,500		514,500			514,500	-
Improvements to Miller Stadium - Ordinance #05/19	533-042-4800-003	1/01/2019	12/31/2019		1,000,000	1,000,000		1,000,000		-	1,000,000
Improvements to Veterans Park & Donnelly Park -Ordinance #32/17	582-042-4800-002	1/01/2017	12/31/2017		1,100,000	357,763	-	357,763	-	-	1,100,000
Total NJ Dept. of Environmental Protection						1,794,248	715,778	1,809,895	-	700,131	

TOWN OF WEST NEW YORK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Period</u>		<u>Grant Receipts</u>	<u>Award Amount</u>	<u>Balance, January 1, 2020</u>	<u>Revenue Realized</u>	<u>Budgetary Expenditures</u>	<u>Adjustments</u>	<u>Balance, December 31, 2020</u>	<u>Cumulative Expenditures</u>
		<u>From</u>	<u>To</u>								
N.J. Dept. of Health and Human Services											
Direct Aid											
Strengthening Local Public Health Capacity Grant	N/A	1/01/2020	12/31/2020		\$ 142,236	-	\$ 142,236	-	-	\$ 142,236	-
Total NJ Dept. of Health and Human Services						-	142,236	-	-	142,236	-
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	1/1/2019	12/31/2019		2,640	2,640		\$ 2,640		-	\$ 2,640
Fire Prevention & Safety Grant	N/A	1/1/2019	12/31/2019	\$ 51,290	57,334	3,344			\$ 2,700	6,044	51,290
Safe and Secure	232-066-1020-100	1/1/2020	12/31/2020	15,000	60,000	-	60,000	60,000	-	-	60,000
Total NJ Dept. of Law & Public Safety						21,984	60,000	62,640	2,700	22,044	
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	1/1/2020	12/31/2020		43,159		43,159			43,159	-
County Share	100-082-2000-046	1/1/2019	12/31/2019	29,918	42,943	42,943		32,918		10,025	32,918
Local Share	100-082-2000-046	1/1/2020	12/31/2020		10,790		10,790	1,200		9,590	1,200
Local Share	100-082-2000-046	1/1/2019	12/31/2019		10,736	736	-	736	-	-	10,736
Total NJ Dept. of the Treasury						43,679	53,949	34,854	-	62,774	
U.S. Dept. of Transportation											
Direct Aid											
Passed through NJ Department of Transportation											
Road Improvement Projects - Ordinance #24/20	480-078-6320-XXXX	1/1/2020	12/31/2020		757,980		757,980			757,980	-
Road Improvement Projects - Ordinance #24/20	480-078-6320-XXXX	1/1/2020	12/31/2020		828,390		828,390			828,390	-
Road Improvement Projects - Ordinance #22/18	480-078-6320-XXXX	1/1/2018	12/31/2018		354,249	347,050	-	347,050	-	-	354,249
Total U.S. Dept. of Transportation						347,050	1,586,370	347,050	-	1,586,370	
Total State Financial Awards						\$ 2,276,167	\$ 2,590,318	\$ 2,258,795	\$ 2,700	\$ 2,610,390	

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, 2020**

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	\$ 6,535,813	\$ 489,448	\$ 7,025,261
Community Development Trust Fund	485,810		485,810
General Capital Fund	<u>-</u>	<u>2,100,870</u>	<u>2,100,870</u>
Total Financial Awards	<u>\$ 7,021,623</u>	<u>\$ 2,590,318</u>	<u>\$ 9,611,941</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, 2020**

NOTE 5 STATE LOANS OUTSTANDING

The Town's state loans outstanding at December 31, 2020, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

	<u>State</u>
<u>Loan Program</u>	
N.J. Dept. of Environmental Protection	
Green Acres Loans	<u>\$ 338,076</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, 2020**

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? X yes no

2) Were significant deficiencies identified that were not considered to be material weaknesses? yes no X none

Noncompliance material to financial statements noted? yes X no

Federal Awards Section

Dollar threshold used to determine Type A programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

Type of auditors' report on compliance for major programs: Unmodified

Internal Control over compliance:

1) Significant Deficiencies identified? yes X no

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
<u>21.019</u>	<u>Coronavirus Aid Relief & Economic Security Act</u>
<u>14.218</u>	<u>Community Development Block Grant</u>
<u> </u>	<u> </u>

Part I – Summary of Auditor’s Results

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 2020-001:

The audit indicated that certain contract awards and change orders were not encumbered upon award.

Criteria or specific requirement:

N.J.A.C. 5:30-5.2, “Encumbrance Systems”

Condition:

See Finding 2020-001.

Questioned Costs:

Not Applicable.

Context:

- Certain contract awards in the General Capital Fund in the amount of \$1,548,000 were not encumbered at December 31, 2020.
- Certain change orders totaling \$243,151 relating to previously approved contracts were not encumbered.

Effect:

None.

Cause:

Unknown.

Recommendation:

All contract awards and change orders be encumbered when approved by the governing body.

Management’s Response:

Management has reviewed this finding and will undertake corrective action.

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**TOWN OF WEST NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

This section identifies 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.

Finding 2019-001

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

- Quotes were not solicited for the plumbing services and gasoline purchases.
- The Political Contribution Disclosure Form was not on file for certain vendors.
- Three state contracts utilized in excess of the bid threshold were not approved in the official minutes.
- Business Registration Certificates were not on file for certain vendors.

Status

Corrective action has been taken.

TOWN OF WEST NEW YORK

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

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

	<u>Year 2020</u>			<u>Year 2019</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 8,550,000	6.68 %	\$ 8,320,000	6.68 %	
Miscellaneous - From Other Than Local					
Property Tax Levies	43,480,775	33.97	41,071,845	32.99	
Collection of Delinquent Taxes					
and Tax Title Liens	10,952	0.01	30,875	0.02	
Collection of Current Tax Levy	70,642,349	55.18	69,632,225	55.93	
Other Credits	<u>5,331,456</u>	<u>4.16</u>	<u>5,444,399</u>	<u>4.38</u>	
Total Income	<u>128,015,532</u>	<u>100.00 %</u>	<u>124,499,344</u>	<u>100.00 %</u>	
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	90,307,089	73.39 %	84,042,614	72.62 %	
County Taxes	12,954,880	10.53	13,636,034	11.78	
Local District School Tax	18,277,722	14.85	17,743,655	15.33	
Other Expenditures	<u>1,517,938</u>	<u>1.23</u>	<u>314,263</u>	<u>0.27</u>	
Total Expenditures	123,057,629	<u>100.00 %</u>	115,736,566	<u>100.00 %</u>	
Excess in Revenue	4,957,903		8,762,778		
Fund Balance, January 1	<u>15,384,817</u>		<u>14,942,039</u>		
	20,342,720		23,704,817		
Less Utilization as Anticipated Revenue	<u>8,550,000</u>		<u>8,320,000</u>		
Fund Balance, December 31	<u>\$ 11,792,720</u>		<u>\$ 15,384,817</u>		

TOWN OF WEST NEW YORK
STATEMENT OF OPERATING AND CHANGES IN FUND BALANCES
PARKING UTILITY OPERATING FUND

	<u>Year 2020</u>			<u>Year 2019</u> <u>(Inception Year)</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 500,000	16.22	%			
Revenue and Other Income Realized						
Parking Fees	2,260,738	73.35		\$ 322,277	12.22	%
Non Budget Revenue	68,812	2.23				
Other Credits to Income						
Assumption of West New York Parking Authority				2,314,375	87.78	
Other Credits	<u>252,626</u>	<u>8.20</u>		<u>-</u>	<u>-</u>	
Total Income	<u>3,082,176</u>	<u>100.00</u>	%	<u>2,636,652</u>	<u>100.00</u>	%
EXPENDITURES						
Budget Expenditures						
Operating	1,897,045	69.52	%	360,000	97.69	%
Debt Service	681,746	24.98				
Deferred Charges and Statutory Expenditures	<u>150,052</u>	<u>5.50</u>		<u>8,500</u>	<u>2.31</u>	
Total Expenditures	<u>2,728,843</u>	<u>100.00</u>	%	<u>368,500</u>	<u>100.00</u>	%
Excess in Revenue	353,333			2,268,152		
Fund Balance, January 1	<u>2,268,152</u>			<u>-</u>		
	2,621,485			2,268,152		
Less Utilization as Anticipated Revenue	<u>500,000</u>			<u>-</u>		
Fund Balance, December 31	\$ 2,121,485			\$ 2,268,152		

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate</u>	<u>\$7.635</u>	<u>\$7.562</u>	<u>\$7.527</u>
<u>Apportionment of Tax Rate</u>			
Municipal	4.231	4.126	4.192
County	1.395	1.474	1.414
Local School	1.980	1.932	1.891
Local School Required by Local Municipal Budget	.029	.030	.030

Assessed Valuation

2020	<u>\$923,172,481</u>	
2019		<u>\$918,503,202</u>
2018		<u>\$909,916,526</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>
2020	\$ 70,970,826	\$ 70,642,349	99.53%
2019	69,996,183	69,632,225	99.48%
2018	69,201,344	68,630,966	99.17%

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.

<u>December 31</u> <u>Year</u>	<u>Amount of</u> <u>Tax Title</u> <u>Liens</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u>	<u>Percentage</u> <u>of</u> <u>Tax Levy</u>
2020	\$ 429,519	\$ 22,384	\$ 451,903	0.64%
2019	395,330	20,778	416,108	0.59%
2018	362,061	42,964	405,025	0.59%

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>Year</u>	<u>Balance</u> <u>Year End</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding</u> <u>Year</u>
Current Fund	2020	\$11,792,720	\$8,550,000
	2019	15,384,817	8,550,000
	2018	14,942,039	8,320,000
	2017	12,534,835	7,400,000
	2016	8,397,110	5,400,000
Parking Utility Fund	2020	\$2,121,485	\$ -
	2019 (Inception)	2,268,152	500,000

**TOWN OF WEST NEW YORK
OFFICIALS IN OFFICE AND SURETY BONDS
AS OF DECEMBER 31, 2020**

<u>Name</u>	<u>Title</u>	<u>Term</u>	<u>Amount of Bond</u>
Gabriel Rodriguez	Mayor; Director of Department Public Safety	May 1, 2019-2023	(A)
Cosmo A. Cirillo	Commissioner; Director of Department of Public Affairs	May 1, 2019-2023	(A)
Margarita A. Guzman	Commissioner; Director of Department of Revenue and Finance	May 1, 2019-2023	(A)
Yolesy Yanez	Commissioner; Director of Department of Public Works	May 1, 2019-2023	(A)
Victor M. Barrera	Commissioner; Director of Department of Parks and Public Property	May 1, 2019-2023	(A)
Jonathan Castaneda	Administrator		(A)
Luis Baez	Deputy Municipal Administrator		(A)
Jonathan M. DeJoseph	Chief Financial Officer		(A)
Carmela Riccie	Town Clerk		(A)
Adelinny Plaza	Deputy Town Clerk		
Kerri Tierney	Tax Collector		(A)
Sal Bonnaccorsi	Tax Assessor; Tax Searcher		(A)
Armando Hernandez	Judge		(A)
Charles D'Amico	Chief Judge		(A)
Karen Gomez	Court Administrator		(A)
Nelson Diaz	Treasurer		(A)

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

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

Finding – Our audit indicated there exists certain old outstanding grant receivables in both the Current Fund and General Capital Fund and prior year grant reserves in the Current fund at year end.

Recommendation – The old outstanding grant receivables and grant reserves be reviewed and cleared of record.

Finding – The audit of the General Capital Fund disclosed that certain grant receipts totaling \$81,540 were applied as reimbursements against three ordinances rather than against outstanding accounts receivable balances. The reclassification of the grant receipts resulted in one ordinance being overexpended by \$19,833..

Recommendation – Grant receipts be properly applied against outstanding grant receivable balances rather than as reimbursements against actual expenditures to ensure available ordinance balances are accurate.

Prior Year Findings Unresolved

FINANCE

Finding – The audit indicated that there exists certain outstanding tax and pilot overpayments from the years 2018 and 2019.

Recommendation – The prior year tax and pilot overpayment balances be reviewed and cleared of record.

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 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 \$44,000. The Town's Purchasing Director is qualified and the Town by resolution, has increased the bid threshold to \$44,000.

The Purchasing Agent and the Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000 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:

Miller Stadium Field Improvements	Computer Consulting and Maintenance
Snow Removal	Swim Club Structural Renovations
Road Improvements	Patricia McEldowney Field Site Improvements
Miller Stadium Phase II Renovation	Patricia McEldowney Field Skateboard and Tennis Court Upgrades

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 18, 2020 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>
2020	10
2019	12
2018	13

Suggestions to Management

- Continued efforts be made to eliminate miscellaneous adjustments and old outstanding checks on Town bank account reconciliations.

TOWN OF WEST NEW YORK RECOMMENDATIONS

It is recommended that:

- * 1. 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. The prior year tax and pilot overpayment balances be reviewed and cleared of record.
- 5. Old outstanding grant receivables and grant reserves be reviewed and cleared of record.
- 6. Grant receipts be properly applied against grant receivable balances in the General Capital Fund rather than as reimbursements against actual expenditures to ensure available ordinance balances are accurate.
- 7. All contract awards and change orders be encumbered when approved by the governing body.

* * * * *


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

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

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



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Registered Municipal Accountants



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