

**THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)**

**COMPREHENSIVE ANNUAL AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**WITH SUPPLEMENTARY INFORMATION  
AND INDEPENDENT AUDITOR'S REPORT**

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)

DECEMBER 31, 2012 AND 2011

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THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A component Unit of the Township of Weehawken)

DECEMBER 31, 2012 AND 2011

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## INTRODUCTORY SECTION



# Weehawken Parking Authority

4528 Park Avenue

Weehawken, New Jersey 07086

Office: 201-863-1523 / Fax: 201-863-1525

November 1, 2013

## Commissioners:

Kevin McGee  
*Chairperson*

Robert Supino  
*Vice Chairperson*

Sam Mezzina  
*Secretary*

Eleazar Nunez  
*Treasurer*

Robert J. Sosa  
*Executive Director*

Neil D. Marotta, Esq.  
*Attorney*

The Honorable Chairman and Commissioners  
Weehawken Parking Authority

State law requires that all local authorities publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Weehawken Parking Authority (the "Authority") for the years ended December 31, 2012 and 2011.

This report consists of management's representations concerning the finances of the Authority. We believe it is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Authority as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain maximum understanding of the Authority's financial affairs have been included. Responsibility for completeness and clarity of the report, including disclosures, rests with the management of the Authority and ultimately with the Board of Commissioners. By utilizing the CAFR format, it is the Authority's intent to facilitate an understanding by the non-financially oriented system user as well as provide all necessary information for the most sophisticated financial observer.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditors.

## Organization of Report

The CAFR is presented in several sections: Introductory, Financial, Supplementary and Statistical. The Introductory Section includes this transmittal letter and a list of principal officials. The Financial Section includes the independent auditor's report, management's discussion and analysis, and the financial statements, including the notes to the financial statements. The Supplementary Section includes supplementary schedules and information required by the Division of Local Government Services. The Statistical Section includes selected financial, economic and demographic information, generally presented on a multi-year basis.

### Government Structure and Services

The Authority's governing body consists of four members appointed by the Mayor and Council of the Township of Weehawken, with the advice and consent of the Board of Commissioners.

The Authority was created for the purpose of constructing, financing, improving and operating a parking system to serve the Township of Weehawken.

### Internal Accounting Controls

Management of the Authority is responsible for establishing and maintaining an adequate internal control structure. In developing and evaluating the Authority's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of position against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits expected to be derived. All internal control evaluations occur within the above framework. We believe the Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions.

### Basis of Accounting

The Authority's accounting records are maintained on an accrual basis and in accordance with GAAP, as promulgated by the Governmental Accounting Standards Board (GASB). The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

### Annual Budget

The annual budget serves as the foundation for the Authority's financial planning and control. Management prepares a proposed budget, which is presented to the Authority's Board of Commissioners for review and approval. Prior to adoption by the Board of Commissioners, these budgets are reviewed and approved by the State of New Jersey, Division of Local Government Services.

### Debt Administration

At December 31, 2012, the Authority's outstanding debt includes \$2,470,000 of parking revenue bonds and \$15,500,000 of parking project note. Proceeds from permanent and temporary financing are to be used to acquire certain parking facilities from the Township of Weehawken, to obtain parking meters, meter poles, parking regulation devices and parking related equipment and to finance all related costs and expenses related to debt issuance.

### Cash Management

The Authority strives to keep abreast of current developments and procedures in cash management to insure efficient and profitable use of available cash resources. The investment policy of the Authority is guided in large part by New Jersey Statutes. Cash is deposited in institutions located in New Jersey which are protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. Funds not needed immediately are invested as certificates of deposit or other allowable investments.

### Risk Management

The Authority carries various forms through the Township of Weehawken.

### Pension Benefits

All Authority employees participate in the New Jersey Public Employees Retirement System (PERS). The PERS is a cost-sharing, multiple-employer defined benefit pension plan and is administered by the State of New Jersey Division of Pensions. Participants are required to contribute a statutory amount to the PERS. The Authority contributes to the PERS at an actuarially determined rate.

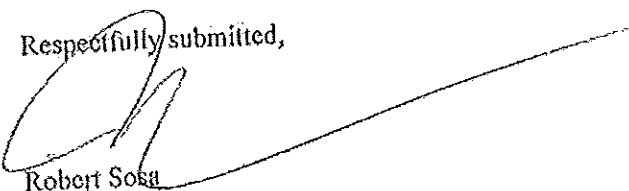
### Annual Independent Audit

The Authority's financial statements have been audited by Garbarini & Co., P.C., a firm of licensed certified public accountants and registered municipal accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the year ended December 31, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the years ended December 31, 2012 and 2011, are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

### Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff and the Commissioners of the Authority. We would like to express our appreciation to all those who assisted and contributed to the preparation of this report.

Respectfully submitted,

  
Robert Sosa  
Executive Director

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)

ROSTER OF OFFICIALS

DECEMBER 31, 2012

Authority Members

Kevin McGee	Chairman
Robert Supino	Vice-Chairman
Sam Mezzina	Secretary
Eleazar Nunez	Treasurer

Other Officials

Robert Sosa	Executive Director
Neil D. Marotta, Esq.	Attorney
Capital One Bank	Depository
TD Bank	Trustee, Registrar, and Paying Agent
Wachovia Bank	Depository

The Executive Director and all members of the Authority are covered by a Faithful Performance Blanket Bond in the amount of \$1,000,000.00 covered through the Township of Weehawken.



FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Commissioners  
Weehawken Parking Authority

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

We have audited the accompanying comparative statement of net position of the Weehawken Parking Authority (the "Authority"), a Component Unit of the Township of Weehawken (the "Township"), County of Hudson, State of New Jersey, and the related comparative statements of revenues, expenses and changes in net position and cash flows as of and for the years ended December 31, 2012 and 2011, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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.

## Opinions

In our opinion, the comparative financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2012 and 2011 and the changes in financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 10 through 13 and 29 through 30 be presented to supplement the basic financial statement. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section and other supplementary schedules section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

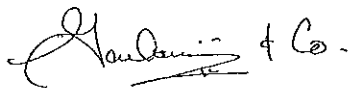
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2013, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C.  
Certified Public Accountants

November 1, 2013  
Carlstadt, New Jersey

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

The Honorable Chairman and Commissioners  
Weehawken Parking Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and 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 of the Weehawken Parking Authority (the "Authority"), a Component Unit of the Township of Weehawken (the "Township"), County of Hudson, State of New Jersey, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, and have issued our report thereon dated November 1, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

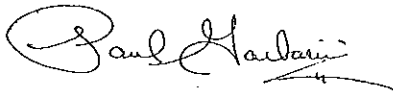
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### Compliance and Other Matters

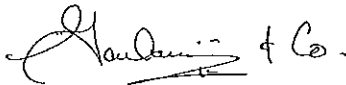
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C.  
Certified Public Accountants

November 1, 2013  
Carlstadt, New Jersey

**THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

This section of the Weehawken Parking Authority's (the "Authority") annual financial report presents management's discussion and analysis of the Authority's financial performance during the year ended December 31, 2012. It is to be read in conjunction with the Authority's financial statements and accompanying notes.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business.

**FINANCIAL HIGHLIGHTS**

The following data highlights the Authority's finances for the years ended December 31, 2012 as compared to December 31, 2011.

• Total net position (decreased):	\$ (1,125,503.22)
• Cash and investments (decreased):	\$ (222,091.31)
• Net property & Equipment (decreased):	\$ (381,242.33)
• Operating revenues increased:	\$ 31,241.00
• Operating expenses increased:	\$ 71,470.01
• Operating loss (increased):	\$ (40,265.01)
• Non-operating revenue increased:	\$ 74,392.86

**THE WEEHAWKEN PARKING AUTHORITY**  
**COUNTY OF HUDSON, STATE OF NEW JERSEY**  
**(A Component Unit of the Township of Weehawken)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2012**

**FINANCIAL ANALYSIS OF THE AUTHORITY**

The following table summarizes the changes in assets, liabilities and net position for the year ended December 31, 2012 with comparative data of 2011 and 2010:

	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
Unrestricted Assets	\$ 27,155.32	\$ 5,751.89	\$ 27,391.47
Restricted Assets	564,591.72	808,086.46	1,233,710.49
Net Property, Plant & Equipment	15,800,311.52	16,181,553.85	16,590,154.11
Other Assets	<u>15,380.00</u>	<u>90,872.41</u>	<u>93,925.35</u>
Total Assets	<u>\$ 16,407,438.56</u>	<u>\$ 17,086,264.61</u>	<u>\$ 17,945,181.42</u>
Current Liabilities	\$ 17,776,774.58	\$ 17,281,102.37	\$ 16,931,591.39
Long-Term Liabilities	<u>2,451,292.70</u>	<u>2,500,287.74</u>	<u>2,549,084.46</u>
Total Liabilities	<u>\$ 20,228,067.28</u>	<u>\$ 19,781,390.11</u>	<u>\$ 19,480,675.85</u>
Net Position:			
Invested in Capital Assets, Net of Related Debt	\$ (2,169,688.48)	\$ (2,005,383.74)	\$ (1,636,900.54)
Restricted	564,591.72	808,086.46	1,233,710.49
Unrestricted	<u>(2,215,531.96)</u>	<u>(1,497,828.22)</u>	<u>(1,132,304.38)</u>
Total Net Position	<u>\$ (3,820,628.72)</u>	<u>\$ (2,695,125.50)</u>	<u>\$ (1,535,494.43)</u>

The Authority's unrestricted assets decreased in 2012 due to revenue collected. Restricted assets decreased because of payment of principal and interest on debt. Net property & equipment decreased due to depreciation. Decrease in parking tax and increase in depreciation were the main reasons of the decrease in net position.



**THE WEEHAWKEN PARKING AUTHORITY**  
**COUNTY OF HUDSON, STATE OF NEW JERSEY**  
**(A Component Unit of the Township of Weehawken)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2012**

**FINANCIAL ANALYSIS OF THE AUTHORITY (Continued)**

**Operating Activities** - The Township imposes fines on parking violations according to the Township ordinances. Then the Township transfers the fees collected on parking tickets to the Authority. The Authority also collects fees on certain parking permits. The Authority is in the process of acquisition of parking meters, parking poles and parking regulation devices. The following table summarizes the changes in revenues, expenses and net position for the year ended December 31, 2012 with comparative data of 2011 and 2010:

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Operating revenue			
Parking fees	\$ 84,032.00	\$ 52,825.00	\$ 63,273.45
Other income	16.00	18.00	3,526.59
Total operating revenue	<u>84,048.00</u>	<u>52,843.00</u>	<u>66,800.04</u>
Operating expenses			
Administration	279,519.43	264,170.26	225,608.33
Cost of providing services	527,185.39	474,823.24	532,915.19
Depreciation expense	418,845.27	414,888.26	278,591.18
Compensated Absences	1,004.96	1,203.28	294.41
Total operating expenses	<u>1,226,555.05</u>	<u>1,155,085.04</u>	<u>1,037,409.11</u>
Operating (loss)	(1,142,507.05)	(1,102,242.04)	(970,609.07)
Non-operating revenue			
Interest income	146.52	222.02	1,907.58
Parking tax	-	294,261.64	1,000,000.00
Local subsidies and donations	433,240.00	0.00	0.00
Total non-operating revenue	<u>433,386.52</u>	<u>294,483.66</u>	<u>1,001,907.58</u>
Non-operating expenses			
Amortization expense	-	4,882.94	4,882.94
Debt issuance expense	63,373.61		
Interest expense	353,009.08	346,989.75	370,520.47
Total non-operating expenses	<u>416,382.69</u>	<u>351,872.69</u>	<u>375,403.41</u>
Change in net position			
Unrestricted/restricted	<u>\$ (1,125,503.22)</u>	<u>\$ (1,159,631.07)</u>	<u>\$ (344,104.90)</u>

**THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** - The Authority, in fulfilling its mission to provide parking facilities for the Township, has invested its resources in land and other necessary equipment.

The following table summarizes the changes in capital assets for the years ended December 31, 2012 and 2011:

	2012	2011	Increase/ (Decrease)
Land	\$ 4,565,000.00	\$ 4,565,000.00	\$ -
Building	12,260,000.00	12,260,000.00	-
Equipment	30,722.88	30,722.88	-
Vehicles	37,602.94	-	37,602.94
Leasehold Improvements	12,520.41	12,520.41	-
Parking Signs	7,020.00	7,020.00	-
	<u>16,912,866.23</u>	<u>16,875,263.29</u>	<u>37,602.94</u>
Less:			
Accumulated Depreciation	<u>(1,112,554.71)</u>	<u>(693,709.44)</u>	<u>418,845.27</u>
Net Property, Plant & Equipment	<u>\$ 15,800,311.52</u>	<u>\$ 16,181,553.85</u>	<u>\$ 456,448.21</u>

**Capital Debt** - At December 31, 2012 and 2011, the Authority had \$2,470,000 and \$2,520,000 of bond principal outstanding, respectively. On December 20, 2012 the Authority issued \$15,500,000 parking project note through the Hudson County Improvement Authority. The note bears interest rate of 1.1257% per annum and matures on December 20, 2013. The balance of unamortized premium of \$19,688.80 was expensed during 2012 as per GASB No. 65.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Weehawken citizens and taxpayers, and our customers, clients, investors and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional financial information, you may contact the Authority's Executive Director at 4528 Park Avenue, Weehawken, NJ 07086 or at (201) 863-1523.

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
COMPARATIVE STATEMENT OF NET POSITION  
AT DECEMBER 31, 2012 AND 2011

EXHIBIT A

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 27,155.32	\$ 5,751.89
Investments - temporarily restricted	564,591.72	808,086.46
Accounts receivable - no allowance for doubtful accounts considered necessary	15,380.00	7,810.00
	<u>607,127.04</u>	<u>821,648.35</u>
<b>PROPERTY AND EQUIPMENT</b> (net of accumulated depreciation of \$1,112,554.71 at 12/31/2012 and \$693,709.44 at 12/31/2011)	<u>15,800,311.52</u>	<u>16,181,553.85</u>
<b>OTHER ASSETS</b>		
Debt issuance costs - net of amortization of \$0 at 12/31/2012 and \$14,184.91 at 12/31/2011)	-	83,062.41
	<u>16,407,438.56</u>	<u>\$ 17,086,264.61</u>
<b>TOTAL ASSETS</b>		
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable - Township of Weehawken	\$ 2,220,216.17	\$ 1,174,024.96
Accounts payable - Weehawken Housing Authority	1,300.00	-
Notes payable	15,500,000.00	15,750,000.00
Premium on notes payable	-	19,688.80
Accrued interest on notes payable	5,258.41	287,388.61
Bonds Payable	50,000.00	50,000.00
Total Current Liabilities	<u>17,776,774.58</u>	<u>17,281,102.37</u>
<b>LONG-TERM LIABILITIES</b>		
Bonds payable	2,420,000.00	2,470,000.00
Compensated absences	31,292.70	30,287.74
Total Long-Term Liabilities	<u>2,451,292.70</u>	<u>2,500,287.74</u>
<b>TOTAL LIABILITIES</b>	<u>20,228,067.28</u>	<u>19,781,390.11</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	(2,169,688.48)	(2,005,383.74)
Restricted for capital projects and debt services	564,591.72	808,086.46
Unrestricted	(2,215,531.96)	(1,497,828.22)
Total Net Position	<u>(3,820,628.72)</u>	<u>(2,695,125.50)</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 16,407,438.56</u>	<u>\$ 17,086,264.61</u>

See independent auditor's report and notes to financial statements.

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

EXHIBIT B

	<u>2012</u>	<u>2011</u>
Operating revenues		
Parking fees & permits	\$ 84,032.00	\$ 52,825.00
Other income	16.00	18.00
	<u>84,048.00</u>	<u>52,843.00</u>
Total operating revenues		
Operating expenses		
Administration	279,699.43	264,170.26
Costs of providing services	527,005.39	474,823.24
Depreciation expense	418,845.27	414,888.26
Compensated Absences	1,004.96	1,203.28
	<u>1,226,555.05</u>	<u>1,155,085.04</u>
Total operating expenses		
Operating (loss)	<u>(1,142,507.05)</u>	<u>(1,102,242.04)</u>
Non - operating revenue / (expense) transfers		
Interest income	146.52	222.02
Parking tax reimbursement	-	294,261.64
Local subsidies & donations	433,240.00	-
Amortization of debt issuance costs	-	(4,882.94)
Debt issuance costs	(63,373.61)	-
Interest expense	<u>(353,009.08)</u>	<u>(346,989.75)</u>
Total non-operating revenue / (expense)	<u>17,003.83</u>	<u>(57,389.03)</u>
Change in net position	(1,125,503.22)	(1,159,631.07)
Net position, beginning of year	<u>(2,695,125.50)</u>	<u>(1,535,494.43)</u>
Net position, end of year	<u><u>\$(3,820,628.72)</u></u>	<u><u>\$ (2,695,125.50)</u></u>

See independent auditor's report and notes to financial statements.

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

EXHIBIT C

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from parking fees & permits	\$ 76,462.00	\$ 50,995.00
Misc. income	16.00	18.00
Cash payments for goods and services	(75,415.70)	(88,303.58)
	<hr/>	<hr/>
Net cash provided / (used) by operating activities	1,062.30	(37,290.58)
Cash flows from investing activities:		
Purchase of land and equipment	(37,602.94)	(6,288.00)
	<hr/>	<hr/>
Net cash flows provided / (used) by investing activities	(37,602.94)	(6,288.00)
Cash flows from financing activities:		
Payment on bonds	(50,000.00)	(45,000.00)
Interest paid on bonds/notes	(135,697.19)	(358,907.05)
Interest income	146.52	222.02
	<hr/>	<hr/>
Net cash flows provided / (used) by financing activities	(185,550.67)	(403,685.03)
Net increase / (decrease) in cash and cash equivalents	(222,091.31)	(447,263.61)
Cash and cash equivalents at beginning of year	813,838.35	1,261,101.96
	<hr/>	<hr/>
Cash and cash equivalents at end of year	591,747.04	813,838.35
Less: restricted cash	(564,591.72)	(808,086.46)
	<hr/>	<hr/>
Cash and cash equivalents at end of year - Unrestricted	\$ 27,155.32	\$ 5,751.89
	<hr/>	<hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (1,142,507.05)	\$ (1,102,242.04)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Depreciation	418,845.27	414,888.26
(Increase)/decrease in accounts receivable, net	(7,570.00)	(1,830.00)
Increase/(decrease) in accounts payable, not including debt service	731,289.12	650,689.92
Increase/(decrease) in compensated absences	1,004.96	1,203.28
Total adjustments	<hr/> 1,143,569.35	<hr/> 1,064,951.46
Net cash provided by (used for) operating activities	<hr/> \$ 1,062.30	<hr/> \$ (37,290.58)

See independent auditor's report and notes to financial statements.

**THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**1. AUTHORIZING LEGISLATION AND BOND RESOLUTION**

The Weehawken Parking Authority (the "Authority"), a Component Unit of the Township of Weehawken (the "Township"), County of Hudson, State of New Jersey, is a public body corporate and politic of the State of New Jersey organized and existing under the Parking Authority Law, constituting Chapter 198 of the Pamphlet Laws of 1948 of the State of New Jersey, as amended and supplemented.

In accordance with the provisions of N.J.S.A. 40A:11A-1 *et seq.*, the Authority was created pursuant to an ordinance of the Council of the Township duly adopted March 13, 1969 and re-constituted pursuant to an ordinance of the Township Council of the Township, duly adopted December 27, 2007.

The Authority was established to operate, maintain, finance, manage, reconstruct and/or improve the Township parking system.

On October 24, 2008, the Authority sold parking revenue bonds in the amount of \$2,565,000.00. The purpose of the parking revenue bonds was to provide funds necessary to acquire certain parking facilities from the Township and parking meters, meter poles and parking regulation devices, parking enforcement vehicles, computer hardware software, surveillance cameras and related equipment and radios. The cost of issuance paid in 2008 was \$64,391.85.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Financial Statements**

The Authority's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). All revenues other than nonrecurring miscellaneous revenues are recorded as operating revenues. The Authority applies all Government Accounting Standards Board pronouncements as well as all Financial Accounting Standard Board statement and pronouncements. Revenues are recognized in the accounting period when they become susceptible to accrual. Expenditures, if measurable, are recognized in the accounting period in which the liability is incurred.

**B. Operating Revenues and Expenses**

Operating revenues and expenses are those that result from providing and maintaining parking services as well as enforcing parking regulations within the Township. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

See independent auditor's report.

**THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgets and Budgetary Accounting**

The Division of Local Government Services (the "DLGS") requires that an annual budget 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 Authority and approved by the DLGS per N.J.S.A. 40A:4 et. seq.

**D. Allowance for Doubtful Costs**

Management has reviewed all accounts receivable at December 31, 2012 and determined that no allowance was necessary.

**E. Cash, Cash Equivalents and Investments**

For the purposes of the Comparative Statements of Cash Flows, cash and cash equivalents include all demand and savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. Investments are carried at fair value. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 3.

**F. Inventory**

Purchases of materials and supplies are expensed when purchased. The Authority does not maintain an inventory of these purchases.

**G. Debt Issuance Costs**

Bond issuance costs are deferred and amortized over the life of the bonds. Bond issuance costs are reported as unamortized debt issuance costs and amortized over the term of the debt.

**H. Capital Assets**

In order to comply with the requirements of the "New Jersey Local Authorities Accounting Principles and Auditing Standards Manual," the Authority has valued capital assets at historical cost and has recorded depreciation thereon (see Note 4).

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Advertising Costs

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response are capitalized and amortized over the period during which future benefits are expected to be received. The Authority does not use direct-response advertising. The Authority's advertising costs are for a public relations consultant and some advertising in the local papers.

J. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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 revenues and expenses, during the reporting period. Actual results could differ from those estimates.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

N.J.S.A. 17:9-42 and the cash management plan adopted by the Authority requires the Authority to deposit funds in public depositories protected from loss under the provisions of the Government Unit Depository Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

Public funds are defined as the funds of any governmental unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

Custodial credit risk is the risk that, in the event of a bank or counterparty failure, the Authority will not be able to recover deposits and/or the value of its investments, or will not be able to recover collateral securities that are in the possession of an outside party.

Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits and/or investments. The Authority does not invest in foreign currency.

As of December 31, 2012 and 2011, none of the Authority's bank balances of \$586,154.04 and \$813,838.35 was exposed to custodial credit risk or foreign currency risk.

See independent auditor's report.



THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

**Investments**

New Jersey Statutes permit the following investments for local funds:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to the following conditions: 1) the underlying securities are permitted investments 2) the custody of the collateral is transferred to a third party 3) the maturity of the agreement is not more than 30 days 4) the underlying securities are purchased through a GUDPA bank and 5) a master repurchase agreement providing for the custody and security of collateral is executed.
- Obligations issued by the State and its agencies.

The components of cash and investments at December 31, 2012 and 2011 are:

	2012	2011
Unrestricted cash	\$ 27,155.32	\$ 5,751.89
Temporarily restricted investments	564,591.72	808,086.46
Total cash and investments	<u>\$ 591,747.04</u>	<u>\$ 813,838.35</u>

In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures, the Authority has assessed the Custodial Credit Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its Cash and Cash Equivalents and Investments.

See independent auditor's report.

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011

4. CAPITAL ASSETS

In 2008, the Authority purchased a property located at 105-113 Hackensack Plank Road from the Township of Weehawken in the amount of \$1,000,000. This property will be utilized as a parking lot under the Authority's control.

In December 2008, the Authority deposited \$500,000 in an escrow account established by the Township of Weehawken in order to enter into a 99-year capital lease of a portion of a property located at 400 Park Avenue with the Township of Weehawken.

On April 30, 2010, the Authority purchased the land and building located at 80 Hauxhurst Avenue from the Township of Weehawken in the amount of \$15,325,000. This property will be utilized as a parking facility.

Property, plant and equipment is stated at cost which includes the cost of construction, acquisition of such projects, engineering, administrative and financial expenses, interest on bonds during construction, and organization expenses, less income earned on unexpended construction funds. The reporting limit for capitalization of capital assets is \$5,000. Depreciation is provided over the following estimated useful lives:

Buildings	30 years
Equipment & Computers	7 years
Leasehold Improvements	10 years
Parking Signs	5 years

Summary of Changes in Property and Equipment

	<u>2012</u>	<u>2011</u>
Land	\$ 4,565,000.00	\$ 4,565,000.00
Building	12,260,000.00	12,260,000.00
Equipment	30,722.88	30,722.88
Vehicles	37,602.94	-
Leasehold Improvements	12,520.41	12,520.41
Parking Signs	7,020.00	7,020.00
	<hr/> 16,912,866.23	<hr/> 16,875,263.29
Less: Accumulated Depreciation	<hr/> (1,112,554.71)	<hr/> (693,709.44)
Net Property and Equipment	<hr/> <u>\$15,800,311.52</u>	<hr/> <u>\$16,181,553.85</u>

See independent auditor's report.

**THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**5. RETIREMENT PLANS**

The Authority contributes to the New Jersey Public Employees Retirement System, ("PERS"), a cost-sharing multiple-employer defined benefit plan, administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The PERS was established in January 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and medical benefits to certain qualifying plan members and beneficiaries. Employees who retire at or after age 60 are entitled to a retirement benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years compensation for each year of membership during years of credible service.

According to state law, all obligations of the PERS will be assumed by the State of New Jersey should the PERS be terminated. The State of New Jersey issues publicly available financial reports, which include the financial statements and required supplementary information of the PERS. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by laws of the State of New Jersey. Employee contribution rates for the years ended December 31, 2012 and 2011 was 6.5% of the eligible employees' base wage, respectively. Employers are required to contribute at an actuarially determined rate.

Annual pension costs for the years ended December 31 2012 and 2011 were \$25,052 and \$20,272, respectively.

**6. UNAMORTIZED COSTS OF ISSUANCE**

Deferred debt issue costs incurred with the sale of the 2009 Parking Revenue bonds was \$64,391.85. These costs were to be amortized over the remaining life of the bonds. In 2010, there were \$32,855.47 debt issue costs with the sale of 2010 Parking Project Note. In 2012, the remaining balance of \$97,247.32 was expensed in full as per GASB No. 65.

**7. LONG-TERM LIABILITIES**

***Bonds Payable***

On October 24, 2008, the Authority issued \$2,565,000 Parking Revenue Bonds to the Hudson County Improvement Authority through the Pooled Loan Program. The Bonds are issued for 17 years and bear interest at a variable interest rate set forth in the resolution of the Hudson County Improvement Authority duly adopted on July 15, 1986. The interest rate is reset by the remarketing agent on a weekly basis. Interest rates for participants during the history of the program have ranged from 2.93% to 6.38%. Interest on the Bonds is payable on the last business day of each month. The interest payment and related fees were \$53,772.94 and \$57,745.52 in 2012 and 2011, respectively.

**THE WEEHAWKEN PARKING AUTHORITY**  
**COUNTY OF HUDSON, STATE OF NEW JERSEY**  
**(A Component Unit of the Township of Weehawken)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

The Authority and the Township of Weehawken entered into a parking guaranty agreement, providing for the payment by the Township to the Authority of amounts necessary to pay principal and interest on the bonds when they become due.

The proceeds of the bonds are deposited into an investment account, consisted of Construction of Fund, Capitalized Interest and Cost of Issuance. The use of the funds has to be in compliance with the specified purposes.

The bonds mature in accordance with amortization schedules to the year 2025. Principal maturities on bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2013	\$ 50,000.00	2021	\$ 75,000.00
2014-2015	55,000.00	2022	80,000.00
2016-2017	60,000.00	2023	85,000.00
2018	65,000.00	2024	90,000.00
2019-2020	70,000.00	2025	1,655,000.00

***Parking Project Note Payable***

On December 20, 2012, the Authority issued a Parking Project Note (the "Note") through Hudson County Improvement Authority in the amount of \$15,500,000. The Note is guaranteed by the Township of Weehawken. It was used for the acquisition of the land and building located at 80 Hauxhurst Avenue from the Township of Weehawken. The note was matured on December 20, 2012 and renewed for another year with maturity date of December 20, 2013. It bears interest rate of 1.1257% per annum. The note was originally issued with a premium in the amount of \$21,095.14. The premium is to be amortized over the life of the building purchased, until the permanent debt is issued and the life of amortization will be adjusted to the life of the permanent debt. The balance of unamortized premium of \$19,688.80 was expensed during 2012 as per GASB No. 65.

The Authority's Debt obligations as of December 31, 2012 consisted of the following:

	<u>Interest Rate</u>	<u>2012</u>
Parking Project Note Payable	1.1257%	\$ 15,500,000.00
Parking Revenue Bonds Payable (Township Guaranteed, Series 2008)	variable	2,470,000.00
Compensated Absences	n/a	31,292.70
		<hr/>
Total		<u><u>\$ 18,001,292.70</u></u>

See independent auditor's report.

**THE WEEHAWKEN PARKING AUTHORITY**  
**COUNTY OF HUDSON, STATE OF NEW JERSEY**  
**(A Component Unit of the Township of Weehawken)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**8. NET POSITION**

Net position represents the difference between the Authority's assets and liabilities. Net position is categorized into three components:

Invested in capital asset, net of related debt - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, notes or other borrowings.

Restricted - Net position is reported as restricted when constraints are placed on the use of the net position by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Unrestricted - Net position that does not meet the definition of invested in capital assets, net of related debt or restricted.

	2012	2011
<b>Invested in Capital Asset, net of related debt</b>		
Net Property and Equipment	\$ 15,800,311.52	\$ 16,181,553.85
Debt Issuance Costs (Net of Amortization)	-	83,062.41
Parking Revenue Bonds Payable	(2,470,000.00)	(2,520,000.00)
Parking Project Note Payable	(15,500,000.00)	(15,750,000.00)
	<u>(2,169,688.48)</u>	<u>(2,005,383.74)</u>
 Restricted for Capital Projects and Debt Service	 564,591.72	 808,086.46
Unrestricted	<u>(2,215,531.96)</u>	<u>(1,497,828.22)</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ (3,820,628.72)</u></u>	<u><u>\$ (2,695,125.50)</u></u>

**9. LEASES**

The Authority rented its office located at 4528 Park Avenue in Weehawken, NJ from the Weehawken Senior Housing Rehabilitation Corporation. The lease payment is \$650.00 per month, for a term of one year and renewable on a yearly basis. The total rent for the year ended December 31, 2012 and 2011 was \$7,800 each year.

On June 24, 2010, the Authority entered into a lease agreement amendment as a landlord by assignment with the Union City Board of Education for the leasing of a property located at 80 Hauxhurst Avenue, also known as Woodrow Wilson School. This lease amendment added an additional two year term to the existing lease agreement from July 1, 2010 to June 30, 2012. The lease payment is made from the Union City Board of Education to the Township.

**THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**10. INSURANCE**

The Authority carries various forms of insurance through the Township. The insurance policies include but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

**11. COMPENSATED ABSENCES**

The Authority has permitted employees to accrue unused vacation and sick pay which may be taken as time off or paid at a later date at an agreed upon rate. At December 31, 2012 and 2011, the accrued unused vacation and sick time off amounted to \$31,292.70 and \$30,287.74, respectively.

**12. CONTINGENCIES**

**Litigation**

The Authority is involved in certain legal proceedings from time to time, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

**Other Claims and Judgments**

Authority's management has expressed that no claims or judgments exist at November 1, 2013.

**13. RISK MANAGEMENT**

The Authority is exposed to various property and casualty risks including property damage caused to any of the Authority's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment or apparatus; liability from the Authority's negligence, including that of its officers, employees and servants and workers' compensation obligations. The Authority holds commercial insurance policies which insure against the risk of loss for all of the above mentioned claims.

**14. SUBSEQUENT EVENTS**

**Change in Accounting**

CY 2011:	The Authority did not generate enough revenues to support the Authority's debt service payable.
CY 2012:	The Township, guarantor of the Authority's debt service, raised \$433,240 in their fiscal year municipal budget under "Local Subsidies and Donations".
CY 2013:	The Authority's quarterly parking fee revenue will be sufficient to pay the debt service.

See independent auditor's report.

**SUPPLEMENTARY INFORMATION**

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN CASH AND INVESTMENTS  
RESTRICTED ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Schedule 1					
	Capitalized Interest	2008 Construction Fund	2008 Bond Service Fund	2010 Project Fund	2010 Debt Service Fund	2010 Cost of Issuance
						Total
Cash and investments January 1, 2012	\$ 5,303.90	\$ 688,947.27	\$ -	\$ 81,922.20	\$ -	\$ 31,913.09
Cash receipts:						\$ 808,086.46
Interest income	0.26	129.29		2.34	1.47	1.71
Note proceeds						135.07
Transfer	3,593.54		16,402.97		31,914.97	0.29
						51,911.77
Total cash receipts	3,593.80	129.29	16,402.97	2.34	31,916.44	2.00
	8,897.70	689,076.56	16,402.97	81,924.54	31,916.44	31,915.09
						52,046.84
						860,133.30
Cash disbursements:						
Interest and fees	8,897.70	28,472.15	16,402.97			0.12
Bond counsel fee		11,423.12				53,772.94
Debt service		50,000.00		81,924.25		11,423.12
Transfers		19,996.51		0.29		131,924.25
Acquisition of property		46,509.50				51,911.77
Construction costs						46,509.50
Total cash disbursements	8,897.70	156,401.28	16,402.97	81,924.54	-	31,915.09
						295,541.58
Cash and investments December 31, 2012	\$ -	\$ 532,675.28	\$ -	\$ -	\$ 31,916.44	\$ -
						\$ 564,591.72
Balance Comprised of:						
Investments	\$ -	\$ 532,675.28	\$ -	\$ -	\$ 31,916.44	\$ -
	\$ -	\$ 532,675.28	\$ -	\$ -	\$ 31,916.44	\$ -
						\$ 564,591.72

See independent auditor's report and notes to financial statements.



THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH AND INVESTMENTS  
UNRESTRICTED ACCOUNTS

	Schedule 2	
Cash and Investments January 1, 2012	\$	5,751.89
Cash receipts:		
Parking fees & permits	\$	76,462.00
Interest		11.45
Other income		16.00
		<u>76,489.45</u>
Cash disbursements:		
Appropriations		55,086.02
		<u>                    </u>
Cash and investments December 31, 2012	\$	<u>27,155.32</u>
Balance Comprised of:		
Cash	\$	<u>27,155.32</u>

SCHEDULE OF ACCOUNTS RECEIVABLE  
PARKING FEES

	Schedule 3	
Balance January 1, 2012	\$	7,810.00
Increased by:		
Parking fees		15,380.00
		<u>23,190.00</u>
Decreased by:		
Cash Receipts		7,810.00
		<u>                    </u>
Balance December 31, 2012	\$	<u>15,380.00</u>

See independent auditor's report and notes to financial statements.

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE OF ACCOUNTS PAYABLE - TOWNSHIP OF WEEHAWKEN

		Schedule 4
Balance January 1, 2012		\$ 1,174,024.96
Increased by:		
Salaries and wages	\$ 483,271.48	
Social security expenses	36,970.27	
Unemployment expenses	6,040.89	
Pension	25,051.79	
Health insurance	167,469.35	
Note paydown	250,000.00	
Note interest payment	293,977.73	
Accrued interest on notes	287,388.61	
Other expenses	16,444.74	
	<hr/>	1,566,614.86
		<hr/> 2,740,639.82
Decreased by:		
Payment - other expenses	5,259.40	
Local subsidies & donations	433,240.00	
Transfer to Township	81,924.25	
	<hr/>	520,423.65
		<hr/>
Balance December 31, 2012		\$ 2,220,216.17

SCHEDULE OF ACCOUNTS PAYABLE - WEEHAWKEN HOUSING AUTHORITY

		Schedule 4A
Balance January 1, 2012		\$ -
Increased by:		
Rent expense		<hr/> 1,300.00
		<hr/>
Balance December 31, 2012		\$ 1,300.00

See independent auditor's report and notes to financial statements.

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 5

Purpose	Date of Issue	Amount of Original Issue	Maturities		Interest Rate	Balance January 1, 2012	New Issuance	Paid 2012	Balance December 31, 2012
			Date	Amount					
Parking Revenue Bonds (Township Guaranteed, Series 2008)	10/24/2008	\$ 2,565,000.00		\$	Variable	\$ 2,520,000	\$ -	\$ 50,000	\$ 2,470,000
			2013	50,000.00					
			2014	55,000.00					
			2015	55,000.00					
			2016	60,000.00					
			2017	60,000.00					
			2018	65,000.00					
			2019	70,000.00					
			2020	70,000.00					
			2021	75,000.00					
			2022	80,000.00					
			2023	85,000.00					
			2024	90,000.00					
		2025	1,655,000.00						
						\$ 2,520,000	\$ -	\$ 50,000	\$ 2,470,000
									50,000

SCHEDULE OF PARKING PROJECT NOTE PAYABLE

Schedule 5A									
Purpose	Date of Issue of Original Note	Amount of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance January 1, 2012	New Issuance	Paid 2012	Balance December 31, 2012
Parking Project Note	01/20/10	\$ 15,750,000.00	12/20/12	12/20/13	1.1257%	\$ 15,750,000	\$ 15,500,000	\$ 15,750,000	\$ 15,500,000
						\$ 15,750,000	\$ 15,500,000	\$ 15,750,000	\$ 15,500,000

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THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 6

	Adopted Budget 2012	Actual Revenues	Variance Favorable / (Unfavorable)
REVENUES:			
OPERATING			
Parking fees	\$ 69,000	\$ 84,032.00	\$ 15,032.00
Other revenues	-	16.00	16.00
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	69,000	84,048.00	15,048.00
	<hr/>	<hr/>	<hr/>
NON-OPERATING			
Local subsidies & donations	433,240	433,240.00	-
Interest on investments	50	146.52	96.52
Other non-operating revenues	850,000	-	(850,000.00)
	<hr/>	<hr/>	<hr/>
TOTAL NON-OPERATING REVENUES	1,283,290	433,386.52	(849,903.48)
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	<u>\$ 1,352,290</u>	<u>\$ 517,434.52</u>	<u>\$ (834,855.48)</u>

See independent auditor's report and notes to financial statements.

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
SCHEDULE OF EXPENSES COMPARED TO BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule 7

	Adopted Budget <u>2012</u>	Actual <u>Expenditures</u>	Variance Favorable / (Unfavorable)
EXPENSES:			
ADMINISTRATION			
Salaries and wages	\$ 217,300	\$ 135,076.49	\$ 82,223.51
Fringe benefits	61,250	79,282.58	(18,032.58)
Other expenses	69,100	65,340.36	3,759.64
	<hr/>	<hr/>	<hr/>
			-
TOTAL ADMINISTRATION	<hr/> 347,650	<hr/> 279,699.43	<hr/> 67,950.57
COST OF PROVIDING SERVICES			
Salaries and wages	334,550	348,194.99	(13,644.99)
Fringe benefits	151,000	156,249.73	(5,249.73)
Other expenses	23,090	22,560.68	529.32
	<hr/>	<hr/>	<hr/>
TOTAL COST OF PROVIDING SERVICES	<hr/> 508,640	<hr/> 527,005.40	<hr/> (18,365.40)
PRINCIPAL PAYMENTS ON DEBT SERVICE	<hr/> 50,000	<hr/> 50,000.00	<hr/> -
NON-OPERATING APPROPRIATIONS			
Interest on debt	<hr/> 446,000	<hr/> 353,009.08	<hr/> 92,990.92
TOTAL APPROPRIATIONS	<hr/> <u>\$ 1,352,290</u>	<hr/> <u>\$ 1,209,713.91</u>	<hr/> <u>\$ 142,576.09</u>
OTHER EXPENSES:			
Depreciation expense		418,845.27	
Compensated absences		1,004.96	
		<hr/>	
TOTAL EXPENSES		<hr/> <u>\$ 1,629,564.14</u>	
Reconciliation to GAAP:			
Principal payments on debt service		<hr/> (50,000.00)	
TOTAL EXPENSES		<hr/> <u>\$ 1,579,564.14</u>	

See independent auditor's report and notes to financial statements.

THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULES OF ADMINISTRATION EXPENSES (BUDGETARY BASIS)  
Schedule 8

Salaries and wages	\$ 135,076.49
Other expenses:	
Employer's social security	10,333.35
Unemployment expense	1,688.46
Pension	8,729.09
Health Insurance	58,531.68
Office expense	65,340.36
	<u>\$ 279,699.43</u>

SCHEDULES OF COST OF PROVIDING SERVICES (BUDGETARY BASIS)  
Schedule 9

Salaries and Wages:	\$ 348,194.99
Other expenses:	
Employer's social security	26,636.92
Unemployment expense	4,352.44
Pension	17,111.37
Health Insurance	108,149.00
Office expense	22,560.68
	<u>\$ 527,005.40</u>

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**THE WEEHAWKEN PARKING AUTHORITY  
COUNTY OF HUDSON, STATE OF NEW JERSEY  
(A Component Unit of the Township of Weehawken)  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2012**

**STATUS OF PRIOR YEAR COMMENTS:**

Recommendation:

All monies collected must be deposited within 48 hours of receipt. Cash handling procedures should provide for adequate security and separation of responsibilities.

Status:

Partial corrective action has been taken. The Authority implemented the use of carbon copy pre-numbered receipt books and a locked cash drawer.

**CURRENT YEAR COMMENTS AND RECOMMENDATIONS:**

Comment 12-01:

Cash deposits were not made within 48 hours as required by N.J.S.A: 5-15.

Recommendation:

All monies collected must be deposited within 48 hours of receipt.

Authority's Proposed Corrective Action Plan:

Deposits will be made within 48 hours of receipt.

Appreciation

We desire to express our appreciation of the assistance and courtesies rendered by the Authority Officials and employees during the course of our audit.

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The problems and weaknesses, if any, 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.