

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

COMPREHENSIVE ANNUAL AUDIT REPORT

DECEMBER 31, 2013 AND 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, 2013 AND 2012

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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, 2013 AND 2012

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INTRODUCTORY SECTION



Weehawken Parking Authority

4528 Park Avenue

Weehawken, New Jersey 07086

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

July 9, 2014

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, 2013 and 2012.

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, 2013, the Authority's outstanding debt includes \$2,420,000 of parking revenue bonds and \$15,250,000 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.

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, including, but not limited to, general liability, automotive, hazard and theft. The policy is issued from Statewide Insurance Fund.

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, 2013 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, 2013 and 2012, 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, 2013

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, 2013 and 2012, 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, 2013 and 2012 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 26 through 32 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.

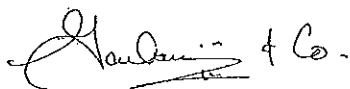
The introductory section and financial section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2014, 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

July 9, 2014
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, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated July 9, 2014.

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.

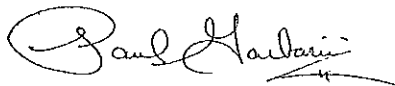
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

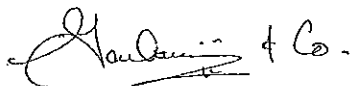
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 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, which are described in the accompanying schedule of findings and recommendations as item 2014-01.

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

July 9, 2014
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, 2013**

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, 2013. 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.

FINANCIAL HIGHLIGHTS

The following data highlights the Authority's finances for the years ended December 31, 2013 as compared to December 31, 2012.

• Total net position increased:	\$	730,763.09
• Cash and investments (decreased):	\$	(72,324.78)
• Net property & Equipment (decreased):	\$	(423,232.28)
• Operating revenues increased:	\$	33,595.10
• Operating expenses increased:	\$	171,083.06
• Operating loss (increased):	\$	(137,487.96)
• Total non-operating revenue increased:	\$	1,993,754.27

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, 2013

FINANCIAL ANALYSIS OF THE AUTHORITY

The following table summarizes the changes in assets, liabilities and net position for the year ended December 31, 2013 with comparative data of 2012 and 2011:

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Unrestricted Assets	\$ 44,683.84	\$ 27,155.32	\$ 5,751.89
Restricted Assets	474,738.42	564,591.72	808,086.46
Net Property, Plant & Equipment	15,377,079.24	15,800,311.52	16,181,553.85
Other Assets	20,930.00	15,380.00	90,872.41
 Total Assets	 <u>\$ 15,917,431.50</u>	 <u>\$ 16,407,438.56</u>	 <u>\$ 17,086,264.61</u>
 Current Liabilities	 \$ 16,594,581.19	 \$ 17,776,774.58	 \$ 17,281,102.37
Long-Term Liabilities	2,412,715.94	2,451,292.70	2,500,287.74
 Total Liabilities	 <u>\$ 19,007,297.13</u>	 <u>\$ 20,228,067.28</u>	 <u>\$ 19,781,390.11</u>
 Net Position:			
Invested in Capital Assets, Net of Related Debt	\$ (2,292,920.76)	\$ (2,169,688.48)	\$ (2,005,383.74)
Restricted	474,738.42	564,591.72	808,086.46
Unrestricted	(1,271,683.29)	(2,215,531.96)	(1,497,828.22)
 Total Net Position	 <u>\$ (3,089,865.63)</u>	 <u>\$ (3,820,628.72)</u>	 <u>\$ (2,695,125.50)</u>

The Authority's unrestricted assets increased in 2013 due to revenue collected. Restricted assets decreased because of payment of principal and interest on debt. Net property & equipment decreased due to depreciation. Increase in parking tax and increase in rental property were the main reasons of the increase 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, 2013

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, 2013 with comparative data of 2012 and 2011:

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Operating revenue			
Parking fees	\$ 117,465.00	\$ 84,032.00	\$ 52,825.00
Other income	178.10	16.00	18.00
Total operating revenue	<u>117,643.10</u>	<u>84,048.00</u>	<u>52,843.00</u>
Operating expenses			
Administration	378,587.64	279,519.43	264,170.26
Cost of providing services	584,394.95	527,185.39	474,823.24
Depreciation expense	423,232.28	418,845.27	414,888.26
Compensated Absences	11,423.24	1,004.96	1,203.28
Total operating expenses	<u>1,397,638.11</u>	<u>1,226,555.05</u>	<u>1,155,085.04</u>
Operating (loss)	(1,279,995.01)	(1,142,507.05)	(1,102,242.04)
Non-operating revenue			
Interest income	150.48	146.52	222.02
Parking tax	186,639.00	-	294,261.64
Local subsidies and donations	78,539.38	433,240.00	-
Rental of property	1,925,828.50	-	-
Total non-operating revenue	<u>2,191,157.36</u>	<u>433,386.52</u>	<u>294,483.66</u>
Non-operating expenses			
Amortization expense	-	-	4,882.94
Debt issuance expense	-	63,373.61	-
Interest expense	180,399.26	353,009.08	346,989.75
Total non-operating expenses	<u>180,399.26</u>	<u>416,382.69</u>	<u>351,872.69</u>
Change in net position			
Unrestricted/restricted	<u>\$ 730,763.09</u>	<u>\$ (1,125,503.22)</u>	<u>\$ (1,159,631.07)</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, 2013**

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, 2013 and 2012:

	<u>2013</u>	<u>2012</u>	<u>Increase</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	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>16,912,866.23</u>	<u>-</u>
Less:			
Accumulated Depreciation	<u>(1,535,786.99)</u>	<u>(1,112,554.71)</u>	<u>423,232.28</u>
Net Property, Plant & Equipment	<u>\$ 15,377,079.24</u>	<u>\$ 15,800,311.52</u>	<u>\$ 423,232.28</u>

Capital Debt - At December 31, 2013 and 2012, the Authority had \$2,420,000 and \$2,470,000 of bond principal outstanding, respectively. On December 10, 2013 the Authority issued \$15,250,000 parking project note through the Hudson County Improvement Authority. The note bears interest rate of 1.25% per annum and matures on December 10, 2014.

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, 2013 AND 2012

EXHIBIT A

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 44,683.84	\$ 27,155.32
Investments - temporarily restricted	474,738.42	564,591.72
Accounts receivable - no allowance for doubtful accounts considered necessary	20,930.00	15,380.00
	<u>540,352.26</u>	<u>607,127.04</u>
PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$1,535,786.99 at 12/31/2013 and \$1,112,554.71 at 12/31/2012)	<u>15,377,079.24</u>	<u>15,800,311.52</u>
TOTAL ASSETS	<u><u>\$ 15,917,431.50</u></u>	<u><u>\$ 16,407,438.56</u></u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable - Township of Weehawken	\$ 1,288,836.33	\$ 2,220,216.17
Accounts payable - Weehawken Housing Authority	-	1,300.00
Notes payable	15,250,000.00	15,500,000.00
Premium on notes payable	-	-
Accrued interest on notes payable	5,744.86	5,258.41
Bonds payable	50,000.00	50,000.00
Total Current Liabilities	<u>16,594,581.19</u>	<u>17,776,774.58</u>
LONG-TERM LIABILITIES		
Bonds payable	2,370,000.00	2,420,000.00
Compensated absences	42,715.94	31,292.70
Total Long-Term Liabilities	<u>2,412,715.94</u>	<u>2,451,292.70</u>
TOTAL LIABILITIES	<u>19,007,297.13</u>	<u>20,228,067.28</u>
NET POSITION		
Invested in capital assets, net of related debt	(2,292,920.76)	(2,169,688.48)
Restricted for capital projects and debt services	474,738.42	564,591.72
Unrestricted	(1,271,683.29)	(2,215,531.96)
Total Net Position	<u>(3,089,865.63)</u>	<u>(3,820,628.72)</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 15,917,431.50</u></u>	<u><u>\$ 16,407,438.56</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 REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

EXHIBIT B

	<u>2013</u>	<u>2012</u>
Operating revenues		
Parking fees & permits	\$ 117,465.00	\$ 84,032.00
Other income	178.10	16.00
	<hr/>	<hr/>
Total operating revenues	<u>117,643.10</u>	<u>84,048.00</u>
Operating expenses		
Administration	378,587.64	279,699.43
Costs of providing services	584,394.95	527,005.39
Depreciation expense	423,232.28	418,845.27
Compensated Absences	11,423.24	1,004.96
	<hr/>	<hr/>
Total operating expenses	<u>1,397,638.11</u>	<u>1,226,555.05</u>
Operating (loss)	<u>(1,279,995.01)</u>	<u>(1,142,507.05)</u>
Non - operating revenue / (expense) transfers		
Interest income	150.48	146.52
Parking tax reimbursement	186,639.00	-
Local subsidies & donations	78,539.38	433,240.00
Rental of Wilson School property	1,925,828.50	-
Debt issuance costs	-	(63,373.61)
Interest expense	(180,399.26)	(353,009.08)
	<hr/>	<hr/>
Total non-operating revenue / (expense)	<u>2,010,758.10</u>	<u>17,003.83</u>
Change in net position	730,763.09	(1,125,503.22)
Net position, beginning of year	<u>(3,820,628.72)</u>	<u>(2,695,125.50)</u>
Net position, end of year	<u><u>\$ (3,089,865.63)</u></u>	<u><u>\$ (3,820,628.72)</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, 2013 AND 2012

EXHIBIT C

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from parking fees & permits	\$ 111,915.00	\$ 76,462.00
Misc. income	178.10	16.00
Cash payments for goods and services	(111,179.38)	(75,415.70)
	<hr/>	<hr/>
Net cash provided / (used) by operating activities	913.72	1,062.30
Cash flows from investing activities:		
Purchase of land and equipment	-	(37,602.94)
	<hr/>	<hr/>
Net cash flows provided / (used) by investing activities	-	(37,602.94)
Cash flows from financing activities:		
Payment on bonds	(50,000.00)	(50,000.00)
Interest paid on bonds/notes	(23,388.98)	(135,697.19)
Interest income	150.48	146.52
	<hr/>	<hr/>
Net cash flows provided / (used) by financing activities	(73,238.50)	(185,550.67)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	(72,324.78)	(222,091.31)
Cash and cash equivalents at beginning of year	591,747.04	813,838.35
	<hr/>	<hr/>
Cash and cash equivalents at end of year	519,422.26	591,747.04
Less: restricted cash	(474,738.42)	(564,591.72)
	<hr/>	<hr/>
Cash and cash equivalents at end of year - Unrestricted	\$ 44,683.84	\$ 27,155.32
	<hr/>	<hr/>
Reconciliation of operating income (loss) to net cash provided		
(used) by operating activities:		
Operating income (loss)	\$ (1,279,995.01)	\$ (1,142,507.05)
Adjustments to reconcile operating (loss) to net cash		
provided (used) by operating activities:		
Depreciation	423,232.28	418,845.27
(Increase)/decrease in accounts receivable, net	(5,550.00)	(7,570.00)
Increase/(decrease) in accounts payable,		
not including non-operating or debt service	851,803.21	731,289.12
Increase/(decrease) in compensated absences	11,423.24	1,004.96
Total adjustments	1,280,908.73	1,143,569.35
	<hr/>	<hr/>
Net cash provided by (used for) operating activities	\$ 913.72	\$ 1,062.30
	<hr/>	<hr/>

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, 2013 AND 2012**

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. The Township authorized a budget appropriation "Local Subsidies and Donations" for the years 2013 and 2012, which is a revenue recognized by the Authority.

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, 2013 AND 2012**

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, 2013 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 expensed as incurred as per GASB 65. Bond discounts are reported as deferred inflow/outflow of resources.

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, 2013 AND 2012

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, 2013 and 2012, none of the Authority's bank balances of \$524,128.53 and \$586,154.04 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, 2013 AND 2012

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, 2013 and 2012 are:

	2013	2012
Unrestricted cash	\$ 44,683.84	\$ 27,155.32
Temporarily restricted investments	474,738.42	564,591.72
Total cash and investments	<u>\$ 519,422.26</u>	<u>\$ 591,747.04</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, 2013 AND 2012

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>2013</u>	<u>2012</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	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/> 16,912,866.23
Less: Accumulated Depreciation	<hr/> (1,535,786.99)	<hr/> (1,112,554.71)
Net Property and Equipment	<hr/> \$ 15,377,079.24	<hr/> \$ 15,800,311.52

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, 2013 AND 2012

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, 2013 and 2012 was 6.78% and 6.64%, respectively, 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, 2013 and 2012 were \$31,146 and \$25,052, 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 \$23,388.98 and \$53,772.94 in 2013 and 2012, respectively.

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, 2013 AND 2012

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>
2014	\$ 55,000.00	2021	\$ 75,000.00
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 10, 2013, the Authority issued a Parking Project Note (the "Note") through Hudson County Improvement Authority in the amount of \$15,250,000. 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 10, 2013 and renewed for another year with maturity date of December 10, 2014. It bears interest rate of 1.25% per annum.

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

	<u>Interest Rate</u>	<u>2013</u>	<u>2012</u>
Parking Project Note Payable	1.25% / 1.1257%	\$ 15,250,000.00	\$ 15,500,000.00
Parking Revenue Bonds Payable	variable	2,420,000.00	2,470,000.00
(Township Guaranteed, Series 2008)			
Compensated Absences	n/a	42,715.94	31,292.70
<hr/>			
Total		<u>\$ 17,712,715.94</u>	<u>\$ 18,001,292.70</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, 2013 AND 2012

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.

	<u>2013</u>	<u>2012</u>
Invested in Capital Asset, net of related debt		
Net Property and Equipment	\$ 15,377,079.24	\$ 15,800,311.52
Debt Issuance Costs (Net of Amortization)		-
Parking Revenue Bonds Payable	(2,420,000.00)	(2,470,000.00)
Parking Project Note Payable	(15,250,000.00)	(15,500,000.00)
	<u>(2,292,920.76)</u>	<u>(2,169,688.48)</u>
Restricted for Capital Projects and Debt Service	474,738.42	564,591.72
Unrestricted	<u>(1,271,683.29)</u>	<u>(2,215,531.96)</u>
TOTAL NET POSITION	<u><u>\$ (3,089,865.63)</u></u>	<u><u>\$ (3,820,628.72)</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, 2013 and 2012 was \$7,800 each year.

In June of 2013, 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 extended the lease until June 30, 2016. The lease payment is made from the Union City Board of Education to the Township.

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.

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, 2013 AND 2012**

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, 2013 and 2012, the accrued unused vacation and sick time off amounted to \$42,715.94 and \$31,292.70, 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 July 9, 2014.

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. CHANGE IN REVENUE RECOGNITION

In 2013 and 2012 the Authority recognized revenue which was financed through the Township's budget appropriation "Local Subsidies and Donations" in the amount of \$78,539 and \$433,240, respectively.

CY 2013: The Township, guarantor of the Authority's debt service, raised \$78,539 in their fiscal year municipal budget under "Local Subsidies and Donations".

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 2011: The Authority did not generate enough revenues to support the Authority's debt service payable.

15. SUBSEQUENT EVENTS

Management has reviewed subsequent events through July 9, 2014, which is the date the financial statements are available to be issued.

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
DECEMBER 31, 2013

			Schedule 1
	2008 <i>Construction Fund</i>	2010 <i>Debt Service Fund</i>	<i>Total</i>
Cash and investments January 1, 2013	\$ 532,675.28	\$ 31,916.44	\$ 564,591.72
Cash receipts:			
Interest income	103.38	3.18	106.56
Short Term Gains	42.92		42.92
Note proceeds			-
Transfer			-
Total cash receipts	146.30	3.18	149.48
	532,821.58	31,919.62	564,741.20
Cash disbursements:			
Interest and fees	23,388.98		23,388.98
Bond counsel fee	15,716.31		15,716.31
Debt service	50,000.00		50,000.00
Transfers			-
Construction costs	897.49		897.49
Total cash disbursements	90,002.78	-	90,002.78
Cash and investments December 31, 2013	\$ 442,818.80	\$ 31,919.62	\$ 474,738.42
Balance Comprised of:			
Investments	\$ 442,818.80	\$ 31,919.62	\$ 474,738.42
	\$ 442,818.80	\$ 31,919.62	\$ 474,738.42

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)
DECEMBER 31, 2013

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

		Schedule 2
Cash and Investments January 1, 2013	\$	27,155.32
Cash receipts:		
Parking fees & permits	\$ 111,915.00	
Interest	1.00	
Other income	<u>178.10</u>	
		112,094.10
Cash disbursements:		
Appropriations		94,565.58
		<u> </u>
Cash and investments December 31, 2013	\$	<u><u>44,683.84</u></u>
Balance Comprised of:		
Cash	\$	<u><u>44,683.84</u></u>

SCHEDULE OF ACCOUNTS RECEIVABLE
PARKING FEES

		Schedule 3
Balance January 1, 2013	\$	15,380.00
Increased by:		
Parking fees		<u>20,930.00</u>
		36,310.00
Decreased by:		
Cash Receipts		<u>15,380.00</u>
Balance December 31, 2013	\$	<u><u>20,930.00</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)
DECEMBER 31, 2013

SCHEDULE OF ACCOUNTS PAYABLE - TOWNSHIP OF WEEHAWKEN

		Schedule 4
Balance January 1, 2013		\$ 2,220,216.17
Increased by:		
Salaries and wages	\$ 535,622.04	
Social security expenses	40,975.09	
Unemployment expenses	6,695.28	
Pension	31,146.23	
Health insurance	190,668.60	
Note paydown	250,000.00	
Note interest payment	151,265.42	
Accrued interest on notes	5,258.41	
Other expenses	47,995.97	
	<u>1,259,627.04</u>	
		<u>3,479,843.21</u>
Decreased by:		
Wilson School Fees	1,925,828.50	
Parking Tax	186,639.00	
Local subsidies & donations	78,539.38	
	<u>2,191,006.88</u>	
Balance December 31, 2013		<u>\$ 1,288,836.33</u>

SCHEDULE OF ACCOUNTS PAYABLE - WEEHAWKEN HOUSING AUTHORITY

		Schedule 4A
Balance January 1, 2013		\$ 1,300.00
Increased by:		
Rent expense		<u>7,800.00</u>
		<u>9,100.00</u>
Decreased by:		
Cash disbursements		<u>9,100.00</u>
Balance December 31, 2013		<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)
SCHEDULE OF SERIAL BONDS PAYABLE
DECEMBER 31, 2013

Purpose	Date of Issue	Amount of Original Issue	Maturities		Interest Rate	Balance January 1, 2013	New Issuance	Paid 2013	Balance December 31, 2013	Schedule 5
			Date	Amount						
Parking Revenue Bonds (Township Guaranteed, Series 2008)	10/24/2008	\$ 2,565,000.00	2014	\$ 55,000.00	Variable	\$ 2,470,000	\$ -	\$ 50,000	\$ 2,420,000	
			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						
						\$ 2,470,000	\$ -	\$ 50,000	\$ 2,420,000	
			Less: Current Portion of Long - Term Debt						50,000	
			Long - Term Portion of Bonds Payable				\$2,470,000		\$2,370,000	

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	New	Paid	Balance
						January 1, 2013	Issuance	2013	December 31, 2013
Parking Project Note	01/20/10	\$ 15,750,000.00	12/10/13	12/10/14	1.2500%	\$ 15,500,000	\$ 15,250,000	\$ 15,500,000	\$ 15,250,000
						\$ 15,500,000	\$ 15,250,000	\$ 15,500,000	\$ 15,250,000

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 REVENUES COMPARED TO BUDGET
DECEMBER 31, 2013

Schedule 6

	Adopted Budget <u>2013</u>	Actual <u>Revenues</u>	Variance Favorable / <u>(Unfavorable)</u>
REVENUES:			
OPERATING			
Parking fees	\$ 389,527	\$ 117,465.00	\$ (272,062.00)
Other revenues	-	178.00	178.00
TOTAL OPERATING REVENUES	<u>389,527</u>	<u>117,643.00</u>	<u>(271,884.00)</u>
NON-OPERATING			
Municipal contributions	78,539	78,539.00	-
Parking tax reimbursement	-	186,639.00	
Interest on investments	75	1.00	(74.00)
Other non-operating revenues	950,000	1,925,828.50	975,828.50
TOTAL NON-OPERATING REVENUES	<u>1,028,614</u>	<u>2,191,007.50</u>	<u>975,754.50</u>
TOTAL REVENUES	<u>\$ 1,418,141</u>	<u>\$ 2,308,650.50</u>	<u>\$ 703,870.50</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
DECEMBER 31, 2013

Schedule 7

	Adopted Budget 2013	Actual Expenditures	Variance Favorable / (Unfavorable)
EXPENSES:			
ADMINISTRATION			
Salaries and wages	\$ 274,012	\$ 164,140.50	\$ 109,871.50
Fringe benefits	135,342	85,850.73	49,491.27
Other expenses	70,000	128,596.41	(58,596.41)
	<hr/>	<hr/>	<hr/>
TOTAL ADMINISTRATION	479,354	378,587.64	100,766.36
COST OF PROVIDING SERVICES			
Salaries and wages	260,214	371,481.54	(111,267.54)
Fringe benefits	133,674	183,634.47	(49,960.47)
Other expenses	55,000	29,278.94	25,721.06
	<hr/>	<hr/>	<hr/>
TOTAL COST OF PROVIDING SERVICES	448,888	584,394.95	(135,506.95)
PRINCIPAL PAYMENTS ON DEBT SERVICE	<hr/>	<hr/>	<hr/>
	300,000	300,000.00	-
NON-OPERATING APPROPRIATIONS			
Interest on debt	<hr/>	<hr/>	<hr/>
	189,899	180,399.26	9,499.74
TOTAL APPROPRIATIONS	<hr/>	<hr/>	<hr/>
	\$ 1,418,141	\$ 1,443,381.85	\$ (25,240.85)
OTHER EXPENSES:			
Depreciation expense		423,232.28	
Compensated absences		11,423.24	
		<hr/>	
TOTAL EXPENSES		\$ 1,878,037.37	
Reconciliation to GAAP:			
Principal payments on debt service		<hr/>	
		(300,000.00)	
TOTAL EXPENSES		<hr/>	
		\$ 1,578,037.37	

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)
DECEMBER 31, 2013

SCHEDULES OF ADMINISTRATION EXPENSES (BUDGETARY BASIS)

Schedule 8

Salaries and wages	\$ 164,140.50
Other expenses:	
Employer's social security	12,556.75
Unemployment expense	2,051.76
Pension	9,733.94
Health Insurance	61,508.28
Office expense	128,596.41
	<hr/>
	\$ 378,587.64

SCHEDULES OF COST OF PROVIDING SERVICES (BUDGETARY BASIS)

Schedule 9

Salaries and Wages:	\$ 371,481.54
Other expenses:	
Employer's social security	28,418.34
Unemployment expense	4,643.52
Pension	21,412.29
Health Insurance	129,160.32
Office expense	29,278.94
	<hr/>
	\$ 584,394.95

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)
FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2013

Finding 2014-1:

Reportable noncompliance with the Local Authorities Fiscal Control Law.

Criteria or specific requirement:

- Local Authorities Fiscal Control Law N.J.S.A. 40A:5A-1 et seq.
- N.J.A.C. 5:31

Condition and Context:

The Authority has failed to comply with the following aspects of the Local Authorities Fiscal Control Law:

1. Pursuant to N.J.S.A. 40A:5A-10 and 11, each authority must submit a budget for each fiscal year to the Director of the Division prior to its adoption thereof, and no authority budget shall be finally adopted until the Director of the Division has approved same. Under current regulations (N.J.A.C. 5:31), the Authority is required to submit its introduced budget to the Division, as approved by majority vote of the board of the authority, no later than 60 days prior to the start of the calendar year, November 1, 2012. The 2013 introduced budget of the Authority was not submitted to the Division until November 25, 2013.
2. Pursuant to N.J.S.A. 40A:5A-16, a synopsis of the annual audit shall be prepared and published at least once in a newspaper circulating in the district of the authority, and a copy of the synopsis must be filed with the Division within 10 days after publication. The Authority has not submitted the synopsis of audit to the Division as required for the years ended December 31, 2011 and 2012.
3. Pursuant to N.J.S.A. 40A:5A-17, the members of the governing body of each authority shall, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, specifically those sections entitled "General Comments and Recommendations," and has evidenced same by group affidavit signed by a majority of the full membership of the authority. The Authority has failed to submit the resolution/group affidavit to the Division as required for the years ended December 31, 2011 and 2012.
4. Pursuant to N.J.S.A. 40A:5A-17.1, each authority must maintain an internet website or a webpage on the municipality's or county's website that includes information regarding the authority's operations and activities. The Authority has failed to include the following items:
 - a. Adopted budget for current and two prior calendar years;
 - b. Annual audit for the most recent and immediately two prior fiscal years;
 - c. Minutes of each meeting of the Authority, including all resolutions of the board and its committees, for at least the three most recent calendar years;
 - d. Name, mailing address, e-mail address, and phone number of every person that exercises day-to-day supervision or management over some or all of the Authority's operations; and

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2013**

Finding 2014-1 (Continued):

Condition and Context (Continued):

- e. List of attorneys, advisors, consultants, and any other firm, business, partnership, corporation, or any other organization which received any remuneration of \$17,500 or more during the most recent calendar year for services rendered to the Authority.
5. In accordance with N.J.A.C. 5:31-7.6(i), a corrective action plan, in the form of a resolution, is to be adopted by the members of the governing body with respect to comments and recommendations made in the audit, shall be filed with the Division within 45 days of receipt of the annual audit. The Authority failed to file a corrective action plan with the Division for the years ended December 31, 2011 and 2012.

Cause:

The Executive Director of the Authority did not monitor the compliance with Local Authorities Fiscal Control Law.

Effect:

The Authority is in noncompliance with Local Authorities Fiscal Control Law.

Recommendation:

That the Authority review and monitor its compliance with the Local Authorities Fiscal Control Law, specifically regarding the following:

1. Submission of introduced annual budget to the Division no later than 60 days prior to the start of the calendar year;
2. Submission of the synopsis of the annual audit to the Division within 10 days after publication in local district newspaper;
3. Submission of resolution/group affidavit regarding board certification of the annual audit to the Local Finance Board, within 45 days of receipt of the audit; and
4. Maintenance of internet website which includes information regarding the Authority's operations and activities.
5. Filing of corrective action plan within 45 days of receipt of audit

Management's Proposed Action Plan:

The management of the Authority will review and monitor its compliance with the Local Authorities Fiscal Control Law.

THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
STATUS OF PRIOR YEAR COMMENTS
DECEMBER 31, 2013

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:

Corrective action has been taken.

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.

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.