

Financial Report

of

The Parking Authority of the Township of West Windsor

For the Years Ended December 31, 2011 and 2010

Prepared By

The Parking Authority of the Township of West Windsor

Finance Department

THE PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR

I N D E X

PAGE NUMBER

FINANCIAL SECTION

Independent Auditor's Report	1 - 2
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	3 - 4
Management's Discussion and Analysis (Unaudited)	5 - 10

BASIC FINANCIAL STATEMENTS

EXHIBITS

"A" Statements of Net Assets – December 31, 2011 and 2010	11 - 12
"B" Statements of Revenue, Expenses and Changes in Net Assets - December 31, 2011 and 2010	13
"C" Statements of Cash Flows for the Years Ended December 31, 2011 and 2010	14
"D" Statements of Net Assets – Fiduciary Funds – December 31, 2011 and 2010	15

Notes to Financial Statements – December 31, 2011 and 2010	16 – 30
--	---------

SUPPLEMENTARY INFORMATION

SCHEDULES

"1" Schedule of Revenues and Appropriations Compared to Budget for the Year Ended December 31, 2011 with Comparative Actual Amounts for the Year Ended December 31, 2010	31
"2" Schedule of Revenue Bonds Payable for the Year Ended December 31, 2011	32
Roster of Officials - December 31, 2011	33
General Comments and Recommendations	34

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Parking Authority of the Township of West Windsor
West Windsor, New Jersey

We have audited the accompanying statement of net assets of the Parking Authority of the Township of West Windsor at December 31, 2011 and 2010, and the related statement of revenues, expenses and changes in net assets, cash flows and statement of net assets – fiduciary funds for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parking Authority of the Township of West Windsor at December 31, 2011 and 2010, and the results of its of its operations and its cash flow for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 25, 2012 on our consideration of the Parking Authority of the Township of West Windsor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

SUPLEE, CLOONEY & COMPANY

The Management Discussion and Analysis and the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information included in the accompanying Supplementary Information Section is presented for purposes of additional analysis and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads "Suplee, Clooney & Company". The signature is written in a cursive, flowing style.

April 25, 2012



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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 Board of Commissioners
Parking Authority of the Township of West Windsor
West Windsor, New Jersey

We have audited the financial statements of the Parking Authority of the Township of West Windsor for the year ended December 31, 2011, and have issued our report thereon dated April 25, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Parking Authority of the Township of West Windsor's internal control over financial reporting as a basis for designing our audit procedures 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 Parking Authority of the Township of West Windsor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Parking Authority of the Township of West Windsor's internal control over financial reporting.

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 Parking Authority of the Township of West Windsor's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

SUPLEE, CLOONEY & COMPANY

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Parking Authority of the Township of West Windsor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

This report is intended for the information of the Parking Authority of the Township of West Windsor and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

April 25, 2012

A handwritten signature in black ink, reading "Suplee, Clooney & Company". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The Parking Authority of the Township of West Windsor, (the "Authority") was created for the purpose of acquiring or constructing public parking facilities at the Princeton Junction railroad station.

The Authority has no taxing power. Operating costs are funded from customer fees. The cost of capital assets is funded by customer revenues and issuance of debt.

The Authority consists of five members, who act as the Board of Commissioners. One member is appointed by the municipal governing body each year to staggered five year terms. The members annually select its members to serve as chairperson, vice chairperson, treasurer, secretary and assistant treasurer. The chairperson, or in his or her absence, the vice-chairperson presides over the meetings.

The members are also responsible for annually appointing an attorney, engineer, auditor and recording secretary, along with other special counsels or consultants as deemed appropriate.

The Authority is pleased to present its Annual Financial Report prepared in compliance with Statements of Governmental Accounting Standard No. 34, entitled "Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments", and related standards.

The Authority has prepared and is responsible for the financial statements and related information included in the annual report. A system of internal accounting controls is maintained to provide reasonable assurance that Authority assets are safeguarded and that the books and records reflect only authorized transactions. There are limitations in any system of internal controls. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost benefit relationship.

The system of internal accounting controls is evaluated on an ongoing basis by the Authority's financial staff. Independent external auditors also consider elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements.

In the Authority's opinion, the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America.

The unqualified opinion of our independent auditor is included in this report.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

MANAGEMENTS DISCUSSION AND ANALYSIS

This section of the annual report presents management's analysis of the Authority's financial condition and activities for the year. This information should be read in conjunction with the Authority's financial statements.

Financial Highlights

Total assets were \$4,941,010 and total liabilities were \$1,248,019 resulting in net assets of \$3,692,991 at December 31, 2011. Net assets at December 31, 2011 increased by \$261,037 over December 31, 2010.

The Authority's unrestricted net assets decreased by \$291,744 for the year ended December 31, 2011.

Operating income was \$313,593 for the year ended December 31, 2011. This is a decrease of \$149,090 (32.2%) when compared to the December 31, 2010 operating income of \$462,683. The decrease in operating income resulted in large part, from an increase in operating expenses.

Operating expenses increased \$103,423 from December 31, 2010. The largest increases were in lot maintenance, including snow removal (\$29,431) and office supplies and expenses (\$22,874).

Outstanding debt decreased by \$135,000 during 2011. Total outstanding debt is \$460,000 at December 31, 2011.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplemental information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Authority's capital plan, budget, and other management tools were used for this analysis.

The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a statement of net assets; a statement of revenues, expenses and changes in net assets; a statement of cash flows; notes to the financial statements and a statement of net assets-fiduciary fund.

The statement of net assets presents the financial position of the Authority on a full accrual historical cost basis. The statement presents the Authority's assets and liabilities, with the difference reported as net assets. Net asset increases and decreases over time, is one indicator of improving or deteriorating financial position of the Authority.

The statement of revenues, expenses and changes in net assets presents the results of the business activities over the fiscal year and information as to how net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides information about the Authority's ability to recover its costs through user fees and other charges.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)

Overview of Annual Financial Report (Continued)

The statement of cash flows presents changes in cash and cash equivalents resulting from operating activities, investing, capital and non-capital activities. The statement presents cash receipts and disbursements without consideration of the earnings event. This statement shows what sources provided cash, what cash was used for and what the change in cash balance was for the reporting period.

The notes to the financial statements provide required disclosures and other information essential to a complete understanding of information provided in the financial statements. The notes contain information about the Authority's accounting policies, significant account balances and changes, material risks, obligations, commitments, contingencies and subsequent events.

The statement of net assets – Fiduciary Funds presents the assets and liabilities that the Authority has custodial responsibilities for under a lease agreement with the New Jersey Transit Corporation. Under this agreement the Authority operates and maintains public parking lots and the railroad station at Princeton Junction, New Jersey.

Financial Analysis of the Authority

The following tables and other information are provided as key financial data used by management for monitoring and planning purposes.

Net Assets – Table 1 summarizes the changes in net assets for the years ended December 31, 2011, 2010 and 2009:

Table 1

Condensed Summary of Net Assets

	Years Ended December 31,			
	<u>2011</u>	<u>2010</u>	Increase/ (Decrease)	<u>2009</u>
Assets:				
Current Unrestricted Assets	\$2,981,853	\$3,159,931	\$(178,078)	\$2,858,591
Restricted Assets	706,089	693,026	13,063	677,862
Other Assets	14,444	19,396	(4,952)	24,348
Capital Assets (Net of Depreciation)	<u>1,238,624</u>	<u>829,029</u>	<u>409,595</u>	<u>771,906</u>
Total Assets	<u>\$4,941,010</u>	<u>\$4,701,382</u>	<u>\$239,628</u>	<u>\$4,332,707</u>
Liabilities:				
Current Liabilities	\$ 904,807	\$ 786,611	\$ 118,196	\$ 731,862
Non-Current Liabilities	<u>343,212</u>	<u>482,818</u>	<u>(139,606)</u>	<u>613,423</u>
Total Liabilities	<u>\$1,248,019</u>	<u>\$1,269,429</u>	<u>\$ (21,410)</u>	<u>\$1,345,285</u>
Net Assets:				
Invested in Capital Fixed Assets	\$ 1,282,651	\$ 740,720	\$ 541,931	\$ 554,234
Restricted For:				
Renewal and Replacement	202,085	191,235	10,850	180,385
Unrestricted	<u>2,208,255</u>	<u>2,499,998</u>	<u>(291,743)</u>	<u>2,252,803</u>
Total Net Assets	<u>\$3,692,991</u>	<u>\$3,431,953</u>	<u>\$261,038</u>	<u>\$2,987,422</u>

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Authority (Continued)

As previously noted, net assets may over time serve as a useful measure of an entity's financial position. In the Authority's case, assets exceeded liabilities by \$3,692,990 at December 31, 2011.

A portion of the Authority's net assets (\$1,282,651 or 34.7% at December 31, 2011) is reflected in its investment in capital assets, as shown on Table 1. These assets are used by the Authority to provide public parking facilities and thus are not available for future spending.

Net assets increased by \$261,038 and unrestricted net assets decreased \$291,743 in 2011. The increase in net assets resulted from operating income and the decrease in unrestricted net assets resulted from the increase in capital assets.

Operating Activities

Table 2 summarizes the changes in revenues, expenses and net assets for the fiscal years December 31, 2011, 2010 and 2009.

Table 2

Condensed Summary of Revenues, Expenses and Changes in Net Assets

	Years Ended December 31,			
	<u>2011</u>	<u>2010</u>	<u>Increase /Decrease</u>	<u>2009</u>
<u>Revenues</u>				
Operating Revenues:				
User Charges	\$ 986,060	\$1,031,727	\$(45,667)	\$ 843,447
Other	-	-	-	-
Total Operating Revenues	<u>986,060</u>	<u>1,031,727</u>	<u>(45,667)</u>	<u>843,447</u>
Non-Operating Revenues:				
Interest Income	18,454	30,110	(11,656)	38,186
Total Non-Operating Revenues	<u>18,454</u>	<u>30,110</u>	<u>(11,656)</u>	<u>38,186</u>
Total Revenues	<u>1,004,514</u>	<u>1,061,837</u>	<u>(57,323)</u>	<u>881,633</u>
<u>Expenses</u>				
Operating Expenses:				
Cost of Providing Services	392,522	329,998	62,524	287,228
General and Administrative	194,971	159,398	35,573	213,391
Depreciation	84,974	79,649	5,325	73,916
Total Operating Expenses	<u>672,467</u>	<u>569,045</u>	<u>103,422</u>	<u>574,535</u>
Non-Operating Expenses:				
Interest Expenses	35,485	43,310	(7,825)	50,560
Amortization of Debt Issue Cost	4,952	4,952	-	4,952
Contribution to the Township of West Windsor	30,573	-	30,573	26,750
Total Non-Operating Expenses	<u>71,010</u>	<u>48,262</u>	<u>22,748</u>	<u>82,262</u>
Total Expenses	<u>743,477</u>	<u>617,307</u>	<u>(126,170)</u>	<u>656,797</u>
Change in Net Assets	261,037	444,530	(183,493)	224,836
Total Net Assets, Beginning of Year	<u>3,431,953</u>	<u>2,987,423</u>	<u>444,530</u>	<u>2,762,587</u>
Total Net Assets, End of Year	<u>\$ 3,692,990</u>	<u>\$3,431,953</u>	<u>\$ 261,037</u>	<u>\$2,987,423</u>

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Authority (Continued)

The summary of revenues, expenses, and changes in net assets provides information as to the nature and source of changes in financial position. Table 2 shows that total revenues in 2011 decreased by \$57,323 mainly from the decrease in user charges. Total expenses increased by \$126,170. The largest increases in expenses were in lot maintenance including snow removal, enforcement expenses and office supplies and expenses. These items included \$78,373 (62.1%) of the total increase in expenses in 2011.

Capital Assets

Table 3 summarizes the changes in capital assets at December 31, 2010 and 2009.

Table 3

Capital Assets - Net of Depreciation

	Years ended December 31,		Increase/ (Decrease)	
	<u>2011</u>	<u>2010</u>		<u>2009</u>
Land, Land Rights and Improvements	\$ 330,075	\$ 330,075	\$ -	\$ 330,075
Buildings	24,778	24,778	-	24,778
Parking Lots	1,671,065	1,671,065	-	1,671,065
Vehicle	49,346	49,346	-	49,346
Equipment	133,818	133,818	-	76,077
Construction in Progress	<u>573,600</u>	<u>79,031</u>	<u>494,569</u>	-
	2,782,682	2,288,113	494,569	2,151,341
Less: Accumulated Depreciation	<u>1,544,058</u>	<u>1,459,083</u>	<u>84,975</u>	<u>1,379,435</u>
Total Capital Assets, Net of Depreciation	<u>\$1,238,624</u>	<u>\$ 829,030</u>	<u>\$ 409,594</u>	<u>\$ 771,906</u>

The Authority's investment in capital assets increased by \$494,569 for the year.

Debt Outstanding

The Authority's long-term debt is \$460,000 at December 31, 2011, a decrease of \$135,000 when compared to the \$595,000 outstanding at December 31, 2010. Interest on these bonds is paid semi-annually with interest rates ranging from 5.60% to 6.10%. Principal payments on the outstanding debt are due annually with final maturity on December 1, 2014. Additional information on the Authority's long-term debt can be found in Note 6 in the financial statements.

Next Year's Budget and User Rates

The Authority adopted a \$505,400 operating and maintenance budget for 2012, an increase of \$28,950 (6.1%) when compared to 2011.

The Authority's user rates for parking permits and daily charges were increased by 20% and 25%, respectively, on February 1, 2011 and are expected to remain unchanged in 2012.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any question about this report or need any additional information, contact the Authority in writing at P.O. Box 58, Princeton Junction, New Jersey 08550 or by telephone at 609-799-3130.

BASIC FINANCIAL STATEMENTS

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR
(A Component Unit of the Township of West Windsor)

STATEMENTS OF NET ASSETS
DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
Unrestricted Current Assets:		
Cash and Cash Equivalents	\$ 2,970,018.23	\$ 3,148,558.36
Prepaid Expenses	9,702.00	9,240.00
Rent Security	2,132.33	2,132.33
<u>Total Unrestricted Assets</u>	<u>\$ 2,981,852.56</u>	<u>\$ 3,159,930.69</u>
Restricted Assets:		
Cash and Cash Equivalents	\$ 672,969.51	\$ 669,827.52
Due from Unrestricted Assets	33,119.97	23,198.70
<u>Total Restricted Assets</u>	<u>\$ 706,089.48</u>	<u>\$ 693,026.22</u>
Capital Assets:		
Land	\$ 330,074.61	\$ 330,074.61
Buildings	24,778.20	24,778.20
Vehicles	49,345.50	49,345.50
Equipment	133,818.15	133,818.15
Parking Lots	1,671,064.99	1,671,064.99
Construction in Progress	573,600.54	79,031.16
	<u>\$ 2,782,681.99</u>	<u>\$ 2,288,112.61</u>
Less: Accumulated Depreciation	<u>\$ 1,544,057.74</u>	<u>\$ 1,459,083.36</u>
<u>Capital Assets, Net</u>	<u>\$ 1,238,624.25</u>	<u>\$ 829,029.25</u>
Other Assets:		
Unamortized Debt Issue Costs	<u>\$ 14,443.72</u>	<u>\$ 19,395.82</u>
<u>Total Other Assets</u>	<u>\$ 14,443.72</u>	<u>\$ 19,395.82</u>
<u>TOTAL ASSETS</u>	<u><u>\$ 4,941,010.01</u></u>	<u><u>\$ 4,701,381.98</u></u>

The accompanying notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR
(A Component Unit of the Township of West Windsor)

STATEMENTS OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	2011	2010
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 138,100.95	\$ 71,774.21
Prepaid Parking Fees	207,400.00	181,825.00
Due to Fiduciary Fund	378,848.01	371,799.99
Due to Restricted Assets	<u>33,119.97</u>	<u>23,198.70</u>
<u>Total Current Liabilities Payable from Unrestricted Assets</u>	<u>\$ 757,468.93</u>	<u>\$ 648,597.90</u>
Current Liabilities Payable from Restricted Assets:		
Revenue Bonds Payable - Current Portion	\$ 145,000.00	\$ 135,000.00
Accrued Interest Payable on Revenue Bonds	<u>2,338.33</u>	<u>3,013.33</u>
<u>Total Current Liabilities Payable from Restricted Assets</u>	<u>\$ 147,338.33</u>	<u>\$ 138,013.33</u>
<u>Total Current Liabilities</u>	<u>\$ 904,807.26</u>	<u>\$ 786,611.23</u>
Long-Term Liabilities:		
Compensated Absences Payable	\$ 28,212.42	\$ 22,817.51
Long-Term Debt, Net of Current Maturities	<u>315,000.00</u>	<u>460,000.00</u>
<u>Total Long-Term Liabilities</u>	<u>\$ 343,212.42</u>	<u>\$ 482,817.51</u>
<u>Total Liabilities</u>	<u>\$ 1,248,019.68</u>	<u>\$ 1,269,428.74</u>
Net Assets:		
Invested in Capital Assets, Net of Related Liabilities	\$ 1,282,650.79	\$ 740,719.63
Restricted for Renewal and Replacement	202,085.00	191,235.00
Unrestricted	<u>2,208,254.54</u>	<u>2,499,998.61</u>
<u>Total Net Assets</u>	<u>\$ 3,692,990.33</u>	<u>\$ 3,431,953.24</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 4,941,010.01</u>	<u>\$ 4,701,381.98</u>

The accompanying notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR
(A Component Unit of the Township of West Windsor)

STATEMENTS OF REVENUE, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
User Charges (Net of Sales Tax)	\$ 986,059.98	\$ 1,031,727.28
<u>Total Operating Revenues:</u>	<u>\$ 986,059.98</u>	<u>\$ 1,031,727.28</u>
Operating Expenses:		
Cost of Providing Services	\$ 392,522.15	\$ 329,997.72
Administrative and General Expenses	194,970.90	159,398.12
Depreciation	84,974.38	79,648.77
<u>Total Operating Expenses</u>	<u>\$ 672,467.43</u>	<u>\$ 569,044.61</u>
<u>Operating Income</u>	<u>\$ 313,592.55</u>	<u>\$ 462,682.67</u>
Non-Operating Revenues (Expenses):		
Interest Income	\$ 18,454.64	\$ 30,110.13
Amortization of Debt Issue Costs	(4,952.10)	(4,952.10)
Interest Expense	(35,485.00)	(43,310.00)
Contribution to Township of West Windsor	(30,573.00)	-
<u>Total Non-Operating Revenues (Net)</u>	<u>\$ (52,555.46)</u>	<u>\$ (18,151.97)</u>
<u>Net Income</u>	<u>\$ 261,037.09</u>	<u>\$ 444,530.70</u>
Net Assets, Beginning of Year	<u>3,431,953.24</u>	<u>2,987,422.54</u>
Net Assets, End of Year	<u>\$ 3,692,990.33</u>	<u>\$ 3,431,953.24</u>

The accompanying notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR
(A Component Unit of the Township of West Windsor)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>Cash Flows from Operating Activities:</u>		
Receipts from Customers	\$ 1,011,634.98	\$ 1,021,329.71
Payment to Suppliers and Employees	(509,185.38)	(442,683.57)
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 502,449.60</u>	<u>\$ 578,646.14</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Contribution to Township of West Windsor	\$ (30,573.00)	\$ -
<u>Net Cash Used for Non-Capital Financing Activities</u>	<u>\$ (30,573.00)</u>	<u>\$ -</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Principal Payments on Bonds	\$ (135,000.00)	\$ (130,000.00)
Interest Paid on Debt	(36,160.00)	(43,960.00)
Acquisition of Capital Assets	(494,569.38)	(136,772.13)
<u>Net Cash Used for Capital and Related Financing Activities</u>	<u>\$ (665,729.38)</u>	<u>\$ (310,732.13)</u>
<u>Cash Flows from Investing Activities:</u>		
Interest Income	\$ 18,454.64	\$ 30,110.13
<u>Net Cash Provided by Investing Activities</u>	<u>\$ 18,454.64</u>	<u>\$ 30,110.13</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (175,398.14)	\$ 298,024.14
Cash and Cash Equivalents, Beginning of Year	<u>3,818,385.88</u>	<u>3,520,361.74</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,642,987.74</u></u>	<u><u>\$ 3,818,385.88</u></u>
Reconciliation of Operating Income to Net Assets Provided by Operating Activities:		
Operating Income	\$ 313,592.55	\$ 462,682.67
Adjustments to Reconcile Operating Income to Net Assets Provided (Used by) Operating Activities:		
Depreciation	84,974.38	79,648.77
Increase in Prepaid Parking Fees	25,575.00	30,442.43
(Increase)/Decrease in Prepaid Expenses	(462.00)	(9,240.00)
(Decrease)/Increase in Accounts Payable	66,326.74	3,911.28
(Decrease)/Increase in Compensated Absences Payable	5,394.91	4,394.28
(Decrease)/Increase in Due to Fiduciary Funds	7,048.02	6,806.71
<u>Total Adjustments</u>	<u>\$ 188,857.05</u>	<u>\$ 115,963.47</u>
Net Cash Provided by Operating Activities	<u><u>\$ 502,449.60</u></u>	<u><u>\$ 578,646.14</u></u>

The accompanying notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR
(A Component Unit of the Township of West Windsor)

STATEMENTS OF NET ASSETS
 FIDUCIARY FUNDS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 1,612,192.01	\$ 1,674,518.82
Due from West Windsor Parking Authority	<u>378,848.01</u>	<u>371,799.99</u>
	<u>\$ 1,991,040.02</u>	<u>\$ 2,046,318.81</u>
 <u>LIABILITIES</u>		
Accounts Payable	\$ 24,997.28	\$ 142,465.09
Prepaid Parking Fees	727,805.00	609,700.00
Compensated Absences Payable	37,443.91	38,432.68
Due to New Jersey Transit Corporation - Surplus Revenues	<u>1,200,793.83</u>	<u>1,255,721.04</u>
	<u>\$ 1,991,040.02</u>	<u>\$ 2,046,318.81</u>

The accompanying notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(1) DESCRIPTION OF ENTITY

The Parking Authority of the Township of West Windsor was created by virtue of an ordinance adopted on October 11, 1971, by the governing body of the Township of West Windsor. The Authority operates under the provisions of the Parking Authority Law, constituting Chapter 11A of the Revised Statutes of the State of New Jersey. The Authority has entered into an agreement with the Township of West Windsor, obligating the Township to guarantee the Authority's debt service, to the extent not met by other sources.

On December 18, 1987, the Parking Authority entered into a lease agreement with the New Jersey Transit Corporation to operate and maintain certain parcels of the Princeton Junction Railroad Station, primarily its adjacent Alexander Road parking lot. In addition to this report, the Authority submits a separate report annually to the New Jersey Transit Corporation which reflects only the financial activity of the Princeton Junction Railroad Station as required by the lease agreement.

The Governmental Accounting Standards Board Statement 14 requires that disclosure be made in the financial statements regarding the financial reporting entity of governmental units.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the primary government is not accountable but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and either the primary government is able to impose its will on the organization; or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

The Parking Authority of the Township of West Windsor is a component unit of the primary government, the Township of West Windsor. The board of the Parking Authority of the Township of West Windsor is appointed by the Township Council of the Township of West Windsor and under the agreement entered into by the Authority and the Township of West Windsor, the Township will provide for deficits resulting from failure or disability of the Authority to derive adequate revenues from operating the system.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The Authority's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net assets (i.e., total assets net of total liabilities) are segregated into "invested in capital assets, net of related liabilities"; "restricted for renewal and replacement and debt service"; and "unrestricted" components.

The activities under the lease agreement with the New Jersey Transit Corporation are accounted for in a fiduciary fund (Agency Fund) and are not included in the Statement of Net Assets (Exhibit A). Agency funds account for assets held by the Authority in a custodial capacity. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operation.

Cash Equivalents and Deposits

Cash and cash equivalents, for purposes of the statement of cash flows, include restricted and unrestricted cash on hand or on deposit, certificates of deposit and investments with a maturity of three months or less.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Restricted assets represent cash, investments and receivables maintained in accordance with bond resolutions, loan agreements and other resolutions and formal actions of the Authority or by agreement for the purpose of funding certain debt service payments, depreciation and contingency activities, and improvements and extensions to the parking facilities.

Grants and Contributions

Contributions received are recorded in the period received. Developer financed construction is recorded in the period in which applicable costs are incurred. Donated assets are recorded at fair market value at time of the contribution.

Capital Assets

Property, plant and equipment constructed or purchased by the Authority as part of its parking facilities are recorded at cost. Other minor equipment purchases and the cost of repairs and maintenance are expensed as incurred.

Depreciation is determined on a straight-line basis and is provided over the following useful life:

Building	40 Years
Parking Lot	10-20 Years
Vehicles	10 Years
Equipment	7 Years

Unamortized Debt Issue Costs

Costs related to the issuance of Bonds have been capitalized. Debt issue costs in the amount of \$101,930.80, incurred with the May 1, 1994 bond issue, are being amortized over the life of the issue on a straight-line basis; accumulated amortization as of December 31, 2011 and 2010 amounted to \$87,487.08 and \$82,534.98, respectively.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Budgets

Budgets, which are required by state statute, are adopted in accordance with regulations promulgated by the Department of Community Affairs (DCA). An annual appropriated budget is adopted for the operations of the Authority, subject to approval by the DCA. A capital program adopted by the Authority is management's six year plan for financing the estimated cost of addition or replacement of major fixed assets used in the Authority's operation.

Restricted Net Assets

Restricted Net Assets are those items of equity which are unavailable for expense or are legally restricted as to use. Presently, the Authority has one (1) item of restricted net assets which is required by the bond resolution. This restriction is for renewals and replacements.

Compensated Absences Payable

The Authority allows employees (including part-time) to earn vacation time based on the employee's length of service and time worked during the preceding year. Vacation time may be carried forward and paid at termination of the employee.

Unused sick leave may be carried forward into subsequent calendar years. Upon retirement, accumulated sick leave may be converted to a cash payment at a rate of not more than 50% of the employee's current hourly salary up to a maximum of six (6) months time. Employees hired after July 8, 2003 will be capped at a maximum of \$10,000.00. If the employee leaves for other than retirement, unused sick pay is forfeited.

It is estimated that the cost of unpaid vacation time and sick time as of December 31, 2011 and 2010 was \$28,212.42 and \$22,817.51 respectively; these amounts are reflected as an expenditure and liability in the financial statements.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(3) CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost. All other investments are stated at fair value.

Deposits

New Jersey statutes require that authorities deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Authorities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depositor insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(3) CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

N.J.S.A. 40A:5-15.1 provides that public funds may be invested in the following types of securities when authorized by resolution adopted by a majority vote of all its members:

- a. Bonds or other obligations of the United States of America or obligation guaranteed by the United States of America, including securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the "Investment Company Act of 1940", 54 Stat. 847 (16 U.S.C. 80a-1 et seq.), purchase and redeemed only through the use of National or State banks located within this State, if the portfolio of that investment company or investment trust is limited to bonds or other obligations of the United States of America, bonds or other obligations guaranteed by the United States of America and repurchase agreements fully collateralized by bonds or other obligations guaranteed by the United States of America, which collateral shall be delivered to or held by the investment company or investment trust, either directly or through an authorized custodian;
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal Land Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than 12 months from the date of purchase.
- c. Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part of within which the school district is located;
- d. Bonds or other obligations, having a maturity date not more than 12 months from the date of purchase, approved by the Division of Investment of the Department of the Department of Treasury for investment by local units.

N.J.S.A. 52:18A-90.4 provides that the Director of the Division of Investment may, subject to the approval of the State Investments Council and the State Treasurer, establish, maintain and operate a common trust fund to be known as the State of New Jersey Cash Management Fund in which may be deposited the surplus public moneys of the state, its counties, municipalities and school districts and the agencies or authorities created by any of these entities. This fund shall be considered a legal depositor for public moneys.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(3) CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Authority does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2011 and 2010, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balances was exposed to custodial credit risk.

Based upon the limitation set forth by New Jersey Statutes and existing investment practices, the Authority is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

As of December 31, 2011 and 2010, the Authority's deposits and investments are summarized as follows:

	<u>2011</u>	<u>2010</u>
Reconciliation to Statement of Net Assets (Exhibit A):		
Unrestricted:		
Cash and Cash Equivalents	\$2,970,018.23	\$3,148,558.36
Investments	- 0 -	- 0 -
Restricted Cash and Cash Equivalents	672,969.51	669,827.52
Agency Fund Cash and Cash Equivalents (not included in Exhibit A)	<u>1,612,192.01</u>	<u>1,674,518.82</u>
	<u>\$5,255,179.75</u>	<u>\$5,492,904.70</u>

As of December 31, 2011, the Authority's investments are summarized as follows:

	<u>Carrying Amount</u>	<u>Value</u>	<u>Market Equivalent</u>	<u>Cash Investment</u>
First American Treasury Obligation CIY	\$ 391,532.76	\$ 391,532.76		\$ 391,532.76
Provident Bank NJ Restricted Investment Funds Account	<u>1,139,516.84</u>	<u>1,139,516.84</u>		<u>1,139,516.84</u>
	<u>\$1,531,049.60</u>	<u>\$1,531,049.60</u>	<u>\$ - 0 -</u>	<u>\$1,531,049.60</u>

As of December 31, 2010, the Authority's investments are summarized as follows:

	<u>Carrying Amount</u>	<u>Value</u>	<u>Market Equivalent</u>	<u>Cash Investment</u>
First American Treasury Obligation CIY	\$333,894.51	\$330,984.51		\$333,894.51
Provident Bank NJ Restricted Investment Funds Account	<u>3,427,216.65</u>	<u>3,427,216.65</u>		<u>3,427,216.65</u>
	<u>\$3,761,111.16</u>	<u>\$3,761,111.16</u>	<u>\$ - 0 -</u>	<u>\$3,761,111.16</u>

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(4) RESTRICTED ACCOUNTS

In accordance with the 1994 bond resolution, the Authority has established the following accounts for the deposit, in the priority of the order listed, of all revenues received by the Authority:

<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>USE FOR WHICH RESTRICTED</u>
Revenue Authority	All revenues received, as of the first day of each month, transfers to the various accounts described below.	Authorized operating Expenses.
Bond Service	Amount needed to equal the Bond Service Requirement as of the end of any particular month.	Principal and interest on bonds.
Renewal and Replacement	Amount needed to increase the balance to equal the Project Reserve Requirements as defined by the Resolution.	Transfers to meet major repairs, renewals and replacements. Excess may be transferred to the General Fund.
General Fund	To the extent of excess funds after prior fund transfers and other lawful purposes.	Transfers to meet minimum levels required in the Bond Service Fund.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(5) PROPERTY, PLANT AND EQUIPMENT

Activity in the fixed assets for the Authority for the year ended December 31, 2011 was as follows:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Land	\$ 330,074.61	\$ --	\$ 330,074.61
Building	24,778.20	--	24,778.20
Parking Lots	1,671,064.99	--	1,671,064.99
Vehicle	49,345.50	--	49,345.50
Equipment	133,818.15	--	133,818.15
Construction in Progress	<u>79,031.16</u>	<u>494,569.38</u>	<u>573,600.54</u>
	2,288,112.61	494,569.38	2,782,681.99
Less: Accumulated Depreciation	<u>(1,459,083.36)</u>	<u>(84,974.38)</u>	<u>(1,544,057.74)</u>
Net Property, Plant and Equipment	<u>\$ 829,029.52</u>	<u>\$409,595.00</u>	<u>\$1,238,624.25</u>

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(6) LONG-TERM DEBT

Series 1994 Parking Revenue Bonds - Authorized and issued \$2,000,000.00 dated May 1, 1994 for the purposes of refunding the 1985 bond series and for the creation of a parking facility on Vaughn Drive. These bonds are due in annual installments each December 1, through the year 2014. Interest is due each June 1 and December 1 at rates of 3.75% to 6.10%. The bonds are subject to redemption, at the Authority's option, on any principal payment date on or after December 1, 2005 subject to specific redemption prices as follows:

<u>Redemption Period</u>	<u>Redemption Price</u>
December 1, 2004 to November 30, 2005	102%
December 1, 2005 to November 30, 2007	101%
December 1, 2007 after thereafter	100%

A summary of maximum annual Debt Service for principal and interest payments for bonded debt issued and outstanding at December 31, 2011 is provided below:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Amount</u>
December 31, 2012	\$ 145,000.00	\$ 28,060.00	\$ 173,060.00
December 31, 2013	155,000.00	19,215.00	174,215.00
December 31, 2014	<u>160,000.00</u>	<u>9,760.00</u>	<u>169,760.00</u>
	<u>\$ 460,000.00</u>	<u>\$ 57,035.00</u>	<u>\$ 517,035.00</u>

During the year ended December 31, 2011, the following changes occurred in bonds payable:

	<u>Balance</u> <u>Jan 1, 2011</u>	<u>Retired</u>	<u>Balance</u> <u>Dec 31, 2011</u>
Series 1994	<u>\$595,000.00</u>	<u>\$135,000.00</u>	<u>\$460,000.00</u>

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(7) PENSION PLAN

Description of Plans:

Authority employees participate in the Public Employees' Retirement System (PERS) of New Jersey, a multi-employer cost sharing plan. The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the plan. The plan does not maintain separate accounts for each member in the state and, therefore, the actuarial data for the Authority is not available.

Participating employees are required by State statute to contribute a certain percentage (5.5% through September 30, 2011 and 6.5% effective October 1, 2011) of their base salary to the plan. In addition, PERS generally requires the Authority to fund a contribution. The Authority funded contributions of \$34,612 and \$17,928 to the plan in the years 2011 and 2010, respectively.

(8) POST-RETIREMENT HEALTH BENEFITS

The Authority provides post-retirement health benefits to employees who retire with 25 years or more of service within the system. Employees with ten (10) or more years of service may also qualify for benefits under the Disability Retirement Provisions of the Plan. There are currently no retirees who meet this requirement and receiving benefits. In addition, there is one (1) current employee who is eligible upon retirement.

Plan Description

The Authority contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(8) POST-RETIREMENT HEALTH BENEFITS (CONTINUED)

Funding Policy

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Authority on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Authority's contributions to SHBP for the years ended December 31, 2011 and 2010 were \$58,723 and \$44,578, respectively, which equaled the required contributions for each year.

(9) LEASE

On December 18, 1987, the Parking Authority of the Township of West Windsor entered into a lease agreement with the New Jersey Transit Corporation for a term of five years. The Parking Authority of the Township of West Windsor and New Jersey Transit Corporation have agreed to extend the lease until December 31, 2002, to operate the railroad station and certain parking lots at the Princeton Junction Railroad Station, primarily its adjacent Alexander Road parking lot. A new lease extension, for periods after December 31, 2002 is currently being negotiated. The Parking Authority of the Township of West Windsor assumed responsibility for maintenance, graffiti removal, minor repairs, security, insurance, utilities, taxes, snow and ice control, parking fee collections, issuance of permits and administration of subleases.

In accordance with the lease agreement shared costs have been allocated 74% to the New Jersey Transit Corporation and 26% to the Parking Authority of the Township of West Windsor for the years ending December 31, 2011 and 2010.

The lease agreement provides for annual minimum rental payments of \$1,200,000.00 and the right to increase the annual minimum rental based upon the previous year's total payment to the New Jersey Transit Corporation. Any such increase in the annual minimum rental shall not affect the Parking Authority of the Township of West Windsor's right to operate without a deficit. In addition to the annual minimum rental payments, the Parking Authority of the Township of West Windsor shall pay to the New Jersey Transit Corporation on an annual basis all excess revenues above those required to cover the approved budget.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(10) OTHER LEASES

The Authority rents office space at West Windsor Park. The rental lease is for a term of four years beginning August 1, 2005, ending July 31, 2009. The lease agreement was amended on July 31, 2009 extending the term of the lease through July 31, 2013.

The lease agreement provides for monthly base rent ranging from \$2,431.25 for the period August 1, 2009 to July 31, 2012 increasing to \$2,769.25 per month for the period August 1, 2012 through July 31, 2013.

The base agreement also provides for additional rent payments per month for common area usage, electric reimbursement, insurance and real estate taxes.

The future minimum rental payments for the base rent are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2012	\$ 32,575.52
2013 (through July 31,)	19,384.75

The rent payments are a shared cost under the lease agreement with the New Jersey Transit Corporation and as such, are allocated 74% to the New Jersey Transit Corporation and 26% to the Authority.

(11) AMOUNTS REQUIRED BY BOND RESOLUTION

The following cash and investment accounts are required by the May 1, 1994 bond resolution:

	<u>2011</u>	<u>2010</u>
Renewal and Replacement Account:		
Cash and Cash Equivalents and Other Assets	\$183,386.69	\$182,532.96
Renewal and Replacement Requirement	<u>202,085.00</u>	<u>191,235.00</u>
Excess (Deficit)	\$ <u>(18,698.31)</u>	\$ <u>(8,702.04)</u>
Bond Service Account:		
Cash on Hand, Cash Equivalents and Other Assets	\$ --	\$ --
Bond Service Requirement	<u>14,421.66</u>	<u>14,496.66</u>
Excess (Deficit)	\$ <u>(14,421.66)</u>	\$ <u>(14,496.66)</u>

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(12) RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There was no reduction in commercial coverage during the year.

The Authority has elected to provide unemployment insurance coverage through participation in the State of New Jersey Plan, under the contribution method. Under this method the Authority pays employee deductions and an employer's share at a rate set by the Department of Labor and Industry.

(13) SUBSEQUENT EVENTS

On April 17, 2012, the Authority issued \$4,720,000 of Parking Revenue Bonds (Township Guaranteed, Series 2012).

These Bonds are authorized pursuant to the Parking Authority Law constituting Chapter 198 of the Pamphlet Laws of 1948, of the State of New Jersey, as amended and supplemented (the "Act") and a resolution of the Authority entitled "Resolution authorizing the Issuance of Parking Revenue Bonds of the Parking Authority of the Township of West Windsor" adopted April 20, 1994, as amended and entitled "Supplemental Bond Resolution No. 2012 Authorizing the Issuance of Not to Exceed \$6,000,000 Principal Amount of Parking Revenue Bonds (Township Guaranteed, Series 2012) of the Parking Authority of the Township of West Windsor" (the "Resolution").

The Bonds are being issued to provide funding (together with funds of the Authority which are presently on hand) for the payment of the principal and interest on the Authority's Parking Revenue Bonds (Township Guaranteed, Series 1994), maturing December 1, 2012 to and including December 1, 2014 (the "Prior Bonds") (the "Refunding Project"); the construction thereon of a new parking facility on Alexander Road (the "Parking Project") in the Township of West Windsor (the "Township"); and the expenses incurred in connection with the issuance and delivery of the Bonds (collectively the "Project").

The Bonds are dated April 17, 2012 and will mature on March 1, 2016 through 2043. Interest will be payable at rates of 3.0% to 4.0% and will be payable on September 1, 2012 and semiannually thereafter on the first day of March and September in each year until the Authority's obligation with respect to the payment of the principal thereof has been discharged.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(13) SUBSEQUENT EVENTS (CONTINUED)

The Authority has evaluated subsequent events occurring after the financial statement date through April 25, 2012, which is the date the financial statements were available to be issued. Based on this evaluation, the Parking Authority has determined that no subsequent events have occurred which require disclosure in the financial statements.

(14) LITIGATION, CLAIMS, COMMITMENTS AND CONTINGENCIES

In the ordinary conduct of its business, the Authority may be a party to litigation. At December 31, 2011, in the opinion of management based upon consultation with legal counsel, there were no matters pending or threatened which would have a material adverse effect on the financial position of the Authority.

SUPPLEMENTARY INFORMATION

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR
(A Component Unit of The Township of West Windsor)

SCHEDULE OF REVENUES AND APPROPRIATIONS
COMPARED TO BUDGET - YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE ACTUAL TOTAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010

	2011 <u>Budget</u>	2011 <u>Actual</u>	2010 <u>Actual</u>
Anticipated Revenues:			
Operating Revenues:			
User Charges	\$ 1,030,000.00	\$ 986,059.98	\$ 1,031,727.28
Other Income	8,000.00	-	-
Total Operating Revenues	<u>\$ 1,038,000.00</u>	<u>\$ 986,059.98</u>	<u>\$ 1,031,727.28</u>
Non-Operating Revenues:			
Interest Income	40,000.00	18,454.64	30,113.13
Total Non-Operating Revenues	<u>40,000.00</u>	<u>18,454.64</u>	<u>30,113.13</u>
Unreserved Retained Earnings			
Total Revenues Including Unreserved Retained Earnings	<u>\$ 1,078,000.00</u>	<u>\$ 1,004,514.62</u>	<u>\$ 1,061,840.41</u>
Budget Appropriations:			
Cost of Providing Services:			
Enforcement Costs	\$ 31,000.00	\$ 46,507.68	\$ 28,927.07
Enforcement Salaries	115,000.00	124,244.68	115,758.03
Insurance	19,400.00	18,796.90	14,681.09
Lighting	16,000.00	17,551.50	14,782.27
Lot Maintenance	148,000.00	180,835.49	151,404.25
Trash Removal	4,650.00	4,585.90	4,445.01
Total Costs of Providing Services	<u>\$ 334,050.00</u>	<u>\$ 392,522.15</u>	<u>\$ 329,997.72</u>
Administrative and General Expenses:			
Office Salaries	\$ 44,700.00	\$ 46,129.25	\$ 47,223.90
Employee Benefits	42,600.00	39,230.96	32,587.17
Office Supplies and Expense	25,600.00	70,077.96	47,203.70
Professional Fees	17,500.00	27,284.59	23,140.23
Rent Expense	12,000.00	12,248.14	9,243.12
Total Administrative and General Expenses	<u>\$ 142,400.00</u>	<u>\$ 194,970.90</u>	<u>\$ 159,398.12</u>
Interest on Bonds	<u>\$ 35,485.00</u>	<u>\$ 35,485.00</u>	<u>\$ 43,310.00</u>
Other Costs Funded by Operating Revenues:			
Bond Principal	\$ 135,000.00	\$ 135,000.00	\$ 130,000.00
Capital Outlay	202,500.00	494,569.38	136,772.13
Reserve for Renewal and Replacement	10,850.00	10,850.00	10,850.00
Contribution to Township of West Windsor	30,573.00	30,573.00	-
Total Costs Funded by Revenues	<u>\$ 890,858.00</u>	<u>\$ 1,293,970.43</u>	<u>\$ 810,327.97</u>
Add: Excess Revenues Over Expenditures	<u>187,142.00</u>	<u>(289,455.81)</u>	<u>251,512.44</u>
	<u>\$ 1,078,000.00</u>	<u>\$ 1,004,514.62</u>	<u>\$ 1,061,840.41</u>
Reconciliation to Net Income:			
Excess from Above - Budgetary Basis	\$ 187,142.00	\$ (289,455.81)	\$ 251,512.44
Adjustments to Budgetary Basis:			
Depreciation and Amortization Expense	(89,926.48)	(89,926.48)	(84,600.87)
Capital Outlay	202,500.00	494,569.38	136,772.13
Debt Service - Principal	135,000.00	135,000.00	130,000.00
Transfer to Renewal and Replacement	10,850.00	10,850.00	10,850.00
Retained Earnings Appropriated	-	-	-
Increase in Net Assets	<u>\$ 445,565.52</u>	<u>\$ 261,037.09</u>	<u>\$ 444,533.70</u>

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR
(A Component Unit of The Township of West Windsor)

SCHEDULE OF REVENUE BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2011

Issue of 1994	Date of Issue	Amount Original Issue	Interest Rate	Maturity Date	Amount	Balance Jan. 1, 2011	Paid 2011	Balance Dec. 31, 2011
	5/01/1994	2,000,000.00	6.10%	12/01/2012	\$ 145,000.00	\$	\$	
			6.10%	12/01/2013	155,000.00			
			6.10%	12/01/2014	160,000.00			
					<u>460,000.00</u>	<u>595,000.00</u>	<u>135,000.00</u>	<u>460,000.00</u>
					\$	\$	\$	\$

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

ROSTER OF OFFICIALS

DECEMBER 31, 2011

AUTHORITY MEMBERS

Andy Lupo
Lyle Girandola
Alison Miller
Ronald Rumack
Thomas Crane

POSITION

Chairman
Vice Chairman
Secretary
Treasurer
Assistant Treasurer

OTHER OFFICIALS

Martha Watlington
Robert Schwartz
Ronald A. Ghrist, C.P.A., R.M.A.
Act Engineering, Inc.
U.S. Bank

Administrator
Attorney
Financial Consultant
Project Engineer
Trustee - Registrar

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

DECEMBER 31, 2011

GENERAL COMMENTS AND RECOMMENDATIONS

NONE

