

TOWNSHIP OF WEEHAWKEN,  
NEW JERSEY

\$3,298,000 General Obligation Bonds, Series 2010A (Tax-Exempt) and  
\$1,742,000 General Obligation Bonds, Series 2010B (Taxable)  
(Book-Entry Only)

(Callable)

(Parity Bid)

(Sure Bid)

**Dated:** Date of Delivery

Due: August 1 as shown  
on the inside cover page

This Official Statement has been prepared by the Township of Weehawken (the "Township") to provide information on the \$3,298,000 General Obligation Bonds, 2010A (Tax-Exempt) (the "Tax-Exempt Bonds") and \$1,742,000 General Obligation Bonds, Series 2010B (Taxable) (the "Taxable Bonds") (the Tax-Exempt Bonds and the Taxable Bonds are sometimes hereinafter referred to as the "Bonds"). Selected information is presented on this cover page including the following page) for the convenience of the user. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety.

**Bond Rating** Moody's: (Applied for)

**Federal Tax Exemption  
Pertaining to  
the Tax-Exempt  
Bonds Only**

Interest on the Tax-Exempt Bonds is exempt from federal income taxation. Interest on the Tax-Exempt Bonds is not includable when calculating the federal personal alternative minimum tax. Interest on the Tax-Exempt Bonds is included when calculating the federal alternative minimum tax on corporations.

**State Tax Exemption  
Pertaining to the  
Bonds**

Interest and any gain from the sale of the Bonds are not includable as gross income under the New Jersey Gross Income Tax Act.

**Redemption**

The Tax-Exempt Bonds are subject to redemption prior to their stated maturities as more fully described herein. The Taxable Bonds are not subject to redemption prior to their stated maturities.

**Security**

General obligations of the Township.

**Purpose**

To finance various capital improvements and to fund the Township's self insurance reserve program as more fully described herein.

**Denominations**

Multiples of \$1,000.

**Interest**

**Payment Dates**

February 1, 2011 and semiannually thereafter on the first days of February and August in each year until maturity.

**Interest Rates  
per Annum**

See inside cover page.

**Bond Counsel**

Lomurro, Davison, Eastman & Munoz, P.A.

**Closing/  
Settlement**

On or about August 13, 2010.

**Book-Entry-Only**

The Depository Trust Company.

**Issuer Contact**

Lisa Toscano, Chief Financial Officer  
Township of Weehawken  
201.391.6017

**ELECTRONIC PROPOSALS SUBMITTED VIA THE PARITY ELECTRONIC  
BIDDING SYSTEM WILL BE ACCEPTED UNTIL 11:30 A.M.  
ON THE TAX-EXEMPT BONDS AND THE TAXABLE BONDS  
ON THURSDAY, AUGUST 5, 2010  
FOR MORE INFORMATION ON HOW TO BID,  
PLEASE REFER TO THE ENCLOSED NOTICE OF SALE**

This Preliminary Official Statement and the information contained herein are subject to completion or amendment in a Final Official Statement. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the applicable securities laws of any such jurisdiction. Final written confirmation of the sale shall not be conclusive unless the Final Official Statement is delivered to the purchaser.

**TOWNSHIP OF WEEHAWKEN,  
NEW JERSEY**

**\$3,298,000 General Obligation Bonds, Series 2010A (Tax-Exempt)  
(Book-Entry Only)  
(Callable)  
(Parity Bid)  
(Sure Bid)**

**Maturities, Interest Rates and Yields on the Tax-Exempt Bonds**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2011	\$130,000	%	%
2012	\$130,000		
2013	\$130,000		
2014	\$205,000		
2015	\$205,000		
2016	\$205,000		
2017	\$213,000		
2018	\$260,000		
2019	\$260,000		
2020	\$260,000		
2021	\$260,000		
2022	\$260,000		
2023	\$260,000		
2024	\$260,000		
2025	\$260,000		

**\$1,742,000 General Obligation Bonds, Series 2010B (Taxable)  
(Book-Entry Only)  
(NonCallable)  
(Parity Bid)  
(Sure Bid)**

**Maturities, Interest Rates and Yields on the Taxable Bonds**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2011	\$ 70,000	%	%
2012	\$ 70,000		
2013	\$ 70,000		
2014	\$105,000		
2015	\$105,000		
2016	\$105,000		
2017	\$ 97,000		
2018	\$140,000		
2019	\$140,000		
2020	\$140,000		
2021	\$140,000		
2022	\$140,000		
2023	\$140,000		
2024	\$140,000		
2025	\$140,000		

**TOWNSHIP OF WEEHAWKEN,**  
**IN THE COUNTY OF HUDSON, NEW JERSEY**

**MAYOR**  
**Richard F. Turner**

**COUNCIL MEMBERS**

**Robert E. Zucconi**  
**Carmela Silvestri-Ehret**  
**Rosemary J. Lavagnino**  
**Robert J. Sosa**

**TOWNSHIP MANAGER**  
**James V. Marchetti, Jr.**

**FINANCE DIRECTOR**  
**Richard Barsa**

**CHIEF FINANCIAL OFFICER**  
**Lisa Toscano**

**TOWNSHIP CLERK**  
**Rola Dahboul**

**TOWNSHIP ATTORNEY**  
**Richard Venino, Esq.**

**AUDITOR**  
**Garbarini & Co. PC CPA's**  
**Paul C. Garbarini**

**BOND COUNSEL**  
**Lomurro, Davison, Eastman & Munoz, P.A.**  
**John L. Kraft, Esq.**

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Township. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Township during normal business hours.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or the Underwriter.

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**PRELIMINARY OFFICIAL STATEMENT  
Relating to**

**\$3,298,000 GENERAL OBLIGATION BONDS, SERIES 2010A (TAX-EXEMPT)  
AND  
\$1,742,000 GENERAL OBLIGATION BONDS, SERIES 2010B (TAXABLE)**

**of the**

**TOWNSHIP OF WEEHAWKEN, IN THE  
COUNTY OF HUDSON, NEW JERSEY**

**INTRODUCTION**

This Preliminary Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Weehawken, in the County of Hudson, New Jersey (the "Township") in connection with the sale and the issuance of \$3,298,000 General Obligation Bonds, Series 2010A (Tax-Exempt) (the "Tax-Exempt Bonds") and \$1,742,000 General Obligation Bonds, Series 2010B (Taxable) (the "Taxable Bonds") (the "Tax-Exempt Bonds and the Taxable Bonds are sometimes hereinafter referred to as the "Bonds") dated the date of delivery. This Preliminary Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Bonds.

**THE BONDS**

**General Description**

The Bonds are dated the date of delivery, will mature on the dates and in the amounts and will bear interest payable semiannually as set forth on the cover page hereof. As long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the registered owner of the Bonds, payment of of the principal of and interest on the Bonds will be made by the Township directly to DTC or Cede & Co, the registered owner of the Bonds.

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of the Bonds and in the principal amount of such maturity. The Bonds will be issued in book-entry form only and in multiples of \$1,000. So long as DTC or its nominee, Cede & Co. (or any successor or assign) is the registered owner of the Bonds, payment of the principal of and interest on the Bonds will be made by the Township directly to DTC or Cede & Co. (or any successor or assign) as nominee of DTC. Disbursement of such payments to the participants of DTC is the responsibility of DTC. See "The Depository Trust Company ("DTC") Information" herein.

## **Redemption**

The Tax-Exempt Bonds maturing on or after August 1, 2021 are redeemable at the option of the Township in whole or in part on any date on or after August 1, 2020 at a Redemption Price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

Notice of Redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Tax-Exempt Bonds not less than thirty days, nor more than sixty days, prior to the date fixed for redemption, at their respective addresses as they last appear on the registration books kept for that purpose by the Township or a duly appointed Bond Registrar. If the Township determines to redeem a portion of the Tax-Exempt Bonds prior to maturity, such Tax-Exempt Bonds shall be selected by such method as the Township, shall determine.

If Notice of Redemption has been given as provided herein, the Tax-Exempt Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Tax-Exempt Bonds after the date fixed for redemption and no further interest shall accrue beyond the redemption date.

The Taxable Bonds are not subject to redemption prior to maturity.

## **SECURITY AND SOURCE OF PAYMENT**

The Bonds are general obligation bonds of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Township is required by law to levy ad valorem taxes upon all the real property taxable within the Township for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

### **MATURITY SCHEDULE FOR THE TAX-EXEMPT BONDS**

<u>Year</u>	<u>Principal Amount</u>
2011	\$130,000
2012	\$130,000
2013	\$130,000
2014	\$205,000
2015	\$205,000
2016	\$205,000
2017	\$213,000
2018	\$260,000
2019	\$260,000
2020	\$260,000
2021	\$260,000
2022	\$260,000
2023	\$260,000
2024	\$260,000
2025	\$260,000

### **MATURITY SCHEDULE FOR THE TAXABLE BONDS**

<u>Year</u>	<u>Principal Amount</u>
2011	\$ 70,000
2012	\$ 70,000
2013	\$ 70,000
2014	\$105,000
2015	\$105,000
2016	\$105,000
2017	\$ 97,000
2018	\$140,000
2019	\$140,000
2020	\$140,000
2021	\$140,000
2022	\$140,000
2023	\$140,000
2024	\$140,000
2025	\$140,000



## AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq. and the various bond ordinances of the Township of Weehawken set forth below to provide the current refunding of \$3,298,000 Tax-Exempt Bond Anticipation Notes and \$1,742,000 Taxable Bond Anticipation Notes due September 3, 2010 as set forth below:

<u>Principal Amount of Bonds</u>	<u>Number of Ordinance</u>	<u>Description of Improvement and Date of Adoption of Ordinance</u>	<u>Useful Life</u>
\$1,434,000	12-1999	Providing for the purchase of property, finally adopted 8/11/99	40 years
<u>\$1,864,000</u>	2-2000	Providng for improvments to the Town Hall, finally adopted 4/12/00	15 years
<u>\$3,298,000</u>			
<u>Principal Amount of Bonds</u>	<u>Number of Ordinance</u>	<u>Description of Improvement and Date of Adoption of Ordinance</u>	<u>Useful Life</u>
\$1,742,000	3-2001	Providing for the creation of a reserve for the Township's self insurance program, finally adopted 3/14/01	15 years
<u>\$1,742,000</u>			

## THE DEPOSITORY TRUST COMPANY ("DTC") INFORMATION

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of the Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices, if any, shall be sent to Cede & Co. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s, consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such

payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Township. Under such circumstances, in the event that a successor depository is not obtained, certificated bonds are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In such event, certificated bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

The principal of and interest on the Bonds are payable to DTC by the Township.

## **MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

### **Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Township are general full faith and credit obligations.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that maybe deemed self-liquidating.

The Township has not exceeded its statutory debt limit. As of April 28 , 2010, the statutory net debt as a percentage of average equalized valuation was 2.653%. As noted above, the statutory limit is 3 1/2%.

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval

is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Township may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. An amount equal to the first legally payable maturity determined in accordance with the Local Bond Law, must be paid by the Township at the end of the third year and at the end of each succeeding year if bond anticipation notes are renewed at those times.

#### **The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)**

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess

amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by June 30 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi- capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited, except for: (i) during the first three (3) months of a current fiscal year, appropriation reserves may be transferred to the immediately preceding fiscal year's budget; and (ii) transfers between major appropriation accounts are permitted during the last two (2) months of a current fiscal year. Such transfers must be approved by two- thirds of the full membership of the governing body of a local governmental unit. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of

revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

#### **Tax Levy Cap (N.J.S.A. 40A:4-45.44 et seq)**

Chapter 44 of P.L. 2010 (enacted July 13, 2010) has amended P.L. 2007, c. 62, which imposes limitations on increases in the property tax levies of municipalities, counties and fire districts ("Local Units"). The new law limits such increase to 2.00% annually instead of the prior cap which was 4.00% annually. There are a number of exceptions from the annual cap, including in particular, all present and future debt service bonds or notes heretofore or hereafter issued by Local Units, including the Township. The tax levy cap does not limit the obligation of the Township to levy ad valorem taxes upon all the taxable real property within the Township to pay debt service on the Bonds.

#### **Tax Assessment and Collection Procedure**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A re-evaluation of all property in the Township was last completed in 1990.

Upon the filing of certified adopted budgets by the Township's Local School District, Fire Districts and the County, the tax rate is struck by the Hudson County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed out 25 days prior to their due date by the Township. The taxes are due August 1, November 1, February 1 and May 1.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1500.00 of the delinquency and 18% per annum on any amount in excess of \$1500.00. These interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statues. The Township has no liens itself. The liens are held by third party buyers.

## **Tax Appeals**

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Beginning in 1992, prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey, for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

## **The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the Local Units financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended June 30, 2009 for each local unit is on file with the Clerk and is available for review during business hours.

## **CONTINUING DISCLOSURE**

The Township has entered into a written UNDERTAKING to provide secondary market disclosure information as set forth in SEC Rule 15c2-12. A copy of the UNDERTAKING is set forth in Appendix D. Annual financial information including operating data shall be filed with [www.emma.msrb.org](http://www.emma.msrb.org) ("Emma").

Notices of events specified in SEC Rule 15c2-12, if material, shall be filed with Emma.

## **LITIGATION**

To the knowledge of the Township Attorney, Richard Venino, Esq., there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the



delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided. A certificate to such effect will be executed by the Township's Attorney was delivered to the Purchaser of the Bonds at the closing.

## **TAX MATTERS**

### **Federal**

The Taxable Bonds are subject to Federal Income Taxation. The following information pertains to the Tax-Exempt Bonds.

The Township has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Tax-Exempt Bonds under the Internal Revenue Code of 1986, as amended (the "Code"). Failure to comply with certain requirements of the Code could cause interest on the Tax-Exempt Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Bonds. In the opinion of Lomurro, Davison, Eastman & Munoz, P.A., Bond Counsel to the Township to be delivered at the time of original issuance of the Tax-Exempt Bonds, interest on the Tax-Exempt Bonds is not includable in gross income for federal income tax purposes under current law if the Township complies with its covenant. The Tax-Exempt Bonds are not "private activity Tax-Exempt Bonds" as such term is defined in the Code.

### **Personal Alternative Minimum Tax**

Interest on the Tax-Exempt Bonds is not included as an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

### **Corporate Alternative Minimum Tax**

The Code provides that an alternative minimum tax is imposed on corporations at a rate of 20 percent. For purposes of the corporate alternative minimum tax, the Code includes an increase adjustment for computation of the alternative minimum tax consisting generally of seventy-five percent (75%) of the amount by which "adjusted current earnings" exceed alternative minimum taxable income (computed without regard to this adjustment and the alternative tax net operating loss deduction). Thus, to the extent that interest on the Tax-Exempt Bonds is a component of a corporate holder's "adjusted current earnings", a portion of that interest may be subject to an alternative minimum tax.

### **Branch Profits Tax**

Section 884 of the Code imposes on foreign corporations a branch profits tax equal to 30 percent of the "dividend equivalent amount" for the taxable year, unless modified, reduced or eliminated by income tax treaty in certain instances. Interest on the Tax-Exempt Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation for purposes of the branch profits tax.

### **S Corporation Tax**

Section 1375 of the Code imposes a tax on the "excess net passive income" of certain S corporations with passive investment income in excess of 25 percent of gross receipts for a taxable year. The U.S. Department of Treasury has issued regulations indicating that interest on tax-exempt Tax-Exempt Bonds held by an S corporation, such as the Tax-Exempt Bonds, would be included in the calculation of excess net passive income.

### **Section 265 Qualification**

The Code denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which must be so designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

The Tax-Exempt Bonds **will not** be designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

### **Other Federal Tax Consequences**

Owners of the Tax-Exempt Bonds should be aware that the ownership of tax-exempt obligations may result in other collateral federal income tax consequences to certain taxpayers, including property and casualty insurance companies, individual recipients of Social Security and Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry tax-exempt obligations.

### **State**

Interest on the Bonds and any gain on the sale thereof is not includable as gross income under the New Jersey Gross Income Tax Act.

**ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.**

**LEGALITY FOR INVESTMENT**

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the Township, including the Bonds, and such Bonds are authorized security for any and all public deposits.

**MUNICIPAL BANKRUPTCY**

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, Public Law 94-260 approved April 8, 1976, the Bankruptcy Reform Act of 1994, effective October 22, 1994, and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

## **FINANCIAL ADVISOR**

NW Financial, Jersey City, New Jersey has served as Financial Advisor to the Township with respect to the issuance of the Bonds ("Financial Advisor"). The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness or fairness of the information contained in the Official Statement and the appendices hereto.

## **RATING**

The Township has applied for a municipal credit rating on its Bonds from Moody's Investors Service.

The rating reflects only the views of the rating agency and an explanation of such rating can be obtained from Standard & Poor's Corporation, New York, New York. There can be no assurance that the rating will be maintained for any given period of time or that the rating may not be raised, lowered or withdrawn entirely, if in the rating agency's judgement, circumstances so warrant. Any downward change in or withdrawal of such rating, may have an adverse effect on the marketability or market price of the Bonds.

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Lomurro, Davison, Eastman & Munoz, P.A., Freehold, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as Appendix B. Certain legal matters will be passed on for the Township by its Counsel, Richard Venino, Esq., Weehawken, New Jersey.

## **PREPARATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchasers of the Bonds, by certificates signed by the Mayor and Chief Financial Officer, that to their knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

Garbarini & Co. PC assisted in the preparation of information contained in this Official Statement and takes responsibility for the audited financial statements to the extent specified in their Independent Auditor's Report.

All other information has been obtained from sources which Garbarini & Co. PC considers to be reliable and they make no warranty, guaranty or other representation which respect to the accuracy and completeness of such information.

Lomurro, Davison, Eastman & Munoz, P.A. has not participated in the preparation of the financial or statistical information contained in this official statement, nor has he verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Township's Auditor, Paul C. Garbarini, CPA (201) 933-5566 or the Township's Chief Financial Officer, (201) 933-3444.

### **MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers of holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

**TOWNSHIP OF WEEHAWKEN**

By: Lisa Toscano  
Chief Financial Officer

**APPENDIX A**

**GENERAL INFORMATION PERTAINING TO THE  
TOWNSHIP OF WEEHAWKEN**

**GENERAL INFORMATION REGARDING**  
**THE TOWNSHIP OF WEEHAWKEN**  
**COUNTY OF HUDSON, NEW JERSEY**

**General Background**

The Township, incorporated in 1859, is primarily a residential community covering an area of 1.70 square miles in the northeastern part of Hudson County along the Hudson River. It is bounded by the cities of Hoboken, Union City and West New York.

Situated at the entrance to the Lincoln Tunnel, the Township is ideally located in the New York Metropolitan area. Direct highway connections are provided to the New Jersey Turnpike and U.S. Routes 1 and 9, major north to south routes, and Interstate Route 80 and State Route 3, major east to east routes. Commuter rail transportation is provided by the New Jersey Department of Transportation, Railroad Operations ("N.J.DOT") with its principal terminal in Hoboken, the Port Authority of New York and New Jersey Trans Hudson ("PATH") facilities at N.J. DOT's terminal in Hoboken and various interstate and intrastate bus lines.

Township citizens find employment in New York City and in the diversified businesses in northern New Jersey. The largest employer in the Township is UBS, with an estimated 3,100 employees.

**Municipal Government**

The Township functions under a Council-Manager form of government in which the manager is the Chief executive and the Council is the legislative body. The Council members are elected for four-year terms and the council chooses the mayor and deputy mayor, who also serve for four years.

Township officials include the following individuals:

Richard F. Turner	Mayor
Rosemary J. Lavagnino	Member of Council
Carmela Silvestri-Ehret	Member of Council
Robert J. Sosa	Member of Council
Robert Zucconi	Member of Council
James V. Marchetti, Jr.	Township Manager
Rola Dahboul	Township Clerk
Richard Barsa	Finance Director
Lisa Toscano	Chief Financial Officer
Joseph Fredericks	Tax Collector/ Tax Search Officer

## **SERVICES**

### **Ambulance**

The Weehawken Volunteer First Aid Squad (WVFAS) has been providing the residents of Weehawken free emergency medical services since 1969. The WVFAS headquarters is located on Highwood Avenue and is always ready to respond to resident's needs with three state of the art ambulances. The ambulances are staffed by state certified personnel and equipped with oxygen, cardiac defibrillators, and other lifesaving equipment. CPR and First Aid training are also available to the public from WVFAS.

### **Police**

The men and women of the Weehawken, NJ Police Department have been protecting their citizens since 1870. Jeff Welz is the current Weehawken Director of Public Safety, and has seen crime statistics decrease each year by up to 15% since 2005. The department consists of 37 police officers (including detectives), 9 sergeants, 8 lieutenants, and 2 captains. To better serve the community the department and staff are broken up into nine sub-departments each with different roles and responsibilities. These areas include a patrol division, detectives, an anti-crime unit, a traffic division, a quality of life squad, a juvenile bureau, a crime prevention office, a records department, and an office of emergency management.

### **Fire**

The North Hudson Regional Fire and Rescue department serves Weehawken from three stations across the town. The stations are located at 46<sup>th</sup> Street and Park Avenue, 19<sup>th</sup> Street and Willow Avenue, and 133 Jane Street. To keep up with the growth of the town, another station is currently under construction at the waterfront area. Regionalization of the fire service has greatly helped the town and its residents by creating local property tax credits and doubling the number of firefighters who respond to each call. In addition, NHRFR was the recipient of the 2002 Innovation in Governance Award from the NJ Department of Community Affairs.

### **School System**

The Weehawken school system consists of three main schools: Weehawken High School, Webster School (elementary school), and Roosevelt School (middle school). The schools provide a progressive and comprehensive education to the children in the town by staffing highly sensitive and well qualified (48% have advanced degrees) professionals. The system's low student-teacher ratio is one of the many reasons the high school is ranked among the top 12% of schools in NJ.

### **Parks and Recreation**

The Township Recreation Department provides a variety of free and low cost activities and programs for residents aged four and up. Many of these activities and programs take place



on the town parks and ball fields that are maintained by the Weehawken Department of Parks. The department prides itself on the successful upkeep and high quality of all parks, playgrounds, and ball fields.

### **Housing and Building Authorities**

Weehawken's Housing Authority provides 167 units of affordable senior citizens' housing and manages 350 units of Section 8 subsidized housing for residents. There are also two Senior Nutrition Centers and a Family Self Sufficient Program run by the Authority.

Overseeing the building and revitalization of the town is the Building Department which is made up of the Construction Code Office, the Health Department, the Housing Inspection Office, as well as the fire, plumbing, and electrical inspectors. Currently the department is dedicated to revitalizing the Park Avenue and historic Water Tower areas with the Park Avenue Partnership.

### **Library**

The Weehawken Library is home to a wide array of features and activities for the residents of the town. The features of the library include: inter-library loans, full text online databases, multimedia materials, internet, online catalog access, Spanish language materials, notary services, and copy and fax machines. The library also features the very helpful program Shut-in Service, which makes materials available to disabled patrons that are unable to leave their residences. For children the library offers monthly book sales and story time class.

### **Public Transportation**

Weehawken is connected to New York and the rest of New Jersey via a variety of bus and train lines. These buses and trains are in conjunction with NJ Transit and Academy Bus Lines and serve the residents with reliable, fairly priced, and easy modes of transportation through congested areas. The Township's Waterfront Shuttle Bus is also available to provide free transportation between upper Weehawken and the waterfront. The Township's transportation is governed by the Hudson Transportation Management Association which is part of the Hudson County Improvement Authority.

## **DEMOGRAPHIC INFORMATION**

### **Resident Population**

	2009	2000	1990	1980	1970
Weehawken	12,379	13,501	12,385	13,168	13,383
County of Hudson	597,924	608,975	553,099	556,972	609,266
State of New Jersey	8,707,739	8,414,350	7,730,188	7,365,011	7,168,164

Source: Department of Labor, State of NJ (2009 Population Estimates)

**2009 New Jersey Annual Average Labor Force Estimates**

	<b><u>Labor Force</u></b>	<b><u>Employment</u></b>	<b><u>Unemployment</u></b>	<b><u>Unemployment Rate</u></b>
Weehawken Township	7,913	7,228	686	8.7%
County of Hudson	298,884	266,864	32,020	10.7%
State of New Jersey	4,536,700	4,118,400	418,300	9.2%

Source: 2009 State of New Jersey, Department of Labor, Division of Labor Market and Demographic Research.

**10 Largest Taxpayers In Weehawken Township**  
**Based Upon 2009 Assessed Valuation**

<b><u>Taxpayer</u></b>	<b><u>Type of Business</u></b>	
HARTZ PW LP	Developer	\$80,439,900
HARTZ PW TOWER BLP	Developer	53,826,500
GLOBAL WEEHAWKEN ACQUISITION	Communication	40,000,000
HARTZ MOUNTAIN IND INC	Comm. Developer	25,122,800
HARTZ MOUNTAIN IND INC	Comm. Developer	24,511,800
PORT IMPERIAL SOUTH LLC	Comm. Developer	23,600,000
HARTZ-PW LIMITED PARTNERSHIP	Comm. Developer	23,384,700
RIVER PW HOTEL LIMITED PARTNER	Comm. Developer	22,446,100
RIVER PW HOTEL LIMITED PARTNERSHIP	Comm. Developer	10,998,300
TOWER PLAZA ASSOCIATES	Developer	8,653,000
Total		<u>\$312,983,100</u>

Source: Office of the Assessor, Township of Weehawken

### **Largest Private Employers 2009**

<b>Address</b>	<b>Employer Name</b>	<b>Business Type</b>	<b>Number of Employees</b>
Harbor Blvd	UBS	Financial Services	3,100
Pershing Rd	Port Imperial Ferry Corp	Trucking/Water Transportation	700
1919 Park Ave	Citicorp Data Systems Inc	Non-depository Institutions	594
1200 Harbor Blvd	The Swatch Group US Inc	Wholesale Trades	570
1500 Harbor Blvd, Ste A	Hanover Direct Inc	Misc. Retail	340
500 Boulevard East	Transportation NJ Dept	Transportation	300
1000 Harbor Blvd	Hartz Mountain Industries Inc	Real Estate	250
1200 Harbor Blvd	Ceres Marine Terminals Inc	Water Transportation	200
1919 Park Ave	Citicorp Information Technologies Inc	Business Services	150
1200 Harbor Blvd	Qwest Cyber Solutions	Business Services	150
4100 Park Ave	Pathmark Stores Inc	Misc. Retail	130

Source: Hudson County Economic Development Corporation

### **Trend of Net Assessed Valuations By Classifications of Real Estate**

<b>Classification</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Residential	\$663,498,140	\$643,054,740	\$608,879,940	\$508,320,740	\$478,123,840
Commercial	233,111,300	234,201,700	236,164,100	321,561,302	322,007,403
Industrial	49,421,000	49,504,000	49,489,000	58,565,700	60,185,900
Apartments	57,154,150	57,521,450	58,006,050	58,039,650	57,790,350
Vacant/Undeveloped	164,149,450	160,959,350	138,349,050	90,888,330	90,327,130
<b>Total</b>	<b>\$1,167,334,040</b>	<b>\$1,145,241,240</b>	<b>\$1,090,888,140</b>	<b>\$1,037,375,722</b>	<b>\$1,008,434,623</b>
Personal Property	1,275,172	1,217,696	1,179,727	1,305,011	1,305,011
<b>Total Assessed Valuation</b>	<b>\$1,168,609,212</b>	<b>\$1,146,458,936</b>	<b>\$1,092,067,867</b>	<b>\$1,038,680,733</b>	<b>\$1,009,544,129</b>

Source: Office of the Tax Collector, Township of Weehawken

**Weehawken Township**  
**Statutory Debt at June 30, 2009**

Municipal Debt Issued (Bonds and Notes):	\$ 37,389,367
Authorized But Not Issued (Bonds and Notes):	0
Total Bonds and Notes:	\$ 37,389,367
State Loan	1,437,987
Local School Debt	14,886,576
Gross Debt	\$ 53,713,930
Less: Statutory Deduction	14,886,576
Net Debt	\$ 38,827,354
Equalized Valuation of Basis (N.J.S.A.40A:2-2)	\$2,225,658,616
Gross Debt as a Percentage of Equalized Valuations	2.413%
Net Debt as a Percentage of Equalized Valuations	1.744%
Gross Debt per Capita – 2009 population estimate (12,379):	\$4,339
Net Debt per Capita – 2009 population estimate (12,379):	\$3,137
Borrowing Power	
3 ½ % of Equalized Valuation Basis:	77,898,052
Net Debt:	38,827,354
Remaining Borrowing Power:	\$ 39,070,698

Source: Annual Debt Statement of Weehawken SFY 2009 As required by NJSA 40A:2-40  
NJ Department of Labor and Workforce Development

**Weehawken Township**  
**Schedule of Annual Debt Service**  
**At June 30, 2009**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30			
2010	\$495,000	\$324,452	\$819,452
2011	495,000	300,702	795,702
2012	525,000	276,952	801,952
2013	525,000	251,764	776,764
2014	115,000	197,500	312,500
2015-2033	3,835,000	2,633,160	6,468,160
Total	<u>\$5,990,000</u>	<u>\$3,984,530</u>	<u>9,974,530</u>

Source: SFY 2009 Weehawken Audit

\*Schedule does not include pending bond sale.

### **TAX LEVY AND TAX COLLECTION**

#### **General Tax Rate** (Per \$100 of Assessed Valuation)

<b>Fiscal Year</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Tax Rate:</b>					
County	\$0.780	\$0.765	\$0.832	\$0.807	\$0.843
School	1.362	1.344	1.354	1.282	1.182
Municipal	1.630	1.374	1.290	1.178	1.063
Garbage	0.134	0.130	0.138	0.087	0.119
Open Space	0.021	0.021	0.021	0.019	0.017
<b>Total General Tax Rate</b>	<b>\$3.927</b>	<b>\$3.634</b>	<b>\$3.635</b>	<b>\$3.373</b>	<b>\$3.224</b>

Source: Hudson County Board of Taxation

#### **Tax Levy and Tax Collection**

<b>Year</b>	<b>Tax Levy</b>	<b>Cash Collection</b>	<b>Percentage</b>
2009	\$44,520,498	\$44,017,578	98.87%
2008	42,156,679	41,597,687	98.67%
2007	37,400,466	36,943,573	98.78%
2006	33,242,974	32,947,964	99.11%
2005	31,713,934	31,448,030	99.16%

Source: Based on Township of Weehawken's Fiscal Year

#### **Delinquent Taxes and Tax Title Liens Experience**

<b>Year</b>	<b>Tax Title Liens</b>	<b>Delinquent Taxes</b>	<b>Total Delinquent</b>	<b>% of Tax Levy</b>
2009	\$47,365	\$517,477	\$564,842	1.27%
2008	44,583	532,889	577,472	1.37%
2007	41,766	469,604	511,370	1.37%
2006	39,116	290,533	329,649	0.99%
2005	36,712	223,488	260,200	0.82%

Source: Based on Township of Weehawken's Fiscal Year

**APPENDIX B**  
**FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Council Members  
of Township of Weehawken, New Jersey

We have audited the accompanying statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Weehawken ("the Township"), State of New Jersey as of June 30, 2009 and June 30, 2008, and the related statements of operations and changes in fund balance--regulatory basis for the years then ended, and the related statement of revenues--regulatory basis and statement of expenditures--regulatory basis for the year ended June 30, 2009. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as 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 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 audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the *Division of Local Government Services, Department of Community Affairs, State of New Jersey*, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with the accounting practices on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township, as of June 30, 2009 and June 30, 2008, or the results of its operations and changes in the fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance—regulatory basis of the various funds of the Township, as of June 30, 2009 and June 30, 2008, and the results of its operations and changes in fund balance of such funds—regulatory basis for the years then ended, and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended June 30, 2009 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated, November 30, 2009 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance programs and the supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

*Garbarini & Co.*

Garbarini & Co., P.C., CPA's

*Paul C. Garbarini*

By: Paul C. Garbarini, CPA  
Registered Municipal Accountant  
License No. 120

November 30, 2009  
Carlstadt, New Jersey



TOWNSHIP OF WEEHAWKEN  
CURRENT FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,  
RESERVES AND FUND BALANCE

A

	<u>At June 30,</u>	
	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current Assets:		
Cash - Treasurer	\$7,997,327.31	\$11,193,832.52
Cash - Tax Collector	4,105,111.52	233,422.21
Overdraft - Payroll Account	(17,591.92)	2,025,752.32
Cash - Change Funds	250.00	250.00
Cash - TPA Account	26.55	26.55
	<u>12,085,123.46</u>	<u>13,453,283.60</u>
Due from Hudson County	<u>155,400.00</u>	<u>155,400.00</u>
Due from State of New Jersey:		
Senior Citizens and Veterans Deductions	26,241.58	27,500.00
Federal and State Grants and Aid Receivable	<u>1,205,267.58</u>	<u>1,220,385.83</u>
	<u>1,231,509.16</u>	<u>1,247,885.83</u>
Due from North Hudson Sewerage Authority	50,000.00	50,000.00
Due from Port Authority of NY-NJ	1,150,000.00	1,150,000.00
Due from Union City School	<u>2,800,000.00</u>	<u>800,000.00</u>
	<u>4,000,000.00</u>	<u>2,000,000.00</u>
Receivable and Other Assets with Full Reserves:		
Delinquent Property Taxes	517,477.20	532,889.31
Tax Title Liens	47,364.80	44,583.44
Prepaid Appropriation Expense		821,958.80
Due From Animal License Fund	5,200.40	3,924.40
Due From Housing Authority	14,122.92	14,122.92
Due From Library Board	1,002,876.96	1,013,923.76
Due From Unemployment Fund-Payroll Account	15,624.29	15,624.29
Due From SID-Bond Payment Receivable	1,085,790.73	
Due From Parking Authority	763,751.43	164,129.79
Revenue Accounts Receivable		1,249.03
	<u>3,452,208.73</u>	<u>2,612,405.74</u>
Deferred Charges:		
Emergency Authorizations-Current Year	1,086,474.56	955,000.22
Overexpenditure of Appropriation		45,670.44
Cash Deficit		1,969,738.63
Cash Deficit-Special District Taxes	377,117.36	377,117.36
Deficit in Payroll Reserve	<u>17,591.92</u>	
	<u>1,481,183.84</u>	<u>3,347,526.65</u>
<b>TOTAL ASSETS</b>	<u>\$22,405,425.19</u>	<u>\$22,816,501.82</u>

See Accompanying Notes to Financial Statements.

TOWNSHIP OF WEEHAWKEN  
CURRENT FUND

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,  
RESERVES AND FUND BALANCE**  
(CONTINUED)

A

	<u>At June 30,</u>	
	<u>2009</u>	<u>2008</u>
<b>LIABILITIES, RESERVES AND FUND BALANCES</b>		
Liabilities:		
Encumbrances Payable	\$12,742.87	\$350,818.30
Appropriation Reserves	24,954.38	25,508.86
Prepaid Taxes	86,274.18	37,483.15
Tax Overpayments	257,041.59	269,676.38
Due to Capital Fund	1,792,273.95	5,506,157.62
Appropriated Reserve for Grants	60,052.61	105,251.59
Unappropriated Reserve for Grants	22,411.92	45,033.11
Tax Anticipation Note	15,291,000.00	13,291,000.00
Due to Trust Fund	494,042.50	3,051.11
Due To Unemployment Fund	765.14	693.45
Due To Affordable Housing Assistance Program	500,000.00	
Reserve for Urban Area Security Initiative Grant	532.50	532.50
Reserve for Special District Taxes	126,991.44	192,641.12
Reserve for Payroll		76,209.65
Accrued Interest and Premium on BANS	40,611.24	40,611.24
Reserve for Police Construction - PBA	19,320.27	49,229.87
	<u>18,729,014.59</u>	<u>19,993,897.95</u>
Reserve for Receivable and Other Assets	3,452,208.73	2,612,405.74
Fund Balance	<u>224,201.87</u>	<u>210,198.13</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>	<b><u>\$22,405,425.19</u></b>	<b><u>\$22,816,501.82</u></b>

See Accompanying Notes to Financial Statements.

TOWNSHIP OF WEEHAWKEN  
CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

A-1

	<u>For the Fiscal Year Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$	\$
Miscellaneous Revenue Anticipated	18,285,240.66	17,673,482.30
Receipts from Delinquent Taxes	503,780.08	442,291.08
Receipts from Current Taxes	44,017,578.13	41,597,687.35
Non-Budget Revenues	36,127.96	23,855.64
Other Credits to Income:		
Unexpended Balance of 2008 Appropriation Reserves	32,659.21	15,982.75
Encumbrances Cancelled		1,917.54
Interfund Returned	12,295.83	825.16
Unexpended Balances of 2009 Budget Appropriations	1.00	1,214.57
Prepaid 2009 Appropriation - prior year expense	821,958.80	502,760.33
Tax Overpayments Canceled		4,880.86
Statutory Excess - Dog License Fund	1,276.00	838.40
Total Income	<u>63,710,917.67</u>	<u>60,265,735.98</u>
Expenditures:		
Budget and Emergency Appropriations	37,718,694.65	32,968,116.89
County Taxes	8,612,716.46	9,439,670.91
Added and Omitted Taxes	93,038.90	140,540.01
County Open Space Preservation	243,006.19	241,580.90
County - Interest on Late Payment of Taxes	65,993.60	2,065.40
Local District School Tax	15,617,830.00	15,180,906.00
Special District Tax	1,530,000.00	1,500,000.00
Interfund Advance	223,469.06	2,684,092.64
Tax Appeals	66,574.88	
Due From Parking Authority	599,621.64	164,129.79
Prepaid 2009 Appropriation expense		821,958.80
Overexpenditure of Appropriations		45,670.44
Prior Year Accounts Payable		49.01
Bail Refund	30,000.00	47,207.04
Bank Service Charges	35.03	157.44
Total Expenditures	<u>64,800,980.41</u>	<u>63,236,145.27</u>
<u>(Deficit) in Operations</u>	<u>(1,090,062.74)</u>	<u>(2,970,409.29)</u>
Adjustments to Income before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year:		
Emergency Authorizations	1,086,474.56	955,000.22
Overexpenditure of Appropriations		45,670.44
Cash Deficit		1,969,738.63
Deficit in Payroll Reserve	17,591.92	
Total Deferred Charges	<u>1,104,066.48</u>	<u>2,970,409.29</u>
Excess in Revenue	14,003.74	0.00
Fund Balance July 1	<u>210,198.13</u>	<u>210,198.13</u>
Fund Balance June 30	<u>\$224,201.87</u>	<u>\$210,198.13</u>

See Accompanying Notes to Financial Statements.

TOWNSHIP OF WEEHAWKEN  
CURRENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

STATEMENT OF REVENUES

A-2

	<u>Anticipated</u>		
	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Total Miscellaneous Revenues	\$19,088,363.38	\$18,285,240.66	(\$803,122.72)
Receipts from Delinquent Taxes	490,000.00	503,780.08	13,780.08
Subtotal General Revenues	19,578,363.38	18,789,020.74	(789,342.64)
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	17,557,856.71	18,424,986.58	867,129.87
Budget Totals	\$37,136,220.09	\$37,214,007.32	\$77,787.23
Non-Budget Revenues		36,127.96	
		<u>\$37,250,135.28</u>	

STATEMENT OF REVENUES

A-3

	<u>APPROPRIATIONS</u>			<u>EXPENDED</u>		
	<u>Budget</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	\$20,505,983.09	\$1,086,474.56	\$21,592,457.65	\$21,567,503.27	\$24,954.38	\$0.00
Total Operations Excluded from "CAPS"	9,266,049.34		9,266,049.34	9,266,049.34		
Total Capital Improvements Excluded from "CAPS"	56,000.00		56,000.00	56,000.00		
Total Municipal Debt Service	6,091,295.13		6,091,295.13	6,091,294.13		1.00
Deferred Charges Emergency Authorizations	712,892.53		712,892.53	712,892.53		
Total General Appropriations - Excluded from "CAPS"	16,126,237.00	0.00	16,126,237.00	16,126,236.00	0.00	1.00
	36,632,220.09	1,086,474.56	37,718,694.65	37,693,739.27	24,954.38	1.00
Reserve for Uncollected Taxes	504,000.00		504,000.00	504,000.00		
Total General Appropriations	\$37,136,220.09	\$1,086,474.56	\$38,222,694.65	\$38,197,739.27	\$24,954.38	\$1.00

See Accompanying Notes to Financial Statements.

TOWNSHIP OF WEEHAWKEN  
TRUST FUND  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,  
RESERVES AND FUND BALANCE**

B

	<u>At June 30,</u>	
	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<u>Dog License Fund</u>		
Cash	\$6,862.40	\$5,590.00
	<u>6,862.40</u>	<u>5,590.00</u>
<u>Other Trust Fund</u>		
Cash-Other Trust	76,086.67	594,942.89
Cash-Affordable Housing Trust	42,676.96	2,143,209.65
Cash-Balanced Housing Funds		1,000.00
Cash-Woodrow Wilson School Account	50,000.00	50,000.00
Cash-Affordable Housing Assistance Program	113,011.47	
Cash-Affordability Assistance Trust Account	221,358.47	
Municipal Alliance Receivable	325.50	3,583.00
Due from Current Fund-Other Trust Fund	494,042.50	3,051.11
Due from Current Fund-Affordable Housing Assist. Program	500,000.00	
Municipal Liens Receivable	19,275.00	19,055.00
	<u>1,516,776.57</u>	<u>2,814,841.65</u>
<u>Unemployment Fund</u>		
Cash	14,859.15	14,930.84
Due from Current Fund	765.14	693.45
	<u>15,624.29</u>	<u>15,624.29</u>
<b>TOTAL ASSETS</b>	<u>\$1,539,263.26</u>	<u>\$2,836,055.94</u>
 <b>LIABILITIES, RESERVE AND FUND BALANCE</b>		
<u>Dog License Fund</u>		
Due to Current Fund	\$5,200.40	\$3,924.40
Due to State of New Jersey	102.00	87.60
Reserve for Dog Fund Expenditures	1,560.00	1,578.00
	<u>6,862.40</u>	<u>5,590.00</u>
<u>Other Trust Fund</u>		
Escrow Deposits	502,730.05	548,299.14
Special Reserves	17,669.71	21,365.86
Reserve for Affordable Housing Trust	42,676.96	2,143,209.65
Reserve for Affordable Housing Assistance Program	613,011.47	
Reserve for Affordability Assistance Trust	221,358.47	
Reserve for Balanced Housing Funds		1,000.00
Woodrow Wilson School Account-Due to Capital Fund	50,000.00	50,000.00
Reserve for Performance Bonds	16,337.91	
Elevator Inspection Fees Payable	20,192.00	18,167.00
Tax Title Lien Premium	32,800.00	32,800.00
	<u>1,516,776.57</u>	<u>2,814,841.65</u>
<u>Unemployment Fund</u>		
Due to Payroll Account	15,624.29	15,624.29
	<u>15,624.29</u>	<u>15,624.29</u>
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>	<u>\$1,539,263.26</u>	<u>\$2,836,055.94</u>

See Accompanying Notes to Financial Statements.

TOWNSHIP OF WEEHAWKEN  
GENERAL CAPITAL FUND

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,  
RESERVES AND FUND BALANCE**

C

	<u>At June 30,</u>	
<b>ASSETS</b>	<b>2009</b>	<b>2008</b>
Cash - General Capital	\$10,827.91	\$344,173.18
Due From Current Fund	1,792,273.95	5,506,157.62
Due From Department of Transportation	739,936.62	499,936.62
Deferred Charges to Future Taxation:		
Funded	5,990,000.00	6,480,000.00
Unfunded	32,837,353.81	34,157,006.42
Due From Woodrow Wilson School Account	50,000.00	50,000.00
Due From Community Development	116,905.81	149,915.56
Due From Green Acres	356,250.00	356,250.00
<b>TOTAL ASSETS</b>	<b>\$41,893,548.10</b>	<b>\$47,543,439.40</b>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>		
General Serial Bonds	\$5,990,000.00	\$6,480,000.00
Bond Anticipation Notes	31,399,367.00	32,550,267.00
Improvement Authorizations:		
Funded	47,939.55	109.94
Unfunded	2,142,094.20	5,928,753.37
Reserve for Department of Transportation Grant	210,620.44	251,129.28
State Loans Payable	1,437,986.81	1,606,739.42
Reserve for CDBG Projects	116,905.81	116,905.81
Reserve for NJ Contingency Fund	0.00	10,660.04
Reserve for Green Acres Grant	351,250.00	353,750.00
Reserve for County Open Space Trust Grant	36,764.01	106,504.26
Capital Improvement Fund	22,000.00	0.00
Fund Balance	138,620.28	138,620.28
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>	<b>\$41,893,548.10</b>	<b>\$47,543,439.40</b>

There were no Bonds and Notes Authorized but not issued on June 30, 2009.

**STATEMENT OF FUND BALANCE**

C-1

	<u>Reference</u>	
Balance June 30, 2008	C	<u>\$138,620.28</u>
Balance June 30, 2009	C	<u>\$138,620.28</u>

See Accompanying Notes to Financial Statements.

TOWNSHIP OF WEEHAWKEN  
WELFARE FUND

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,  
RESERVES AND FUND BALANCE**

D

	<u>At June 30,</u>	
	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	<u>\$85.89</u>	<u>\$85.65</u>
<b>TOTAL ASSETS</b>	<u><u>\$85.89</u></u>	<u><u>\$85.65</u></u>
<b>LIABILITIES AND RESERVES</b>		
Reserve for Welfare Assistance	<u>\$85.89</u>	<u>\$85.65</u>
<b>TOTAL LIABILITIES AND RESERVES</b>	<u><u>\$85.89</u></u>	<u><u>\$85.65</u></u>

See Accompanying Notes to Financial Statements.

TOWNSHIP OF WEEHAWKEN  
STATEMENT OF GENERAL FIXED ASSETS  
AS PER TOWNSHIP RECORDS  
**"UNAUDITED"**

June 30, 2009

E

**GENERAL FIXED ASSETS**

Land and Buildings	
County Abstract of Ratables	\$22,157,380.00
Automotive Equipment	2,970,238.58
Furniture and Fixtures	302,755.11
Machinery and Equipment	<u>1,731,374.74</u>

<b>TOTAL GENERAL FIXED ASSETS</b>	<b><u><u>\$27,161,748.43</u></u></b>
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**LIABILITIES AND RESERVES**

Investments in General Fixed Assets	<u>\$27,161,748.43</u>
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<b>TOTAL LIABILITIES AND RESERVES</b>	<b><u><u>\$27,161,748.43</u></u></b>
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See Accompanying Notes to Financial Statements.



TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009

**1. Summary of Significant Accounting Policies**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles (GAAP).

The financial statements of the Township of Weehawken ("Township") have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds that differ from the fund structure required by GAAP.

***A. Cash and Cash Equivalents***

In addition to cash, cash equivalents include investments in certificates of deposit and State of New Jersey Cash Management Fund. Cash equivalents consist of short-term, highly liquid investments that are convertible into cash within ninety (90) days of purchase.

***B. Use of Estimates***

The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Accordingly, actual results could differ from these estimates.

***C. Reporting Entity***

The Township operates under Council - Manager Plan C form of government, Non-Partisan elections are held in May, five (5) council members elect a mayor, run for concurrent terms, and are elected by wards and at large for terms initially and succeeding for four (4) years. The Manager is the chief executive and the Council is the legislative body.

The Township's major operations include public safety, road repair and maintenance, sanitation, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14, which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either a) the ability to impose will by the primary government or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

1. Summary of Significant Accounting Policies (Continued)

*C. Reporting Entity (continued)*

However, the municipalities in the State of New Jersey do not issue financial statements in accordance with GAAP, and thus, do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers, or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the municipal library and volunteer ambulance squad, which are component units under GAAP.

*D. Fund Accounting*

The accounting policies of the Township conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

Other Trust Fund - This fund is established to account for the assets and resources, which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits and funds deposited with the Township as collateral.

Animal Control Fund - This fund is used to account for fees collected from dog/ cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Unemployment Insurance Fund - This fund is used to account for employee and Township contributions for the purpose of providing unemployment benefits to eligible employees.

Deferred Compensation Fund - This fund is used to account for deferred compensation plan assets held by the Township in a trustee capacity for the Township's employees.

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

***D. Fund Accounting (Continued)***

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

Grant Fund - receipt and disbursement of funds from Federal and State Grants.

General Fixed Assets - used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or insurable cost if the actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets and they are unaudited at June 30, 2009.

***E. Basis of Accounting***

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The more significant accounting policies in New Jersey are presented below:

Revenues - are recorded when received in cash except for certain amounts that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and are recorded as revenue when received.

Expenditures - are recorded in the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an Encumbrance Accounting System. Outstanding encumbrances at June 30, 2009, are reported as a cash liability in the financial statements and constitute part of the Township's Statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and recorded as liabilities, except for amounts that may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

*E. Basis of Accounting (Continued)*

Foreclosed Property - is recorded in the Current Fund valuation when such property was acquired and fully reserved.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves that are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from generally accepted accounting principles (GAAP), the Township has developed a fixed assets accounting and reporting system based on an inspection and assessment. Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value. No depreciation has been provided for in the financial statements and they are unaudited at June 30, 2009.

Expenditures for construction in progress are recorded in the Capital Fund until such time as the construction is completed and put into operation. In the event the granting agency retains an equitable interest in the equipment purchased with Federal and State grants, they should be accounted for separately.

*F. Basic Financial Statements*

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents, which are required by the Division, and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**2. Cash and Cash Equivalents**

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

At June 30, 2009, cash and cash equivalents of the Township consisted of the following:

Current Fund	\$ 12,084,873.46
Dog License Fund	6,862.40
Other Trust Funds	503,133.57
Unemployment Fund	14,859.15
Capital Fund	10,827.91
Welfare Fund	85.89
Total Cash and Cash Equivalents	<u>\$ 12,620,642.38</u>

Municipal Court:*	
- POAA	\$ 6,951.59
- Fines & Costs	94,335.81
- Bail Account	44,833.70
	<u>\$ 146,121.10</u>

\* Municipal Court audit is under separate cover.

The carrying amount of the Township's cash and cash equivalents at June 30, 2009, was \$ 12,766,763.48 and the cash balance per bank was \$ 7,803,711.97.

The Township maintains its cash balances reflected in the balance sheets in five different financial institutions. Of the bank balance, \$ 697,521.47 was insured by the F.D.I.C. and \$ 7,106,190.50 was covered by the State of New Jersey, Governmental Unit Deposit Protection Act.

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**2. Cash and Cash Equivalents (Continued)**

In accordance with Governmental Accounting Standards Board Statement No. 40 *Deposits and Investment Risk Disclosures* (GASB 40), the Township 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.

- a. Custodial Credit Risk – The Township deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, collateralized with securities held by the financial institution's trust department or agent but not in the depository government's name. The deposit risk is that, in the event of the failure of the financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

As of June 30, 2009, the Township's bank balance was not exposed to custodial credit risk since the full amount was covered by either FDIC insurance or GUDPA. The Township does not have a formal policy for deposit custodial credit risk other than to maintain sufficient funds in the checking account to cover checks that have not cleared the account as of a specific date.

- b. Concentration of Credit Risk – This is the risk associated with the amount of investments the Township has with any one issuer that exceed 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the US government and investments in mutual funds, external investment pools, and other pooled investments were excluded from this requirement. As of June 30, 2009, the Township was not exposed to a concentration of credit risk.
- c. Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investment except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Township does not have an investment policy regarding Credit Risk except to the extent previously outlined under the Township's investment policy.
- d. Interest Rate Risk – This is the risk that changes in the interest rates will adversely affect the fair value of investment. As of June 30, 2009, the Township does not maintain any investment.

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**3. Investments**

The purchases of investments by the Township are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund; or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. The underlying securities are permitted investments pursuant to paragraphs 1 and 3 above;
  - b. The custody of collateral is transferred to a third party;
  - c. The maturity of the agreement is not more than 30 days;
  - d. The underlying securities are purchased through a public depository as defined in statute; and
  - e. A master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

4. Long-Term Debt

Summary of Municipal Debt

	Fiscal Year June 30, 2009	Fiscal Year June 30, 2008	Fiscal Year June 30, 2007
Issued			
General:			
Bonds, Notes and State Loan	\$ 38,827,353.81	\$ 40,637,006.42	\$ 34,402,232.83
Authorized but not Issued			
General:			
Bonds and Notes			4,049,500.00
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 38,827,353.81</u>	<u>\$ 40,637,006.42</u>	<u>\$ 38,451,732.83</u>

Summary of Statutory Debt Condition - Annual Debt Statement - as amended

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.744%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 14,886,576.00	\$ 14,886,576.00	\$
General Debt	38,827,353.81	-	38,827,353.81
	<u>\$ 53,713,929.81</u>	<u>\$ 14,886,576.00</u>	<u>\$ 38,827,353.81</u>

Net Debt \$ 38,827,353.81 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, \$2,225,658,616 equals 1.744 %.

Borrowing Power Under N.J.S.A. 40A:2-6 As Amended

3 ½% of Equalized Valuation Basis (Municipal)	\$ 77,898,051.56
Net Debt	38,827,353.81
Remaining Borrowing Power	<u>\$ 39,070,697.75</u>



TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**4. Long-Term Debt (Continued)**

The Township's long-term debt consisted of the following at June 30, 2009:

General Obligation Bonds

**\$3,470,000** - General Improvement Bonds, due in annual installments of (4/01/10-11) - \$400,000, (4/01/12) - \$425,000, (4/01/13) - \$420,000, interest at 4.75% \$ 1,645,000

**\$4,750,000** - Pension Refunding Bonds, due in annual installments of (2/15/10-11) - \$95,000, (2/15/12-17) - \$695,000, interest at 5.00% and, (2/15/18-33) - \$3,460,000, interest at 5.84% 4,345,000  
\$ 5,990,000

Changes in Debt and Debt Authorized for the year ended June 30, 2009

Type of Debt	Balance 07/01/08	Additions	Reductions	Balance 06/30/09	Amount Due Within 1 Year
Bonds	\$ 6,480,000.00	\$ -	\$ 490,000.00	\$ 5,990,000.00	\$ 495,000.00
Notes	32,550,267.00	666,000.00	1,816,900.00	31,399,367.00	31,399,367.00
State Loan	1,606,739.42	4,095.00	172,847.61	1,437,986.81	176,440.75
Authorized but not Issued	-	-	-	-	-
	<u>\$ 40,637,006.42</u>	<u>\$ 670,095.00</u>	<u>\$ 2,479,747.61</u>	<u>\$ 38,827,353.81</u>	<u>\$ 32,070,807.75</u>

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**4. Long-Term Debt (Continued)**

The Township's long-term debt consisted of the following at June 30, 2009:

Schedule of Annual Debt Service for Principal and Interest for

Bonded Debt Issued and Outstanding

<u>For Years Ended June 30,</u>	<u>General</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 495,000.00	\$ 324,451.50
2011	495,000.00	300,701.50
2012	525,000.00	276,951.50
2013	525,000.00	251,764.00
2014	115,000.00	197,500.00
2015 - 2033	3,835,000.00	2,633,160.00
Total	<u>\$ 5,990,000.00</u>	<u>\$ 3,984,528.50</u>

Bond Guarantee

The Township of Weehawken entered into an agreement with the Weehawken Parking Authority to guarantee the Authority's Parking Revenue Bonds issued on October 24, 2008, in the amount of \$2,565,000. The Bonds are issued for 17 years, at a variable interest rate set forth in the resolution of the Hudson County Improvement Authority duly adopted on July 15, 1986. The bonds mature in accordance with amortization schedule from year 2011 to 2025.

**5. Interfund Balances**

Interfund receivables and payables at June 30, 2009 were as follows:

Fund Type	<u>Receivables</u>	<u>Payables</u>
Current Fund	\$ 20,824.69	\$ 2,787,081.59
Dog License Fund		5,200.40
Other Trust Funds	994,042.50	
Unemployment Fund	765.14	15,624.29
Capital Fund	1,792,273.95	
Total Interfund Receivables/Payables	<u>\$ 2,807,906.28</u>	<u>\$ 2,807,906.28</u>

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**6. Fund Balance Appropriated**

There was a Fund Balance of \$ 224,201.87 available at June 30, 2009. As of November 30, 2009 the annual SFY 2010 Budget has not been approved.

**7. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are to be deferred to budgets of succeeding years. At June 30, 2009, the following deferred charges are shown on the balance sheets of various funds.

	Balance	Required to be in Budget	Required to be in Special District Budget
	<u>June 30, 2009</u>	<u>SFY 2010</u>	<u>2010</u>
<u>Current Fund:</u>			
Emergency Authorization - Current Year	\$ 1,086,474.56	\$ 1,086,474.56	\$ -
Cash Deficit - Special District Taxes	377,117.36		377,117.36
Deficit in Payroll Reserve	17,591.92	17,591.92	
	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>	<b><u>\$ 1,481,183.84</u></b>	<b><u>\$ 1,104,066.48</u></b>	<b><u>\$ 377,117.36</u></b>

As required by statute, an appropriation in the SFY 2010 Budget in the amount of \$1,104,066.48 and an appropriation in the 2010 Special District Budget in the amount of \$377,177.36, will be made.

**8. School Taxes**

Local District School Taxes are raised on a fiscal year basis. As of June 30, 2009, all school taxes were paid.

**9. Taxes Collected in Advance**

Taxes collected in advance, and the amounts set forth as cash liabilities in the financial statements as follows:

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Prepaid Taxes	<u>\$86,274.18</u>	<u>\$37,483.15</u>

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**10. Retirement Plans**

*Plan Description, Contribution Information, and Funding Policies*

Employees who are eligible for a pension plan are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The three State-administered plans are: (1) the Public Employees' Retirement System; (2) the Consolidated Police and Firemen's Pension Fund and (3) the Police and Firemen's Retirement System. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$896,317.44 for June 30, 2009, compared to \$1,339,866.48 for June 30, 2008. Township employees are also covered by the Federal Insurance Contribution Act. Information as to the comparison of the actuarial computed value of vested benefit with the system's assets is not available from the State Retirement Systems and, therefore, is not presented.

*Deferred Salary Compensation Plan*

The Township maintains a Deferred Compensation Plan in accordance with Internal Revenues Code Section 457. Any employee of the Township is eligible to participate in the Plan. Participation in the Plan is entirely voluntary on the part of each employee. The Township does not require or make contributions to the Plan. Equitable Vest and Variable Annuity Life Insurance Company are the Administrators of the Plan. Fund assets at June 30, 2009, totaled \$3,188,846.10, compared to \$3,324,670.58 for June 30, 2008.

**11. Other Post Employment Benefits**

The Township of Weehawken contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined 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. 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 reimbursements to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employees in 1964. Local employers must adopt a resolution to participate in the SHBP. On June 25, 1997, the Township authorized participation in the SHBP's post retirement benefit program through resolutions number 92-1997 & 93-1997. Pursuant to the provisions of Chapter 88, P.L. 1974, the Township shall pay the premium or periodic charges for the benefits provided to all eligible retired employees and their dependents covered under the program, not including surviving spouses, if such employees retired from a locally administered retirement system on a benefit based on 25 years or more of service credited in such retirement system, excepting the employees who elected deferred retirement but including the employees who retired on a disability pension based on fewer years of service credited in such retirement system.

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of Weehawken on a monthly basis. The premiums are part of the Township's health benefit appropriations.

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**11. Other Post Employment Benefits (Continued)**

The Township contributions to SHBP for the years ended June 30, 2009 and 2008 were \$1,328,629.13 and \$1,177,616.33. As of June, 30, 2009, the balance due to the State of New Jersey for the retirees' health benefits amounted to \$324,005.50. There were approximately 68 retired participants at June 30, 2009.

**12. Leases**

- (A) On January 5, 2005, the Township had entered into a sixty (60) month lease agreement with Stewart Industries, Inc. for a copier. The quarterly payments are \$372.57 with a \$1.00 buyout at the end of the lease.
- (B) On July 14, 2006, the Township had entered into a new, three-year Lease-Purchase Agreement with Ford Motor Credit Company for (2) 2006 Ford Crown Victoria Police Sedans. On March 14, 2008 the lease was revised to reflect the removal of one car. The new monthly lease payments are \$ 560.41. The lease was paid in full on August 31, 2009 with \$1.00 buyout.
- (C) On January 29, 2007, the Township had entered into a new, forty-eight (48) month Lease-Purchase Agreement with Ford Motor Credit Company for (3) 2007 Chevrolet Malibu police cars. The monthly lease payments are \$ 1,098.21. The last payment will be due on December 29, 2010, with \$1.00 buyout. The original cost of the vehicles is \$ 46,215.00 and the cost of the lease is \$ 52,714.00.
- (D) On April 2, 2007, the Township had entered into a new, thirty-six (36) month Lease-Purchase Agreement with Ford Motor Credit Company for (1) 2007 Dodge Caravan to be used by the Department of Senior Citizens. The monthly lease payments are \$ 470.29. The last payment will be due on March 2, 2010, with \$1.00 buyout. The original cost of the vehicle is \$ 15,363.00 and the cost of the lease is \$ 16,930.44.
- (E) On February 2, 2008, the Township had entered into a new, sixty (60) month Lease-Purchase Agreement with Ricoh Business Solutions for (7) copiers. The quarterly payments are \$ 4,344.75.
- (F) On April 24, 2008, the Township had entered into a new, thirty-six (36) month Lease-Purchase Agreement with Ford Motor Credit Company for (4) 2008 Ford Crown Victoria Police Sedans. The monthly lease payments are \$ 3,816.59. The last payment of \$ 3,816.59 will be due on March 24, 2011, with \$1.00 buyout. The original cost of the vehicles is \$ 127,063.00 and the cost of the lease is \$ 137,397.24.
- (G) On October 24, 2008, the Township had entered into a new, thirty-six (36) month Lease-Purchase Agreement with Ford Motor Credit Company for (2) 2008 Chevrolet Trailblazer to be used by the police department. The monthly lease payments are \$1,512.00. The last payment will be due on September 24, 2011, with \$1.00 buyout. The original cost of the vehicles is \$ 49,985.00 and the cost of the lease is \$ 54,432.00.
- (H) On August 1, 2008, the Township had entered into a new, forty-eight (48) month Lease-Purchase Agreement with Pitney Bowes for (3) town postage machine. The quarterly payments are \$ 1,230.00.
- (I) On October 1, 2008, the Township had entered into a new, five (5) year Lease-Purchase Agreement with Textron Financial Corp. for a leaf loader. The annual payments are \$ 5,183.36. The original cost is \$23,375.00 and the cost of the lease is \$25,916.80.

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**13. Compensated Absences**

The Township 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 June 30, 2009, the accrued unused vacation and sick time off amounted to \$4,249,583.65.

**14. Property Tax Calendar**

The Township property taxes are due the first of February, May, August, and November. The levy is determined upon certification of tax rate by the county. Liens are sold at a tax sale in the subsequent year.

**15. Contingent Liabilities**

The Township attorney has reported in accordance with Financial Accounting Standards No. 5; and it is in his opinion, that there are no measurable contingent liabilities that should result in a material liability to the Township, in relation to its financial position.

**16. Insurance / Risk Management**

The Township has chosen to purchase commercial insurance for its risk management. There have been no significant reductions in insurance coverage in the prior year and the amounts of settlements have not exceeded insurance coverage for each of the past three fiscal years. HRH Corporate Insurance Agency is the administrator of their commercial auto, employer's liability and general liability coverage through Statewide Insurance Company. The employees' hospitalization insurance is obtained through the Division of Pensions and Benefits, State of New Jersey. Eligible employees select one of several companies that are available; i.e. Oxford, Aetna, Horizon. The prescription plan is obtained through Horizon Blue Cross of NJ, and the dental coverage is obtained through Delta Dental Plan of New Jersey, Inc.

**17. Comparative Schedule of Fund Balances**

Current Fund	Fiscal Year	Balance June 30	Utilized In Budget of Succeeding Year
	2009	\$ 224,201.87	\$
	2008	210,198.13	
	2007	210,198.13	
	2006	174,289.21	
	2005	374,289.21	200,000.00
	2004	32,609.62	

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**18. Comparative Schedule of Tax Rate Information**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tax Rate	<u>3.927</u>	<u>3.634</u>	<u>3.635</u>	<u>3.373</u>	<u>3.224</u>	<u>3.133</u>

**Apportionment of Tax Rate**

Municipal	1.630	1.374	1.290	1.178	1.063	0.994
County	0.780	0.765	0.832	0.807	0.843	0.840
Local School	1.362	1.344	1.354	1.282	1.182	1.182
Garbage	0.134	0.130	0.138	0.087	0.119	0.103
Open Space	0.021	0.021	0.021	0.019	0.017	0.014

**Net Valuation Taxable as Listed in the Hudson County Board of Taxation Levy Duplicate**

2009	<u>\$1,168,609,212</u>					
2008		<u>\$1,146,458,936</u>				
2007			<u>\$1,092,067,867</u>			
2006				<u>\$1,038,680,734</u>		
2005					<u>\$1,009,544,129</u>	
2004						<u>\$974,249,403</u>

Under the provisions of Chapter 173, P.L. 1963 (R.S. 54:4-46.1) the County Board of Taxation must add the estimated amount of approved Veterans' and Senior Citizens' tax deductions to the required tax levy for the purpose of computing the above tax rates. The total amount of such tax deductions used in computing the 2009 tax rate was \$ 48,595.88.

TOWNSHIP OF WEEHAWKEN  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)

**19. Comparison of Tax Levies and Current Collections**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2009	\$ 44,520,498	\$ 44,017,578	98.87%
2008	42,156,679	41,597,687	98.67%
2007	37,400,466	36,943,573	98.78%
2006	33,242,974	32,947,964	99.11%
2005	31,713,934	31,448,030	99.16%
2004	30,422,895	30,201,380	99.27%

**20. Delinquent Taxes and Tax Title Liens**

This tabulation includes a comparison, expressing percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies.

<u>Fiscal Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2009	\$ 47,364.80	\$ 517,477.20	\$ 564,842.00	1.27%
2008	44,583.44	532,889.31	577,472.75	1.37%
2007	41,765.63	469,604.11	511,369.74	1.37%
2006	39,116.41	290,533.11	329,649.52	0.99%
2005	36,712.09	223,487.54	260,199.63	0.82%
2004	34,331.19	221,113.77	255,444.96	0.84%

**21. Property Acquired by Tax Title Lien Liquidation**

The value of property acquired by liquidation on tax title liens at June 30, 2009 on the basis of the last assessment valuation of such properties was as follows:

2004-2009                      "None"



**APPENDIX C**  
**FORM OF LEGAL OPINION**

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\*CERTIFIED BY THE SUPREME COURT OF N.J. AS A:  
\* CIVIL TRIAL ATTORNEY  
° CRIMINAL TRIAL ATTORNEY  
\* MATRIMONIAL LAW ATTORNEY

Township Council of the  
Township of Weehawken, in the  
County of Hudson, New Jersey

Dear Council Members:

We have examined a record of proceedings relating to the issuance of \$3,298,000 General Obligation Bonds, Series 2010A (Tax-Exempt) (the "Tax-Exempt Bonds") and \$1,742,000 General Obligation Bonds, Series 2010B (Taxable) (the "Taxable Bonds") (the Tax-Exempt Bonds and the Taxable Bonds are sometimes hereinafter referred to as the "Bonds") of the Township of Weehawken, a municipal corporation of the State of New Jersey, situate in the County of Hudson. The Tax-Exempt Bonds and the Taxable Bonds are dated the date of delivery, mature on August 1 in the principal amounts and bear interest at the rates per annum payable February 1, 2011 and semiannually thereafter on the first days of February and August in each year until maturity as described in the following schedules:

## Tax- Exempt Bonds

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2011	\$130,000	%	2020	\$260,000	%
2012	\$130,000		2021	\$260,000	
2013	\$130,000		2022	\$260,000	
2014	\$205,000		2023	\$260,000	
2015	\$205,000		2024	\$260,000	
2016	\$205,000		2025	\$260,000	
2017	\$213,000				
2018	\$260,000				
2019	\$260,000				

\*The Certified designation by the New Jersey Supreme Court is limited to attorneys who have demonstrated 1) substantial involvement in trial matters in Superior Court, 2) an unblemished reputation as attested to by judges and attorneys, and 3) substantial knowledge and continuing legal education shown by passing a special written examination on trial practice.

## Taxable Bonds

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2011	\$ 70,000	%	2020	\$140,000	%
2012	\$ 70,000		2021	\$140,000	
2013	\$ 70,000		2022	\$140,000	
2014	\$105,000		2023	\$140,000	
2015	\$105,000		2024	\$140,000	
2016	\$105,000		2025	\$140,000	
2017	\$ 97,000				
2018	\$140,000				
2019	\$140,000				

The Tax-Exempt Bonds are issued in the form of one Bond for each maturity, being fifteen in number, and are numbered TEGO-1 to TEGO-15, inclusive, in order of maturity. The Tax-Exempt Bonds are issued pursuant to the Local Bond Law of the State of New Jersey and a resolution of the Township Council adopted July 21, 2010 and entitled, "Resolution Providing for the Combination of Certain Issues of General Obligation Bonds of the Township of Weehawken, New Jersey into a Single Issue of Bonds Aggregating \$3,298,000 in Principal Amount" in all respects duly approved and the various bond ordinances referred to therein, each in all respects duly approved and published as required by law.

The Taxable Bonds are issued in the form of one Bond for each maturity, being fifteen in number, and are numbered TGO-1 to TGO-15, inclusive, in order of maturity. The Taxable Bonds are issued pursuant to the Local Bond Law and by virtue of Bond Ordinance No. 3-2001 of the Township finally adopted March 14, 2001, and in all respects duly approved and published as required by law.

The Tax-Exempt Bonds are subject to redemption prior to their stated maturities. The Taxable Bonds are not subject to redemption prior to their stated maturities. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the Bonds are valid and legally binding obligations of the Township of Weehawken and the Township has the power and is obligated to levy ad valorem taxes upon all the taxable real property within the Township for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

The Taxable Bonds are taxable bonds under the Internal Revenue Code of 1986, as amended (the "Code").

The Township has covenanted to comply with any continuing requirements that may be necessary to preserve the tax exempt status of the Tax-Exempt Bonds under Code. In the event that the Township continuously complies with its covenant, it is our opinion that interest on the Tax-Exempt Bonds is not includable in gross income for federal income tax purposes under the current law.

In our opinion, the Tax-Exempt Bonds are not "private activity bonds" as defined in the Code and interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals. Interest on the Tax-Exempt Bonds held by a corporate taxpayer is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Tax-Exempt Bonds in "adjusted current earnings." We express no opinion regarding other federal tax consequences arising with respect to the Tax-Exempt Bonds.

Further, in our opinion, interest on the Bonds and any gain on the sale of the Bonds are not includable as gross income under the New Jersey Gross Income Tax Act.

Very truly yours,

Lomurro, Davison, Eastman & Munoz, P.A.

By: John L. Kraft, Esq.

## **APPENDIX D**

### **SECONDARY MARKET DISCLOSURE UNDERTAKING**

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## SECONDARY MARKET DISCLOSURE UNDERTAKING

This UNDERTAKING is made as of \_\_\_\_\_, 2010 by the TOWNSHIP OF WEEHAWKEN (the "Issuer") New Jersey for the purpose of obligating the Issuer to make secondary market disclosure as contemplated by SEC Rule 15c2-12 (the "SEC Rule"). Defined terms used in the UNDERTAKING shall have the definitions set forth in the SEC Rule unless the context of the UNDERTAKING clearly indicates otherwise.

Section 1. The obligations with respect to which the UNDERTAKING applies are described in as follows (the "Municipal Securities"):

The \$3,298,000 General Obligation Bonds, Series 2010A (Tax-Exempt) are dated the date of delivery, mature in the principal amounts on August 1 and bear interest at the rates per annum payable February 1, 2011 and semiannually thereafter on the first days of February and August in each year until maturity as described in Schedule A, attached hereto.

The \$1,742,000 General Obligation Bonds, Series 2010B (Taxable) are dated the date of delivery, mature in the principal amounts on August 1 and bear interest at the rates per annum payable February 1, 2011 and semiannually thereafter on the first days of February and August in each year until maturity as described in Schedule B, attached hereto.

Section 2. The term of the UNDERTAKING is from the date of delivery of the Municipal Securities by the Issuer to the date of the last payment of principal or redemption price, if any, of, and interest to accrue on, the Municipal Securities.

Section 3. The Issuer is the only Obligated Person with respect to the Municipal Securities.

Section 4. The Issuer undertakes to provide the Annual Financial Information and Operating Data to [www.emma.msrb.org](http://www.emma.msrb.org) ("EMMA") for each fiscal year ending on or after June 30, 2010:

The Annual Financial Information and Operating Data is as follows:

Audited Financial Statements.

Property Valuation.

Tax Rate.

Tax Levy and Collection Data.

New Debt.

Litigation.

Section 5. The Annual Financial Information and Operating Data shall be filed with EMMA within 180 days after the close of the Issuer's fiscal year, except that audited financial statements will be filed with EMMA within 60 days after receipt by the Issuer.

Section 6. The accounting principle followed by the Issuer is the "Modified Cash Basis," as promulgated by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. If the Issuer is required by law or regulation to adopt different accounting principles, notice of such change shall be provided as part of the Issuer's next succeeding Annual Financial Information and Operating Data.

Section 7. The Issuer undertakes to disclose to EMMA in a timely manner the occurrence of any of the following events, if any such occurrence is material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves, reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Municipal Securities;
- (7) modifications to the rights of owners of the Municipal Securities;
- (8) bond calls;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the securities; and
- (11) rating changes.

The Issuer from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that such other event is material with respect to the Municipal Securities,

but the Issuer does not undertake to provide any such notice of the occurrence of any material event except those events listed above.

Section 8. If the Issuer fails to disclose Annual Financial Information and Operating Data as required by the UNDERTAKING, the Issuer shall provide notice of such failure to EMMA in a timely manner.

Section 9. The UNDERTAKING is made for the benefit of the holders or beneficial owners of the Municipal Securities and may be enforced by any such holder or beneficial owner. The sole remedy of any such holder or beneficial owner shall be for specific performance of the UNDERTAKING and not for money damages in any amount.

Section 10. This UNDERTAKING may be amended by the Issuer from time to time if the following conditions are met:

- (a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements;
- (b) The UNDERTAKING, as amended, would have complied with the requirements of the SEC Rule at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and
- (c) The amendment does not materially impair the interests of holders or beneficial owners, as determined by the Issuer's bond counsel.

Notice of any amendment shall be filed with EMMA in a timely manner.

IN WITNESS WHEREOF, THE TOWNSHIP OF OCEAN has caused this UNDERTAKING to be executed in its name by its Chief Financial Officer and its corporate seal to be affixed hereto and said seal to be attested by the Township Clerk, all as of the \_\_\_\_ day of \_\_\_\_\_, 2010.

(SEAL)

TOWNSHIP OF WEEHAWKEN

By: \_\_\_\_\_  
Rola Dahboul, Clerk

By: \_\_\_\_\_  
Lisa Toscano, Chief Financial Officer