

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

COMPREHENSIVE ANNUAL AUDIT REPORT

DECEMBER 31, 2020 AND 2019

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
DECEMBER 31, 2020 AND 2019**

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DECEMBER 31, 2020 AND 2019**

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INTRODUCTORY SECTION



WEEHAWKEN PARKING AUTHORITY

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CARMELA SILVESTRI-EHRET
EXECUTIVE DIRECTOR

ERIC NEGRON
ASST. EXECUTIVE DIRECTOR

COMMISSIONERS

JAMES V. MARCHETTI

ELEAZAR NUÑEZ

SAVERIO MEZZINA

JOSE A. HECHAVARRIA

WILLIAM J. McLELLAN

April 5, 2021

The Honorable Chairman and Commissioners
Weehawken Parking Authority

State law requires that all local authorities publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Weehawken Parking Authority (the "Authority") for the years ended December 31, 2020 and 2019.

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

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

Organization of Report

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

Government Structure and Services

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

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

Internal Accounting Controls

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

Basis of Accounting

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

Annual Budget

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

Debt Administration

At December 31, 2020, the Authority's outstanding debt includes \$4,910,000 of parking revenue bonds and \$12,800,000 of parking project notes. Proceeds from permanent and temporary financing are to be used to acquire certain parking facilities from the Township of Weehawken, to obtain parking meters, meter poles, parking regulation devices and parking related equipment and to finance all related costs and expenses related to debt issuance.

Cash Management

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

Risk Management

The Authority carries various forms of insurance through the Township of Weehawken, including, but not limited to, general liability, automotive, hazard and theft. The policy is issued from Statewide Insurance Fund.

Pension Benefits

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

Annual Independent Audit

The Authority's financial statements have been audited by Garbarini & Co., P.C., a firm of licensed certified public accountants and registered municipal accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the year ended December 31, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the years ended December 31, 2020 and 2019, are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

Acknowledgments

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

Respectfully submitted,

A handwritten signature in black ink, reading "Carmela Silvestri-Ehret". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Carmela Silvestri-Ehret
Executive Director

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

ROSTER OF OFFICIALS

DECEMBER 31, 2020

Authority Members

James Marchetti	Chairman
Eleazer Nuñez	Vice-Chairman
Saverio Mezzina	Secretary
William McLellan	Commissioner
Jose Hechavarria	Commissioner

Other Officials

Carmela Silvestri-Ehret	Executive Director
Neil D. Marotta, Esq.	Attorney
Provident Bank	Depository
Valley National Bank	Depository
TD Bank	Trustee, Registrar, and Paying Agent

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

GARBARINI & CO. P.C.
Certified Public Accountants

REGISTERED MUNICIPAL ACCOUNTANTS
LICENSED PUBLIC SCHOOL ACCOUNTANTS

285 Division Ave & Route 17 S.
Carlstadt, NJ 07072
(201) 933-5566
www.garbarinicpa.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Commissioners
Weehawken Parking Authority

Report on the Financial Statements

We have audited the accompanying comparative statement of net position of the Weehawken Parking Authority (the "Authority"), a Component Unit of the Township of Weehawken (the "Township"), County of Hudson, State of New Jersey, as of December 31, 2020 and 2019, and the related comparative statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Authority's financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, the comparative financial statements referred to above present fairly, in all material respects, the comparative statement of net position as of December 31, 2020 and 2019, the comparative statements of activities, cash flows, and the related notes to the financial statements for the years then ended, in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 10 through 13 and 32 through 33 to be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and financial section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



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



Garbarini & Co. P.C.
Certified Public Accountants

April 5, 2021
Carlstadt, New Jersey

GARBARINI & CO. P.C.
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Commissioners
of the Weehawken Parking Authority
Weehawken, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements of the Weehawken Parking Authority (the "Authority"), a Component Unit of the Township of Weehawken (the "Township"), County of Hudson, State of New Jersey, which comprise the comparative statement of net position as of December 31, 2020 and 2019, and the related statements of activities, cash flows, and the related notes to the financial statements, and have issued our report thereon dated April 5, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of comments and recommendations as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of comments and recommendations as item 2020-001.

Authority's Response to Comments

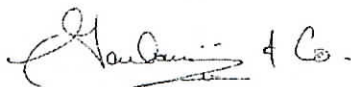
The Authority's response to the comment identified in our audit is described in the accompanying schedule of comments and recommendations. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



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



Garbarini & Co. P.C.
Certified Public Accountants

April 5, 2021
Carlstadt, New Jersey

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

This section of the Weehawken Parking Authority's (the "Authority") annual financial report presents management's discussion and analysis of the Authority's financial performance during the year ended December 31, 2020. It is to be read in conjunction with the Authority's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FINANCIAL HIGHLIGHTS

The following data highlights the Authority's finances for the years ended December 31, 2020 as compared to December 31, 2019.

• Cash and investments increased:	\$	201,162.71
• Net property & Equipment increased:	\$	2,369,704.82
• Total net position (decreased):	\$	(45,719.79)
• Operating revenues (decreased):	\$	(287,376.93)
• Operating expenses increased:	\$	138,585.47
• Operating loss (increased):	\$	(425,962.40)
• Total non-operating revenue increased:	\$	890,771.96

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

FINANCIAL ANALYSIS OF THE AUTHORITY

The following table summarizes the changes in assets, liabilities and net position for the year ended December 31, 2020 with comparative data of 2019 and 2018:

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Unrestricted Assets	\$ 102,899.13	\$ 27,912.22	\$ 13,400.05
Invested Assets	126,998.41	822.61	11,198.99
Net Property, Plant & Equipment	15,367,438.92	12,997,734.10	13,383,293.46
Other Assets	<u>8,080.00</u>	<u>26,050.00</u>	<u>14,040.00</u>
 Total Assets	 <u>\$ 15,605,416.46</u>	 <u>\$ 13,052,518.93</u>	 <u>\$ 13,421,932.50</u>
 Current Liabilities	 \$ 13,832,147.91	 \$ 14,182,014.07	 \$ 13,989,757.90
Long-Term Liabilities	<u>5,007,375.53</u>	<u>2,058,892.05</u>	<u>2,110,032.44</u>
 Total Liabilities	 <u>\$ 18,839,523.44</u>	 <u>\$ 16,240,906.12</u>	 <u>\$ 16,099,790.34</u>
 Net Position:			
Invested in Capital Assets, Net of Related Debt	\$ (2,290,562.67)	\$ (2,206,443.29)	\$ (2,230,507.55)
Unrestricted	<u>(943,544.31)</u>	<u>(981,943.90)</u>	<u>(447,350.29)</u>
 Total Net Position	 <u>\$ (3,234,106.98)</u>	 <u>\$ (3,188,387.19)</u>	 <u>\$ (2,677,857.84)</u>

The Authority's unrestricted assets increased in 2020 due to the Township budgeting a COVID related special emergency. Invested assets increased due to receipt of \$150,000 from bond proceeds. Net property & equipment increased due to purchase of property in the amount of \$2,850,000.

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

FINANCIAL ANALYSIS OF THE AUTHORITY (Continued)

Operating Activities - The Township imposes fines on parking violations according to the Township ordinances. Then the Township transfers the fees collected on parking tickets to the Authority. The Authority also collects fees on certain parking permits. The Authority is in the process of acquisition parking regulation devices. The following table summarizes the changes in revenues, expenses and net position for the year ended December 31, 2020 with comparative data of 2019 and 2018:

	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Operating revenue			
Parking fees	\$ 490,628.25	\$ 778,005.18	\$ 408,709.63
Total operating revenue	<u>490,628.25</u>	<u>778,005.18</u>	<u>408,709.63</u>
Operating expenses			
Administration	947,389.44	773,001.45	434,279.27
Cost of providing services	353,545.25	378,542.30	753,389.88
Depreciation expense	437,122.44	447,927.90	440,411.14
Total operating expenses	<u>1,738,057.13</u>	<u>1,599,471.65</u>	<u>1,628,080.29</u>
Operating (loss)	(1,247,428.88)	(821,466.47)	(1,219,370.66)
Non-operating revenue			
Interest income	132.92	113.96	313.57
Gain on disposal of asset	34,827.26	3,764.00	8,480.00
COVID revenue (special emergency)	737,034.00	-	-
Local subsidies and donations	909,699.00	783,750.00	591,305.00
BAN premium	27,616.57	53,087.00	22,467.90
Cancellation of payables	16,737.67	-	-
Total non-operating revenue	<u>1,726,047.42</u>	<u>840,714.96</u>	<u>622,566.47</u>
Non-operating expenses			
Compensated Absences	23,483.48	18,859.61	9,673.25
Interest expense	500,854.86	510,918.23	452,282.02
Total non-operating expenses	<u>524,338.34</u>	<u>529,777.84</u>	<u>461,955.27</u>
Change in net position			
Unrestricted	<u>\$ (45,719.80)</u>	<u>\$ (510,529.35)</u>	<u>\$ (1,058,759.46)</u>

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

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

The following table summarizes the changes in capital assets for the years ended December 31, 2020 and 2019:

	2020	2019	(Decrease)
Land	\$ 7,415,000.00	\$ 4,565,000.00	\$ 2,850,000.00
Building	12,260,000.00	12,260,000.00	-
Equipment	7,934.03	152,993.88	(145,059.85)
Vehicles	96,620.50	96,620.50	-
Leasehold Improvements	12,520.41	12,520.41	-
Parking Signs	7,020.00	7,020.00	-
	<u>19,799,094.94</u>	<u>17,094,154.79</u>	<u>2,704,940.15</u>
Less:			
Accumulated Depreciation	<u>(4,431,656.02)</u>	<u>(4,096,420.69)</u>	<u>335,235.33</u>
Net Property, Plant & Equipment	<u>\$ 15,367,438.92</u>	<u>\$ 12,997,734.10</u>	<u>\$ 2,369,704.82</u>

Capital Debt - At December 31, 2020 and 2019, the Authority had \$4,910,000 and \$2,055,000 of bond principal outstanding, respectively. The bonds bear interest rates of 3.75% and 2.75% per annum. On September 3, 2020, the Authority issued a \$12,800,000 parking project note through the Hudson County Improvement Authority. The note bears interest rate of 1.00% per annum and matures on September 2, 2021.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide Weehawken citizens and taxpayers, and our customers, clients, investors and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional financial information, you may contact the Authority's Executive Director at 4200 Park Avenue, Weehawken, NJ 07086 or at (201) 863-1523.

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2020 AND 2019**

EXHIBIT A

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 102,899.13	\$ 27,912.22
Cash and cash equivalents - temporarily restricted	126,998.41	822.61
Prepaid expenses	6,000.00	6,000.00
Accounts receivable - Parking Fees	2,080.00	8,050.00
Accounts receivable - Other	-	12,000.00
	<u>237,977.54</u>	<u>54,784.83</u>
PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$4,431,656.02 at 12/31/2020 and \$4,096,420.69 at 12/31/2019)	<u>15,367,438.92</u>	<u>12,997,734.10</u>
TOTAL ASSETS	<u><u>\$ 15,605,416.46</u></u>	<u><u>\$ 13,052,518.93</u></u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable - Township of Weehawken	\$ 781,646.65	\$ 784,213.17
Accounts payable - Other	37,721.40	71,505.07
Notes payable	12,800,000.00	13,150,000.00
Accrued interest on notes payable	137,779.86	106,295.83
Bonds payable	75,000.00	70,000.00
Total Current Liabilities	<u>13,832,147.91</u>	<u>14,182,014.07</u>
LONG-TERM LIABILITIES		
Bonds payable	4,910,000.00	1,985,000.00
Compensated absences	97,375.53	73,892.05
Total Long-Term Liabilities	<u>5,007,375.53</u>	<u>2,058,892.05</u>
TOTAL LIABILITIES	<u>18,839,523.44</u>	<u>16,240,906.12</u>
NET POSITION		
Invested in capital assets, net of related debt	(2,290,562.67)	(2,206,443.29)
Unrestricted	(943,544.31)	(981,943.90)
Total Net Position	<u>(3,234,106.98)</u>	<u>(3,188,387.19)</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 15,605,416.46</u></u>	<u><u>\$ 13,052,518.93</u></u>

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

THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DECEMBER 31, 2020 AND 2019

EXHIBIT B

	2020	2019
Operating revenues		
Parking fees & permits	\$ 490,628.25	\$ 778,005.18
Total operating revenues	<u>490,628.25</u>	<u>778,005.18</u>
Operating expenses		
Administration	947,389.44	773,001.45
Costs of providing services	353,545.25	378,542.30
Depreciation expense	437,122.44	447,927.90
Total operating expenses	<u>1,738,057.13</u>	<u>1,599,471.65</u>
Operating (loss)	<u>(1,247,428.88)</u>	<u>(821,466.47)</u>
Non - operating revenue / (expense)		
Interest income	132.92	113.96
Gain on disposal of asset	34,827.26	3,764.00
Local subsidies & donations	909,699.00	783,750.00
COVID revenue (special emergency raised by Township)	737,034.00	-
Cancellation of payable	16,737.68	-
BAN premium	27,616.57	53,087.00
Compensated Absences	(23,483.48)	(18,859.61)
Interest expense	(500,854.86)	(510,918.23)
Total non-operating revenue / (expense)	<u>1,201,709.09</u>	<u>310,937.12</u>
Change in net position	(45,719.79)	(510,529.35)
Net position, beginning of year	<u>(3,188,387.19)</u>	<u>(2,677,857.84)</u>
Net position, end of year	<u>\$ (3,234,106.98)</u>	<u>\$ (3,188,387.19)</u>
Invested in Capital Assets, Net of Related Debt	(2,290,562.67)	(2,206,443.29)
Unrestricted	<u>(943,544.31)</u>	<u>(981,943.90)</u>
	<u>\$ (3,234,106.98)</u>	<u>\$ (3,188,387.19)</u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
COMPARATIVE STATEMENT OF CASH FLOWS
DECEMBER 31, 2020 AND 2019**

EXHIBIT C

	2020	2019
Cash flows from operating activities:		
Cash received from parking fees & permits	\$ 24,095.25	\$ 56,594.00
Cash payments for goods and services	<u>(143,648.54)</u>	<u>(94,110.53)</u>
Net cash provided / (used) by operating activities	<u>(119,553.29)</u>	<u>(37,516.53)</u>
Cash flows from investing activities:		
Operating expense loan from Township	82,228.30	51,942.01
Cash received from bond proceeds	150,000.00	-
Bond paydown loan from Township	<u>146,239.89</u>	<u>-</u>
Net cash flows provided / (used) by investing activities	<u>378,468.19</u>	<u>51,942.01</u>
Cash flows from financing activities:		
Payment on bonds	(70,000.00)	-
Interest paid on bonds/notes	(77,062.50)	(10,403.65)
Cash received from sale of pay stations	90,000.00	
Interest income	<u>132.92</u>	<u>113.96</u>
Net cash flows provided / (used) by financing activities	<u>(56,929.58)</u>	<u>(10,289.69)</u>
Net increase in cash and cash equivalents	201,985.32	4,135.79
Cash and cash equivalents at beginning of year	<u>27,912.22</u>	<u>24,599.04</u>
Cash and cash equivalents at end of year	229,897.54	28,734.83
Less: invested in capital assets, net of related debt	<u>(126,998.41)</u>	<u>(822.61)</u>
Cash and cash equivalents at end of year - Unrestricted	<u>\$ 102,899.13</u>	<u>\$ 27,912.22</u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:		
Operating (loss)	\$(1,247,428.88)	\$ (821,466.47)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Depreciation	437,122.44	447,927.90
(Increase)/decrease in accounts receivable, net	17,970.00	(12,010.00)
Increase/(decrease) in accounts payable, not including non-operating or debt service	672,783.14	348,032.04
Total adjustments	<u>1,127,875.58</u>	<u>783,949.94</u>
Net cash provided by (used for) operating activities	<u>\$ (119,553.30)</u>	<u>\$ (37,516.53)</u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

1. AUTHORIZING LEGISLATION AND BOND RESOLUTION

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Principles

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standard Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements, which may conflict with or contradict GASB pronouncements, in which case, GASB prevails.

GASB 68, *Accounting and Financial Reporting for Pensions*, is effective beginning with the year ending November 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by the state and local government employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the financial activities for the year ended December 31, 2020.

Component Unit

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB No. 61, *The Financial Reporting Entity: Omnibus* - an amendment of GASB Statements No. 14 and No. 34. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the finance statements to emphasize that it is legally separate from the government.

See independent auditor's report.

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Component Unit (Continued)

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority has no component units and is a component unit of the Township of Weehawken.

Basis of Financial Statements

The Authority's financial statements have been prepared on the accrual basis of accounting in accordance with GAAP. All revenues other than nonrecurring miscellaneous revenues are recorded as operating revenues. The Authority applies all GASB pronouncements as well as all FASB statements and pronouncements. Revenues are recognized in the accounting period when they become susceptible to accrual. Expenditures, if measurable, are recognized in the accounting period in which the liability is incurred.

Revenue Recognition

Operating revenues

Operating revenue is recognized when services are performed. The Authority generates revenue by offering daily/hourly parking in its facilities. Patrons have the ability to purchase monthly parking at the Authority. The Authority controls all on-street parking within the Township limits. By enforcing on-street parking, the Authority issues tickets and collects revenue from enforcement of those tickets. The court then enforces the ticket and pays a portion of the revenue back to the Authority.

Non-operating revenues

Non-operating revenues consist of interest income on assets whose use is limited and gains on sale of capital assets. Interest income is recognized when earned and is accrued if unpaid. Gains on capital assets are recognized when the sale price of the capital asset exceeds the net book value of the asset and are recognized on the date of sale.

Budgets and Budgetary Accounting

The DLGS requires that an annual budget be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Authority and approved by the DLGS per N.J.S.A. 40A:4 et. seq.

See independent auditor's report.

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments

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

Allowance for Doubtful Accounts

Management has reviewed all accounts receivable at December 31, 2020 and 2019 and determined that no allowance was necessary.

Inventory

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

Capital Assets

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

Advertising Costs

Advertising costs are charged to operations when incurred. The Authority does not use direct-response advertising. The Authority's advertising costs are for advertising in the local papers as required to publish meeting dates and requests for bids.

Income Taxes

The Authority is exempt from Federal incomes taxes under IRC Section 115 and from State income taxes under N.J.S.A. 27:25-16. Accordingly, no provision is recorded for Federal and State incomes taxes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses, during the reporting period. Actual results could differ from those estimates.

See independent auditor's report.

THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in N.J. Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2020 and 2019, \$0 of the Authority's bank balance of \$234,547.81 and \$15,292.82 was exposed to custodial credit risk.

Interest Rate Risk – Investments. The Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk - Investments. New Jersey Statutes 40A: 5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The Authority places no limit on the amount the Authority may invest in any one issuer. As of December 31, 2020 and 2019, the Authority had no investments.

	2020	2019
Unrestricted cash	\$ 102,899.13	\$ 27,912.22
Unrestricted - invested in capital assets	126,998.41	822.61
Total cash and cash equivalents	<u>\$ 229,897.54</u>	<u>\$ 28,734.83</u>

4. CAPITAL ASSETS

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

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

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

On May 14, 2020, the Authority purchased a property located at 410 Park Avenue from the Township in the amount of \$2,850,000. This property will be utilized as a parking lot under the Authority's control.

See independent auditor's report.

THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

4. CAPITAL ASSETS (Continued)

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

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

Summary of Changes in Property and Equipment

	2020	2019
Land	\$ 7,415,000.00	\$ 4,565,000.00
Building	12,260,000.00	12,260,000.00
Equipment	7,934.03	152,993.88
Vehicles	96,620.50	96,620.50
Leasehold Improvements	12,520.41	12,520.41
Parking Signs	7,020.00	7,020.00
	<u>19,799,094.94</u>	<u>17,094,154.79</u>
Less: Accumulated Depreciation	<u>(4,431,656.02)</u>	<u>(4,096,420.69)</u>
Net Property, plant and equipment	<u>\$ 15,367,438.92</u>	<u>\$ 12,997,734.10</u>

5. RETIREMENT PLANS

The Authority contributes to the New Jersey Public Employees Retirement System, ("PERS"), a cost-sharing multiple-employer defined benefit plan, administered by the Division of Pensions in the Department of the Treasury, State of New Jersey, through the Township. All reporting in compliance with GASB 68 and PERS can be found in the Township's financial statements. The PERS was established in January 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and medical benefits to certain qualifying plan members and beneficiaries. Membership is mandatory to substantially all full-time employees and vesting occurs after 10 years of service. Employees who retire at or after age 55 are entitled to a retirement benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years compensation for each year of membership during years of credible service. According to state law, all obligations of the PERS will be assumed by the State of New Jersey should the PERS be terminated. The State of New Jersey issues publicly available financial reports, which include the financial statements and required supplementary information of the PERS. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

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**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

5. RETIREMENT PLANS (Continued)

The contribution policy is set by laws of the State of New Jersey. Employee contribution rates for the years ended December 31, 2020, 2019, and 2018 was 7.50% of the eligible employees' base wage, respectively. Employers are required to contribute at an actuarially determined rate. Annual pension costs for the years ended December 31, 2020, 2019 and 2018 were \$53,103.82, \$48,983.20 and \$45,575.50, respectively.

6. LIABILITIES

Permanent Financing, Bonds

On October 24, 2008, the Authority issued \$2,565,000 Parking Revenue Bonds to the Hudson County Improvement Authority through the Pooled Loan Program. The Bonds are issued for 17 years and bear interest at a variable interest rate set forth in the resolution of the Hudson County Improvement Authority duly adopted on July 15, 1986. On November 28, 2019, the Bond was converted to Correlative Bond (as defined in the General Bond Resolution) which bears a fixed interest rate of 3.75% per annum. The interest payment and related fees for the years ended December 31, 2020 and 2019 were \$77,062.50 and \$50,247.40, respectively.

On May 12, 2020, the Authority issued \$3,000,000 Parking Revenue Bonds to the Hudson County Improvement Authority through the Pooled Loan Program. The Bonds are issued for 30 years and bear interest at a fixed interest rate of 2.75% per annum. The accrued at December 31, 2020 was \$58,250.00.

The Authority and the Township of Weehawken entered into a parking guaranty agreement, providing for the payment by the Township to the Authority of amounts necessary to pay principal and interest on the bonds either directly or indirectly.

The bonds mature in accordance with amortization schedules as follows:

Series 2008			
Year	Principal	Year	Principal
2021	\$ 75,000	2024	\$ 90,000
2022	80,000	2025	1,655,000
2023	85,000		
Series 2020			
Year	Principal	Year	Principal
2022	\$ 60,000	2025	\$ 60,000
2023	60,000	2026	70,000
2024	60,000	2027 - 2051	2,690,000
Current portion of permanent debt			\$ 75,000
Long-term portion of permanent debt			4,910,000
			<u>\$ 4,985,000</u>

See independent auditor's report.

THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

6. LIABILITIES (Continued)

Parking Project Note Payable

The Authority issued a Parking Project Note (the "Note") through Hudson County Improvement Authority in the amount of \$12,800,000. The Note is guaranteed by the Township of Weehawken. It was used for the acquisition of the land and building located at 80 Hauxhurst Avenue from the Township of Weehawken. The note was issued on September 3, 2020 with maturity date of September 2, 2021. It bears interest rate of 1.00% per annum.

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

	Interest Rate	2020	2019
Parking Project Note Payable	1.00% / 3.00%	\$ 12,800,000.00	\$ 13,150,000.00
Parking Revenue Bonds Payable, including current portion:			
Township Guaranteed, Series 2008	3.75%	1,985,000.00	2,055,000.00
Township Guaranteed, Series 2020	2.75%	3,000,000.00	-
Compensated Absences	n/a	97,375.53	73,892.05
Total		<u>\$ 17,882,375.53</u>	<u>\$ 15,278,892.05</u>

7. NET POSITION

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

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

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

	2020	2019
Invested in Capital Asset, net of related debt		
Net Property, Plant and Equipment	\$ 15,367,438.92	\$ 12,997,734.10
Parking Revenue Bonds Payable	(4,985,000.00)	(2,055,000.00)
Parking Project Note Payable	(12,800,000.00)	(13,150,000.00)
Unspent Debt Proceeds	126,998.41	822.61
	<u>(2,290,562.67)</u>	<u>(2,206,443.29)</u>
Unrestricted	<u>(848,075.56)</u>	<u>(981,943.90)</u>
TOTAL NET POSITION	<u><u>\$ (3,138,638.23)</u></u>	<u><u>\$ (3,188,387.19)</u></u>

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**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
NOTES TO FINANCIAL STATEMENTS
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8. LEASES

The Authority rented its office located at 4528 Park Avenue in Weehawken, NJ from the Weehawken Senior Housing Rehabilitation Corporation through August 2020. The lease payment was \$650 per month. The total rent for the year ended December 31, 2020 and 2019 was \$5,200 and \$7,800, respectively.

On May 20, 2019, the Authority entered into a lease agreement with The Bancorp Bank for two 2019 Dodge Durango vehicles for 48 semi-annual payments of \$8,523.00, to be used by the Authority parking enforcement officers.

9. CONTINGENCIES

Accumulated Absences

The Authority has permitted employees to accrue unused vacation and sick pay which may be taken as time off or paid at a later date at an agreed upon rate. At December 31, 2020 and 2019, the accrued unused vacation and sick time off amounted to \$97,375.53 and \$73,892.05, respectively.

Litigation

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

10. RISK MANAGEMENT

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

11. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, Leases, which is intended to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, as a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities. The Authority is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement is effective for reporting periods beginning after June 15, 2018. The Authority believes this may impact the disclosures relating to debt in the notes to the financial statements.

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THE WEEHAWKEN PARKING AUTHORITY
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11. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

In June 2018, the Government Accounting Standards Board issued GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The Authority does not believe this Statement will have any effect on future financial statements.

In August 2018, the Government Accounting Standards Board issued GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The Authority does not believe this Statement will have any effect on future financial statements.

In May 2019, The Government Accounting Standards Board issued GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statements achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020. The Authority does not believe this Statement will have any effect on future financial statements.

In January 2020, the Government Accounting Standards Board issued GASB Statement No. 92, *Omnibus*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. The Authority does not believe this Statement will have any effect on future financial statements.

In March 2020, the Government Accounting Standards Board issued GASB Statement No. 93, *Replacement of Interbank Offering Rates*. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. The Authority does not believe this Statement will have any effect on future financial statements.

In March 2020, The Government Accounting Standards Board issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in the Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA),

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COUNTY OF HUDSON, STATE OF NEW JERSEY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

11. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Authority does not believe this Statement will have any effect on future financial statements.

In May 2020, the Government Accounting Standards Board issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 84, *Fiduciary Activities*; Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; Statement No. 90, *Majority Equity Interests*; Statement No. 91, *Conduit Debt Obligations*; Statement No. 92, *Omnibus 2020*; Statement No. 93, *Replacement of Interbank Offered Rates*; Implementation Guide 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*; Implementation Guide No. 2018-1, *Implementation Guidance Update - 2018*; Implementation Guide No. 2019-1, *Implementation Guidance Update - 2019*; Implementation Guide No. 2019-2, *Fiduciary Activities*. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, *Leases*; Implementation Guide No. 2019-3, *Leases*. The requirements of this Statement are effective immediately.

In May 2020, the Government Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that SBITA results in a right-to-use subscription asset--an intangible asset--and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscriptions payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Authority is still determining the effects, if any, this statement will have on future financial statements.

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
NOTES TO FINANCIAL STATEMENTS
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12. SUBSEQUENT EVENTS

Management has reviewed subsequent events through April 5, 2021, which is the date the financial statements are available to be issued.

On March 9, 2020 Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential reduction in revenues.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH AND INVESTMENTS - UNRESTRICTED
FUNDS INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT
DECEMBER 31, 2020

	Schedule 1
	2008 Construction Fund
Balance as of December 31, 2019	\$ 822.61
Cash receipts:	
Interest income	12.27
Transfers from Unrestricted	
Bond proceeds	150,000.00
Transfer from Township	146,239.89
	<u>297,074.77</u>
Cash disbursements:	
Bond counsel fee	10,513.86
Debt service	147,062.50
Other professional services	12,500.00
	<u>170,076.36</u>
Balance as of December 31, 2020	<u>\$ 126,998.41</u>
Balance Comprised of:	
Investments	<u>\$ 126,998.41</u>
	<u>\$ 126,998.41</u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
DECEMBER 31, 2020**

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

Schedule 2

Balance as of December 31, 2019	\$	27,912.22
Cash receipts:		
Parking fees & permits	\$	24,095.25
Interest		120.65
Sale of Pay Stations		90,000.00
Transfer from Township		82,228.30
		<u>196,444.20</u>
		224,356.42
Cash disbursements:		
Prepaid expense	6,000.00	
Appropriations	115,457.29	
		<u>121,457.29</u>
Balance as of December 31, 2020	\$	<u>102,899.13</u>
Balance Comprised of:		
Cash	\$	<u>102,899.13</u>

**SCHEDULE OF ACCOUNTS RECEIVABLE -
PARKING FEES**

Schedule 3

Balance as of December 31, 2019	\$	8,050.00
Increased by:		
Parking fees		18,125.25
		<u>26,175.25</u>
Decreased by:		
Cash Receipts		24,095.25
		<u>24,095.25</u>
Balance as of December 31, 2020	\$	<u>2,080.00</u>

**SCHEDULE OF ACCOUNTS RECEIVABLE -
OTHER**

Schedule 3A

Balance as of December 31, 2019	\$	12,000.00
Decreased by:		
Cash Receipts		12,000.00
		<u>-</u>
Balance as of December 31, 2020	\$	<u>-</u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
DECEMBER 31, 2020**

**SCHEDULE OF ACCOUNTS PAYABLE/(RECEIVABLE) -
TOWNSHIP OF WEEHAWKEN**

Schedule 4

Balance as of December 31, 2019 \$ 784,213.17

Increased by:

Salaries and wages	\$ 727,363.94	
Social security expenses	55,643.34	
Unemployment expenses	9,092.05	
Pension	53,103.82	
Health insurance	244,120.96	
Note paydown	350,000.00	
Note interest	392,308.33	
Bond paydown loan	70,000.00	
Bond interest	76,239.89	
Other expenses	166,413.72	
		<u>2,144,286.05</u>
		2,928,499.22

Decreased by:

Parking tax	472,503.00	
BAN premium	27,616.57	
Local subsidies & donations	909,699.00	
COVID revenue (special emergency)	737,034.00	
		<u>2,146,852.57</u>

Balance as of December 31, 2020 \$ 781,646.65

SCHEDULE OF ACCOUNTS PAYABLE - OTHER

Schedule 4A

Balance as of December 31, 2019 \$ 71,505.07

Increased by:

Rent expense	5,200.00	
		<u>76,705.07</u>

Decreased by:

Payment - rent expense	5,200.00	
Payment - lease expense	17,046.00	
Cancellation of prior year payables	16,737.67	
		<u>38,983.67</u>

Balance as of December 31, 2020 \$ 37,721.40

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

THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
DECEMBER 31, 2020 AND 2019

SCHEDULE OF SERIAL BONDS PAYABLE

SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities		Interest Rate	Balance December 31, 2019	New Issuance	Paid 2020	Balance December 31, 2020	Schedule 5
			Date	Amount						
Parking Revenue Bonds (Township Guaranteed, Series 2008)	10/24/2008	\$ 2,565,000.00	2021	\$ 75,000	3.75%	\$ 2,055,000.00	\$ -	\$ 70,000.00	\$ 1,985,000.00	
			2022	80,000	3.75%					
			2023	85,000	3.75%					
			2024	90,000	3.75%					
			2025	1,655,000	3.75%					
			2026							
Parking Revenue Bonds (Township Guaranteed, Series 2020)	05/12/2020	\$ 3,000,000.00	2022	60,000	2.75%	-	3,000,000.00		3,000,000.00	
			2023	60,000	2.75%					
			2024	60,000	2.75%					
			2025	60,000	2.75%					
			2026	70,000	2.75%					
			2027	70,000	2.75%					
			2028	70,000	2.75%					
			2029	75,000	2.75%					
			2030	75,000	2.75%					
			2031	80,000	2.75%					
			2032	80,000	2.75%					
			2033	85,000	2.75%					
			2034	85,000	2.75%					
			2035	90,000	2.75%					
			2036	90,000	2.75%					
			2037	95,000	2.75%					
			2038	100,000	2.75%					
			2039	100,000	2.75%					
			2040	105,000	2.75%					
			2041	110,000	2.75%					
2042	115,000	2.75%								
2043	120,000	2.75%								
2044	125,000	2.75%								
2045	130,000	2.75%								
2046	135,000	2.75%								
2047	140,000	2.75%								
2048	145,000	2.75%								
2049	150,000	2.75%								
2050	160,000	2.75%								
2051	160,000	2.75%								
						\$ 2,055,000.00	\$ 3,000,000.00	\$ 70,000.00	\$ 4,985,000.00	
						70,000.00			75,000.00	
						\$ 1,985,000.00			\$ 4,910,000.00	
						Less: Current portion of permanent debt				
						Long - Term portion of bonds payable				

SCHEDULE OF PARKING PROJECT NOTE PAYABLE

Purpose	Date of Issue of Original Note	Amount of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2019	New Issuance	Paid 2020	Balance December 31, 2020
Parking Project Note	01/20/10	\$15,750,000.00	09/03/20	09/02/21	1.00%	\$13,150,000.00	\$12,800,000.00	\$13,150,000.00	\$12,800,000.00
						\$13,150,000.00	\$12,800,000.00	\$13,150,000.00	\$12,800,000.00

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

THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
SCHEDULE OF REVENUES COMPARED TO BUDGET
DECEMBER 31, 2020

Schedule 6

	Adopted Budget 2020	Actual Revenues	Variance Favorable / (Unfavorable)
REVENUES			
OPERATING			
Parking fees	\$ 1,224,037	\$ 490,628.25	\$ (733,408.75)
TOTAL OPERATING REVENUES	<u>1,224,037</u>	<u>490,628.25</u>	<u>(733,408.75)</u>
NON-OPERATING			
Municipal contributions:			
Local subsidy	909,699	909,699.00	-
COVID revenue (deficit in operations)	-	737,034.00	737,034.00
Non-Budget Revenues			
Interest on investments	-	132.92	132.92
BAN premium	-	27,616.57	27,616.57
Other non-operating revenues	-	51,564.93	51,564.93
TOTAL NON-OPERATING REVENUES	<u>909,699</u>	<u>1,726,047.42</u>	<u>816,348.42</u>
TOTAL REVENUES	<u>\$ 2,133,736</u>	<u>\$ 2,216,675.67</u>	<u>\$ 82,939.67</u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
SCHEDULE OF EXPENSES COMPARED TO BUDGET
DECEMBER 31, 2020**

Schedule 7

	Adopted Budget 2020	Actual Expenditures	Variance Favorable / (Unfavorable)
EXPENSES			
ADMINISTRATION			
Salaries and wages	\$ 461,493	\$ 476,751.70	\$ (15,258.70)
Fringe benefits	173,221	259,027.17	(85,806.17)
Other expenses	166,000	211,610.56	(45,610.56)
TOTAL ADMINISTRATION	<u>800,714</u>	<u>947,389.43</u>	<u>(146,675.43)</u>
COST OF PROVIDING SERVICES			
Salaries and wages	286,505	250,612.24	35,892.76
Fringe benefits	154,955	102,933.01	52,021.99
TOTAL COST OF PROVIDING SERVICES	<u>441,460</u>	<u>353,545.25</u>	<u>87,914.75</u>
PRINCIPAL PAYMENTS ON DEBT SERVICE	<u>420,000</u>	<u>420,000.00</u>	<u>-</u>
NON-OPERATING APPROPRIATIONS			
Interest on debt	<u>471,562</u>	<u>500,854.86</u>	<u>(29,292.86)</u>
TOTAL APPROPRIATIONS	<u>\$ 2,133,736</u>	<u>2,221,789.54</u>	<u>\$ (88,053.54)</u>
OTHER EXPENSES:			
Depreciation expense		<u>437,122.44</u>	
TOTAL EXPENSES		<u>\$ 2,658,911.98</u>	
Reconciliation to GAAP:			
Compensated absences earned		\$ 23,483.48	
Principal payments on debt service		<u>(420,000.00)</u>	
		(396,516.52)	
TOTAL EXPENSES		<u>\$ 2,262,395.46</u>	

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
DECEMBER 31, 2020**

SCHEDULES OF ADMINISTRATION EXPENSES (BUDGETARY BASIS)

	Schedule 8
Salaries and wages	\$ 476,751.70
Other expenses:	
Employer's social security	36,471.51
Unemployment expense	5,959.40
Pension	38,313.42
Health Insurance	178,282.84
Other expense	<u>211,610.57</u>
	<u>\$ 947,389.44</u>

SCHEDULES OF COST OF PROVIDING SERVICES (BUDGETARY BASIS)

	Schedule 9
Salaries and Wages:	\$ 250,612.24
Other expenses:	
Employer's social security	19,171.84
Unemployment expense	3,132.65
Pension	14,790.40
Health Insurance	<u>65,838.12</u>
	<u>\$ 353,545.25</u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2020**

Finding 2020-001:

The total expenditures for budgetary purposes exceeded the total adopted budget.

Criteria:

N.J.A.C. 5:31

Condition/Cause:

The Authority monitors expenses versus budget. However, the interest rate on notes was determined after the budget was adopted, therefore, the expenditure exceeded the budgetary appropriation.

Effect:

Total expenditures exceeded the adopted budget.

Recommendation:

That the Authority monitor expenditures to ensure that they do not exceed the adopted budget.

Management's Response:

While the Authority continues to monitor expenditures compared to the adopted budget, there were unpredictable but necessary occurrences subsequent to the time the budget was adopted. The categories affected were professional fees and debt service payments. The Authority acquired a parking lot within the Township, funded by the sale of debt securities. The sale required the issuance of debt which increased the dollar amount of debt service and required the engagement of professional services to satisfy the HCIA and debt issuance requirements. Therefore, the Authority's expenses increased after the adoption of the 2020 budget.

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
STATUS OF PRIOR YEAR COMMENTS
DECEMBER 31, 2020**

STATUS OF PRIOR YEAR COMMENTS:

Recommendation:

That the Authority monitor expenditures to ensure that they do not exceed the adopted budget.

Status:

Corrective action has not been taken.

Management's

The Authority continues to monitor expenditures closely. Specific corrective action is not available as the transaction was appropriate and required.

Appreciation

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

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