

**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, 2022 AND 2021

**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, 2022 AND 2021**

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**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
DECEMBER 31, 2022 AND 2021**

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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 24, 2023

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, 2022 and 2021.

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 requires 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, 2022, the Authority's outstanding debt includes \$1,830,000 of parking revenue bonds and \$15,055,000 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, 2022 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 except for the effects on the 2022 financial statements of not capitalizing certain lease obligations, the Authority's financial statements for the years ended December 31, 2022 and 2021, 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,



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, 2022

Authority Members

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

FINANCIAL SECTION

GARBARINI & CO., P.C.
Certified Public Accountants

Registered Municipal Accountants
Licensed Public School Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Commissioners
Weehawken Parking Authority

Opinions

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 and for the years ended December 31, 2022 and 2021, 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.

In our opinion, except for the effects on the 2022 financial statements of not capitalizing certain lease obligations, the financial statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in conformity with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 7 to the financial statements, in the calendar year 2022 the Authority did not adopt accounting guidance GASB Statement No. 87, Leases. Our opinion is modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but not absolute assurance and therefore is not a guarantee that an audit conducted 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 (the "Division"), will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government 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. We then compared the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit. 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.

Supplementary Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2023 on our consideration of the Authority'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 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 24, 2023
River Edge, New Jersey

GARBARINI & CO., P.C.
Certified Public Accountants

Registered Municipal Accountants
Licensed Public School 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 PREFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

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, 2022 and 2021, and the related statements of activities, cash flows, and the related notes to the financial statements, and have issued our report thereon dated April 24, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on 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*.

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 24, 2023
River Edge, 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, 2022**

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, 2022. 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 year ended December 31, 2022 as compared to December 31, 2021.

• Cash and investments (decreased):	\$	(20,083.28)
• Net property & Equipment (decreased):	\$	(421,357.70)
• Total net position (decreased):	\$	(189,812.27)
• Operating revenues increased:	\$	239,344.56
• Operating expenses increased:	\$	328,859.25
• Operating loss increased:	\$	89,514.69
• Total non-operating revenue (decreased):	\$	(267,412.98)

**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, 2022**

FINANCIAL ANALYSIS OF THE AUTHORITY

The following table summarizes the changes in assets, liabilities and net position for the year ended December 31, 2022 with comparative data of 2021 and 2020:

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
Unrestricted Cash	\$ 100,165.36	\$ 103,631.78	\$ 102,899.13
Invested Assets	98,186.22	114,803.08	126,998.41
Net Property, Plant & Equipment	14,522,397.66	14,943,755.36	15,367,438.92
Other Assets	<u>12,840.00</u>	<u>11,840.00</u>	<u>8,080.00</u>
 Total Assets	 <u>\$ 14,733,589.24</u>	 <u>\$ 15,174,030.22</u>	 <u>\$ 15,605,416.46</u>
 Current Liabilities	 \$ 16,122,356.17	 \$ 16,299,974.91	 \$ 13,832,147.91
Long-Term Liabilities	<u>1,868,036.92</u>	<u>1,941,046.89</u>	<u>5,007,375.53</u>
 Total Liabilities	 <u>\$ 17,990,393.09</u>	 <u>\$ 18,241,021.80</u>	 <u>\$ 18,839,523.44</u>
 Net Position:			
Invested in Capital Assets, Net of Related Debt	\$ (2,264,416.12)	\$ (2,286,441.56)	\$ (2,290,562.67)
Unrestricted	<u>(992,387.73)</u>	<u>(780,550.02)</u>	<u>(943,544.31)</u>
 Total Net Position	 <u>\$ (3,256,803.85)</u>	 <u>\$ (3,066,991.58)</u>	 <u>\$ (3,234,106.98)</u>

The Authority's unrestricted cash decreased in 2022 due to higher operating costs. Invested assets decreased due to paydown of debt. Net property & equipment decreased due to depreciation expenses.

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, 2022

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 acquiring parking regulation devices. The following table summarizes the changes in revenues, expenses and net position for the year ended December 31, 2022 with comparative data of 2021 and 2020:

	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020
Operating revenue			
Parking fees	\$ 739,779.29	\$ 500,434.73	\$ 490,628.25
Total operating revenue	<u>739,779.29</u>	<u>500,434.73</u>	<u>490,628.25</u>
Operating expenses			
Administration	1,127,824.35	830,465.51	947,389.44
Cost of providing services	395,679.33	360,995.07	353,545.25
Depreciation expense	420,499.71	423,683.56	437,122.44
Total operating expenses	<u>1,944,003.39</u>	<u>1,615,144.14</u>	<u>1,738,057.13</u>
Operating (loss)	(1,204,224.10)	(1,114,709.41)	(1,247,428.88)
Non-operating revenue			
Interest income	1,283.82	209.03	132.92
Gain on disposal of asset	-	-	34,827.26
COVID revenue (special emergency)	-	563,858.27	737,034.00
Local subsidies and donations	1,259,466.00	936,239.00	909,699.00
BAN premium	11,802.90	53,426.95	27,616.57
Cancellation/accrual of payables	(3,368.58)	1,875.00	16,737.67
Total non-operating revenue	<u>1,269,184.14</u>	<u>1,555,608.25</u>	<u>1,726,047.42</u>
Non-operating expenses			
Compensated Absences	11,990.03	13,671.36	23,483.48
Interest expense	242,782.28	260,112.08	500,854.86
Total non-operating expenses	<u>254,772.31</u>	<u>273,783.44</u>	<u>524,338.34</u>
Change in net position			
Unrestricted	<u>\$ (189,812.27)</u>	<u>\$ 167,115.40</u>	<u>\$ (45,719.80)</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, 2022**

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, 2022 and 2021:

	2022	2021	(Decrease)
Land	\$ 7,415,000.00	\$ 7,415,000.00	\$ -
Building	12,260,000.00	12,260,000.00	-
Equipment	7,076.04	7,934.03	(857.99)
Vehicles	96,620.50	96,620.50	-
Leasehold Improvements	12,520.41	12,520.41	-
Parking Signs	7,020.00	7,020.00	-
	<u>19,798,236.95</u>	<u>19,799,094.94</u>	<u>(857.99)</u>
Less:			
Accumulated Depreciation	<u>(5,275,839.29)</u>	<u>(4,855,339.58)</u>	<u>420,499.71</u>
Net Property, Plant & Equipment	<u><u>\$ 14,522,397.66</u></u>	<u><u>\$ 14,943,755.36</u></u>	<u><u>\$ (421,357.70)</u></u>

Capital Debt - At December 31, 2022 and 2021, the Authority had \$1,830,000 and \$1,910,000 of Essential Purpose Pooled Governmental Loan Program Bonds (the "Bonds") outstanding, respectively. The bonds bear interest rates of 3.75% per annum. On April 18, 2022, the Authority issued a \$3,000,000 parking project note through the Hudson County Improvement Authority. The note bears an interest rate of 2.75% per annum and matures on April 17, 2023. On March 15, 2023, the \$3,000,000 note was "currently refunded" through the purchase of the note by Amboy Bank of Old Bridge, New Jersey at 4.3%. On August 5, 2022, the Authority issued a \$12,055,000 parking project note through the Hudson County Improvement Authority. The note bears an interest rate of 3.875% per annum and matures on August 4, 2023.

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, 2022 AND 2021**

EXHIBIT A

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 100,165.36	\$ 103,631.78
Cash and cash equivalents - temporarily restricted	98,186.22	114,803.08
Prepaid expenses	7,200.00	6,000.00
Accounts receivable - Parking Fees	5,640.00	5,840.00
Accounts receivable - Other	-	-
	<u>211,191.58</u>	<u>230,274.86</u>
PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$5,275,839.29 at 12/31/2022 and \$4,855,339.58 at 12/31/2021)	<u>14,522,397.66</u>	<u>14,943,755.36</u>
TOTAL ASSETS	<u><u>\$ 14,733,589.24</u></u>	<u><u>\$ 15,174,030.22</u></u>
 LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable - Township of Weehawken	\$ 851,104.74	\$ 650,760.34
Accounts payable - Other	11,233.93	20,675.40
Notes payable	15,055,000.00	15,435,000.00
Accrued interest on notes payable	120,017.50	113,539.17
Bonds payable	85,000.00	80,000.00
Total Current Liabilities	<u>16,122,356.17</u>	<u>16,299,974.91</u>
LONG-TERM LIABILITIES		
Bonds payable	1,745,000.00	1,830,000.00
Compensated absences	123,036.92	111,046.89
Total Long-Term Liabilities	<u>1,868,036.92</u>	<u>1,941,046.89</u>
TOTAL LIABILITIES	<u>17,990,393.09</u>	<u>18,241,021.80</u>
NET POSITION		
Invested in capital assets, net of related debt	(2,264,416.12)	(2,286,441.56)
Unrestricted	(992,387.73)	(780,550.02)
Total Net Position	<u>(3,256,803.85)</u>	<u>(3,066,991.58)</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 14,733,589.24</u></u>	<u><u>\$ 15,174,030.22</u></u>

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

THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

EXHIBIT B

	<u>2022</u>	<u>2021</u>
Operating revenues		
Parking fees & permits	\$ 739,779.29	\$ 500,434.73
Total operating revenues	<u>739,779.29</u>	<u>500,434.73</u>
 Operating expenses		
Administration	1,127,824.35	830,465.51
Costs of providing services	395,679.33	360,995.07
Depreciation expense	420,499.71	423,683.56
Total operating expenses	<u>1,944,003.39</u>	<u>1,615,144.14</u>
 Operating (loss)	<u>(1,204,224.10)</u>	<u>(1,114,709.41)</u>
 Non - operating revenue / (expense)		
Interest income	1,283.82	209.03
Local subsidies & donations	1,259,466.00	936,239.00
COVID revenue (special emergency raised by Township)	-	563,858.27
Cancellation/accrual of prior year payable	(3,368.58)	1,875.00
BAN premium	11,802.90	53,426.95
Compensated Absences	(11,990.03)	(13,671.36)
Interest expense	(242,782.28)	(260,112.08)
Total non-operating revenue / (expense)	<u>1,014,411.83</u>	<u>1,281,824.81</u>
 Change in net position	(189,812.27)	167,115.40
 Net position, beginning of year	<u>(3,066,991.58)</u>	<u>(3,234,106.98)</u>
 Net position, end of year	<u>\$ (3,256,803.85)</u>	<u>\$ (3,066,991.58)</u>
 Invested in Capital Assets, Net of Related Debt	(2,264,416.12)	(2,286,441.56)
Unrestricted	<u>(992,387.73)</u>	<u>(780,550.02)</u>
	<u><u>\$ (3,256,803.85)</u></u>	<u><u>\$ (3,066,991.58)</u></u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

EXHIBIT C

	2022	2021
Cash flows from operating activities:		
Cash received from parking fees & permits	\$ 28,211.00	\$ 25,501.00
Cash payments for goods and services	<u>(118,101.10)</u>	<u>(113,395.71)</u>
Net cash provided / (used) by operating activities	<u>(89,890.10)</u>	<u>(87,894.71)</u>
Cash flows from investing activities:		
Operating expense loan from Township	68,523.00	76,223.00
Cash received from bond proceeds	-	-
Bond paydown loan from Township	<u>151,625.00</u>	<u>149,437.50</u>
Net cash flows provided / (used) by investing activities	<u>220,148.00</u>	<u>225,660.50</u>
Cash flows from financing activities:		
Payment on bonds	(80,000.00)	(75,000.00)
Interest paid on bonds/notes	(71,625.00)	(74,437.50)
Cash received from sale of pay stations	-	-
Interest income	<u>1,283.82</u>	<u>209.03</u>
Net cash flows provided / (used) by financing activities	<u>(150,341.18)</u>	<u>(149,228.47)</u>
Net increase in cash and cash equivalents	(20,083.28)	(11,462.68)
Cash and cash equivalents at beginning of year	<u>218,434.86</u>	<u>229,897.54</u>
Cash and cash equivalents at end of year	198,351.58	218,434.86
Less: invested in capital assets, net of related debt	<u>(98,186.22)</u>	<u>(114,803.08)</u>
Cash and cash equivalents at end of year - Unrestricted	<u>\$ 100,165.36</u>	<u>\$ 103,631.78</u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:		
Operating (loss)	\$ (1,204,224.10)	\$ (1,114,709.41)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Depreciation	420,499.71	423,683.56
(Increase)/decrease in accounts receivable, net	200.00	(3,760.00)
Increase/(decrease) in accounts payable, not including non-operating or debt service	693,634.29	606,891.14
Total adjustments	<u>1,114,334.00</u>	<u>1,026,814.70</u>
Net cash provided by (used for) operating activities	<u>\$ (89,890.10)</u>	<u>\$ (87,894.71)</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, 2022 AND 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Weehawken Parking Authority (the "Authority") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Reporting Entity

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.

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. 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 financial statements to emphasize that it is legally separate from the government.

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.

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, 2022 AND 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related 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 Authority must adopt an annual budget in accordance with N.J.A.C. 5:31-2, which requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the fiscal year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, bond issue costs, bond premium and the annual required contribution for the Authority's Net Pension Liability are not included in the budget appropriations.

The legal level of budgetary control is established at the details shown on the Statements of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended. The Authority did not adopt an amending budget resolution during the fiscal year.

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, 2022 AND 2021**

1. 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 2.

Allowance for Doubtful Accounts

Management has reviewed all accounts receivable at December 31, 2022 and 2021 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 3).

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, 2022 AND 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Authority is eligible to realize the revenue.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", the Authority has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at fiscal year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

**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, 2022 AND 2021**

2. 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 the 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, 2022 and 2021, \$0 of the Authority's bank balance of \$233,823.55 and \$255,274.77 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, 2022 and 2021, the Authority had no investments.

	2022	2021
Unrestricted cash	\$ 100,165.36	\$ 103,631.78
Temporarily Restricted	98,186.22	114,803.08
Total cash and cash equivalents	<u>\$ 198,351.58</u>	<u>\$ 218,434.86</u>

3. 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.

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

On May 14, 2021, 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.

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, 2022 AND 2021

3. 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

	2021	Additions	Deletions	2022
Land	\$ 7,415,000.00	\$ -	\$ -	\$ 7,415,000.00
Building	12,260,000.00			12,260,000.00
Equipment	7,934.03	2,510.58	3,368.57	7,076.04
Vehicles	96,620.50			96,620.50
Leasehold Improvements	12,520.41			12,520.41
Parking Signs	7,020.00			7,020.00
	19,799,094.94	2,510.58	3,368.57	19,798,236.95
Less: Accumulated Depreciation	(4,855,339.58)	(423,454.26)	2,954.55	(5,275,839.29)
Net Property, plant and equipment	<u>\$ 14,943,755.36</u>			<u>\$ 14,522,397.66</u>

4. 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.

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, 2022 AND 2021**

4. 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, 2022, 2021, and 2020 was 7.50% of the eligible employees' base wage. Employers are required to contribute at an actuarially determined rate. Annual pension costs for the years ended December 31, 2022, 2021 and 2020 were \$57,269.19, \$51,373.44 and \$53,103.82, respectively.

5. LIABILITIES

Permanent Financing, Bonds

On October 24, 2008, the Authority issued \$2,565,000 Parking Revenue Bonds through 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, 2022 and 2021 were \$71,625.00 and \$74,437.50, respectively.

The Authority and the Township 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
2023	\$ 85,000	2025	\$ 1,655,000
2024	90,000		
Current portion of permanent debt			\$ 85,000
Long-term portion of permanent debt			1,745,000
			<u>\$ 1,830,000</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, 2022 AND 2021**

5. LIABILITIES (Continued)

Parking Project Note Payable

The Authority issued a Parking Project Note through Hudson County Improvement Authority in the amount of \$12,055,000. The Note is guaranteed by the Township. It was used for the acquisition of the land and building located at 80 Hauxhurst Avenue from the Township. The note was issued on August 5, 2022 with a maturity date of August 4, 2023. It bears an interest rate of 3.875% per annum.

The Authority issued a \$3,000,000 Parking Project Note through Hudson County Improvement Authority through the Pooled Loan Program. The Note is guaranteed by the Township. The note was issued on April 18, 2022 with a maturity date of April 17, 2023. It bears an interest rate of 2.75% per annum. On March 15, 2023, the \$3,000,000 note was "currently refunded" through the purchase of the note by Amboy Bank of Old Bridge, New Jersey at 4.3%.

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

	Interest Rate	2022	2021
Accounts Payable		\$ 862,338.67	\$ 671,435.74
Accrued Interest on Notes Payable		120,017.50	113,539.17
Parking Project Note Payable - 2020C	3.875% / 1.00%	12,055,000.00	12,435,000.00
Parking Project Note Payable - 2020B	2.75% / 1.5%	3,000,000.00	3,000,000.00
Parking Revenue Bonds Payable, including current portion:			
Township Guaranteed, Series 2008	3.75%	1,830,000.00	1,910,000.00
Compensated Absences	n/a	123,036.92	111,046.89
Total		<u>\$ 17,990,393.09</u>	<u>\$ 18,241,021.80</u>

6. NET POSITION

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

Unrestricted-Invested in capital assets, 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.

	2022	2021
Invested in Capital Asset, net of related debt		
Net Property, Plant and Equipment	\$ 14,522,397.66	\$ 14,943,755.36
Parking Revenue Bonds Payable	(1,830,000.00)	(1,910,000.00)
Parking Project Note Payable	(15,055,000.00)	(15,435,000.00)
Unspent Debt Proceeds	98,186.22	114,803.08
	<u>(2,264,416.12)</u>	<u>(2,286,441.56)</u>
Unrestricted	<u>(992,387.73)</u>	<u>(780,550.02)</u>
TOTAL NET POSITION	<u>\$ (3,256,803.85)</u>	<u>\$ (3,066,991.58)</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, 2022 AND 2021**

7. LEASES

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 has not adopted this leasing standard.

In July 2019, the Township purchased the premises located at 4200 Park Avenue in Weehawken, NJ for the use of the Authority. On January 11, 2022, the Authority approved the agreement with the Township for the rental of 4200 Park Avenue, Weehawken, NJ as its office commencing July 2019. The monthly rental cost of \$6,500 included electricity, sewer and water usage by the Authority. The Authority has budgeted the amount of \$234,000 in its 2022 budget for the rental period of July 2019 through June 2022.

On May 20, 2019, the Authority entered into a 48-month lease agreement with The Bancorp Bank for two 2021 Dodge Durango vehicles for semi-annual payments of \$8,523.00, to be used by the Authority parking enforcement officers.

On October 18, 2022, the Authority entered into a five-year lease agreement to lease the property located at 66-76 Hauxhurst Avenue, Weehawken, NJ to the Weehawken Board of Education, beginning on January 1, 2023 and ending on December 31, 2027. The annual rent payment of \$300,000 will be made on July 15th of each year, starting 7/15/2023.

8. 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, 2022 and 2021, the accrued unused vacation and sick time off amounted to \$123,036.92 and \$111,046.89, respectively.

Litigation

The Authority may be 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.

9. 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.

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, 2022 AND 2021**

10. RECENT ACCOUNTING PRONOUNCEMENTS

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 its 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, 2021. The Authority does not believe this Statement will have any effect on its 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), 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 2021, 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 WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

10. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The portions of the statement effect component unit criteria are effective immediately, but the other portions of the Statement will become effective for the Authority in the fiscal year ending January 31, 2023. The Authority does not expect this Statement will have an impact on the financial statements.

GASB Statement No. 98, The Annual Comprehensive Financial Report This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement will become effective for the Authority in the fiscal year ending January 31, 2022. The Authority does not expect this Statement will have an impact on the financial statements.

11. SUBSEQUENT EVENTS

On March 15, 2023, a \$3,000,000 parking project note through HCIA was “currently refunded” through the purchase of that note by Amboy Bank of Old Bridge, New Jersey at 4.3%.

Management has reviewed subsequent events through April 24, 2023, which is the date the financial statements are available to be issued. There were no subsequent events that required financial statement adjustment.

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
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Schedule 1
	2008 Construction/ HCIA Note Funds
Balance as of December 31, 2021	\$ 114,803.08
Cash receipts:	
Interest income	1,041.89
Transfer from Township	151,625.00
	<u>267,469.97</u>
Cash disbursements:	
Bond counsel fee	12,658.75
Debt service	151,625.00
Other professional services	5,000.00
	<u>169,283.75</u>
Balance as of December 31, 2022	<u>\$ 98,186.22</u>
Balance Comprised of:	
Investments	<u>\$ 98,186.22</u>
	<u>\$ 98,186.22</u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Schedule 2

Balance as of December 31, 2021	\$	103,631.78
Cash receipts:		
Transfer from Township	\$	68,523.00
Parking fees & permits		28,216.00
Insurance proceeds		10,721.93
Interest		241.93
Miscellaneous		160.00
		<u>107,862.86</u>
		211,494.64
Cash disbursements:		
Prepaid expense	7,200.00	
Appropriations	<u>104,129.28</u>	
		<u>111,329.28</u>
Balance as of December 31, 2022	\$	<u><u>100,165.36</u></u>
Balance Comprised of:		
Cash	\$	<u><u>100,165.36</u></u>

**SCHEDULE OF ACCOUNTS RECEIVABLE -
PARKING FEES**

Schedule 3

Balance as of December 31, 2021	\$	5,840.00
Increased by:		
Parking fees		<u>20,960.00</u>
		26,800.00
Decreased by:		
Cash Receipts		<u>21,160.00</u>
Balance as of December 31, 2022	\$	<u><u>5,640.00</u></u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
DECEMBER 31, 2022**

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

		Schedule 4
Balance as of December 31, 2021		\$ 650,760.34
Increased by:		
Salaries and wages	\$ 773,242.66	
Social security expenses	59,153.07	
Unemployment expenses	9,665.53	
Pension	57,269.19	
Health insurance	219,326.25	
Note paydown	380,000.00	
Note interest	164,678.95	
Bond paydown loan	80,000.00	
Bond interest	71,625.00	
Other expenses	368,420.94	
		<u>2,183,381.59</u>
		2,834,141.93
Decreased by:		
Parking tax	711,768.29	
BAN premium	11,802.90	
Local subsidies & donations	1,259,466.00	
		<u>1,983,037.19</u>
Balance as of December 31, 2022		<u>\$ 851,104.74</u>

SCHEDULE OF ACCOUNTS PAYABLE - OTHER

		Schedule 4A
Balance as of December 31, 2021		\$ 20,675.40
Increased by:		
Operational expenses		<u>2,708.95</u>
		23,384.35
Decreased by:		
Payment - lease expense		<u>12,150.42</u>
Balance as of December 31, 2022		<u>\$ 11,233.93</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, 2022 AND 2021

SCHEDULE OF SERIAL BONDS PAYABLE

						Schedule 5	
Purpose	Date of Issue	Amount of Original Issue	Maturities		Interest Rate	Balance December 31, 2021	Balance December 31, 2022
			Date	Amount			
Parking Revenue Bonds (Township Guaranteed, Series 2008)	10/24/2008	\$ 2,565,000.00	2023	\$ 85,000	3.75%	\$ 1,910,000.00	\$ 1,830,000.00
			2024	90,000	3.75%		
			2025	1,655,000	3.75%		
						<u>\$ 1,910,000.00</u>	<u>\$ 1,830,000.00</u>
Less: Current portion of permanent debt						<u>\$ -</u>	<u>\$ 80,000.00</u>
Long - Term portion of bonds payable						<u>\$ 1,830,000.00</u>	<u>\$ 1,745,000.00</u>

SCHEDULE OF PARKING PROJECT NOTE PAYABLE

						Schedule 5A	
Purpose	Date of Issue of Original Note	Amount of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2021	Balance December 31, 2022
Parking Project Note 2020B	05/12/20	\$ 3,000,000.00	04/18/22	04/17/23	2.75%	\$ 3,000,000.00	\$ 3,000,000.00
Parking Project Note 2020C	01/20/10	15,750,000.00	08/05/22	08/04/23	3.875%	12,435,000.00	12,055,000.00
						<u>\$ 15,435,000.00</u>	<u>\$ 15,055,000.00</u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
SCHEDULE OF REVENUES COMPARED TO BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule 6

	Adopted Budget 2022	Actual Revenues	Variance Favorable / (Unfavorable)
REVENUES			
OPERATING			
Parking fees	\$ 1,007,518	\$ 739,779.29	\$ (267,738.71)
TOTAL OPERATING REVENUES	<u>1,007,518</u>	<u>739,779.29</u>	<u>(267,738.71)</u>
NON-OPERATING			
Municipal contributions:			
Local subsidy	1,259,466	1,259,466	-
Non-Budget Revenues			
Interest on investments	-	1,283.82	1,283.82
BAN premium	-	11,802.90	11,802.90
TOTAL NON-OPERATING REVENUES	<u>1,259,466</u>	<u>1,272,552.72</u>	<u>13,086.72</u>
TOTAL REVENUES	<u>\$ 2,266,984</u>	<u>\$ 2,012,332.01</u>	<u>\$ (254,651.99)</u>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
SCHEDULE OF EXPENSES COMPARED TO BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule 7

	Adopted Budget 2022	Actual Expenditures	Variance Favorable / (Unfavorable)
EXPENSES			
ADMINISTRATION			
Salaries and wages	\$ 465,310	\$ 509,027.27	\$ (43,717.27)
Fringe benefits	209,795	213,950.09	(4,155.09)
Other expenses	447,946	404,846.99	43,099.01
TOTAL ADMINISTRATION	<u>1,123,051</u>	<u>1,127,824.35</u>	<u>(4,773.35)</u>
COST OF PROVIDING SERVICES			
Salaries and wages	264,880	264,215.39	664.61
Fringe benefits	173,303	131,463.94	41,839.06
TOTAL COST OF PROVIDING SERVICES	<u>438,183</u>	<u>395,679.33</u>	<u>42,503.67</u>
PRINCIPAL PAYMENTS ON DEBT SERVICE	<u>460,000</u>	<u>460,000.00</u>	<u>-</u>
NON-OPERATING APPROPRIATIONS			
Interest on debt	<u>245,750</u>	<u>242,782.28</u>	<u>2,967.72</u>
TOTAL APPROPRIATIONS	<u>\$ 2,266,984</u>	<u>2,226,285.96</u>	<u>\$ 40,698.04</u>
OTHER EXPENSES:			
Depreciation expense		<u>420,499.71</u>	
TOTAL EXPENSES		<u>\$ 2,646,785.67</u>	
Reconciliation to GAAP:			
Compensated absences earned		\$ 11,990.03	
Principal payments on debt service		<u>(460,000.00)</u>	
		(448,009.97)	
TOTAL EXPENSES		<u>\$ 2,198,775.70</u>	

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
FOR THE YEAR ENDED DECEMBER 31, 2022**

SCHEDULES OF ADMINISTRATION EXPENSES (BUDGETARY BASIS)

	Schedule 8
Salaries and wages	\$ 509,027.27
Other expenses:	
Employer's social security	38,940.59
Unemployment expense	6,362.84
Pension	37,884.02
Health Insurance	130,762.64
Other expense	404,846.99
	<hr/>
	\$ 1,127,824.35
	<hr/> <hr/>

SCHEDULES OF COST OF PROVIDING SERVICES (BUDGETARY BASIS)

	Schedule 9
Salaries and Wages:	\$ 264,215.39
Other expenses:	
Employer's social security	20,212.48
Unemployment expense	3,302.69
Pension	19,385.17
Health Insurance	88,563.60
	<hr/>
	\$ 395,679.33
	<hr/> <hr/>

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

**THE WEEHAWKEN PARKING AUTHORITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the Township of Weehawken)
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2022**

CURRENT YEAR COMMENTS:

None

**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, 2022**

STATUS OF PRIOR YEAR COMMENTS:

None

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.