

**TOWN OF HACKETTSTOWN PARKING AUTHORITY  
(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)  
REPORT ON EXAMINATION OF  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INTRODUCTORY SECTION (UNAUDITED)</b>	
<b>ROSTER OF OFFICIALS</b>	1
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report on Basic Financial Statements	2 - 4
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART I</b>	
Management's Discussion and Analysis (Unaudited)	5-10
Statement 1 - Statement of Net Position	11
Statement 2 - Statement of Revenues, Expenses and Changes In Net Position	12
Statement 3 - Statement of Cash Flows	13
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	14 - 25
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART II</b>	
Exhibit 1 - Statement of Operating Revenues and Costs Funded by Operating Revenues Compared to Budget	26- 27
Schedule 1 - Schedule of Revenues, Expenses and Changes in Net Position	28
Schedule 2 - Schedule of Cash Receipts, Cash Disbursements and Changes in Cash and Investments - Unrestricted Accounts	29
Schedule 3 - Schedule of Cash Receipts, Cash Disbursements and Changes in Cash and Investments - Restricted Accounts	30
Schedule 4 - Schedule of Prepaid Expenses	31
Schedule 5 - Schedule of Property, Plant and Equipment	31
Schedule 6 - Schedule of Accounts Payable	32
<b>REPORTS PURSUANT TO GOVERNMENT AUDITING STANDARDS</b>	
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"	33 - 34
Schedules of Findings and Responses	35
Summary Schedule of Prior-Year Audit Findings and Responses	36
<b>GENERAL COMMENTS</b>	37
<b>RECOMMENDATIONS</b>	39
<b>STATUS OF PRIOR YEAR'S AUDIT FINDINGS/RECOMMENDATIONS</b>	39

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**ROSTER OF OFFICIALS**

**BOARD MEMBERS**

Bill Kuster	Chairperson
Christine LaBadie	Vice-Chairperson
Peter Paftinos	Board Member
Warren Wilson	Board Member
Leonard Kunz	Board Member
Kathleen Block	Treasurer/Secretary*

Lavery, Selvaggi, Abromitis  
& Cohen P.C.

Attorney

Wielkottz & Company, LLC

Auditors

\* There was a Public Employees' Honesty Blanket Position Bond in the amount of \$5,000.00 with Selective Insurance Company of America, Policy #B1120053.



# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
THOMAS M. FERRY, CPA, RMA, PSA

HEADQUARTERS  
401 WANAQUE AVENUE  
POMPTON LAKES, NEW JERSEY 07442  
(973)-835-7900

NEWTON OFFICE  
100B MAIN STREET  
NEWTON, NEW JERSEY 07860  
(973)-835-7900

## INDEPENDENT AUDITOR'S REPORT

Honorable Chairperson and  
Members of the Board  
Town of Hackettstown Parking Authority  
Hackettstown, New Jersey

### Report on the Financial Statements

We have audited the accompanying statement of net position of the Town of Hackettstown Parking Authority (the "Authority"), a component unit of the Town of Hackettstown, in the County of Warren, as of December 31, 2019 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as 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 misstatements, 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, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit 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***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Town of Hackettstown Parking Authority, as of December 31, 2019, and the respective changes in financial position and cash flows for the year then ended in accordance with 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 the Management's Discussion and Analysis be presented to supplement the basic 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 and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hackettstown Parking Authority's financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental 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 supplemental schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020 on our consideration of the Town of Hackettstown Parking 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Hackettstown Parking Authority's internal control over financial reporting and compliance.

*Wielkotz & Company, LLC*  
WIELKOTZ & COMPANY, LLC  
*Certified Public Accountants*

Newton, New Jersey

April 30, 2020

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**  
**Management's Discussion and Analysis**

**(UNAUDITED)**

Our discussion and analysis of the Hackettstown Parking Authority's (a Component Unit of the Town of Hackettstown) financial activities for the year ended December 31, 2019. Please read it in conjunction with the Authority's financial statements

**FINANCIAL HIGHLIGHTS**

- The Authority's net position of its business-type activities increased \$13,596.16 or 3.57 percent as a result of this year's operations.
- Total cost of all of the Authority's programs was \$62,000.44 in 2019 compared to \$69,067.40 in 2018. During the year, the Authority had expenses for its business-type activities that were \$13,596.16 less than program revenues of \$75,596.60.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Authority as a whole and present a longer-term view on the Authority's finances. Fund financial statements report the Authority's operation in more detail than the government-wide statements by providing information about the Authority's most financially significant funds.

**Reporting the Authority as a Whole**

**The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position**

One of the most important questions asked about the Authority's finances is "Is the Authority as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's *net position* and changes in them. You can think of the Authority's net position, the difference between assets and liabilities, as one way to measure the Authority's financial health, or *financial position*. Over time, *increases* or *decreases* in the Authority's net position are one indicator whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Authority's user fee base, and the condition of the Authority's capital assets to assess the overall *health* of the Authority.

## Reporting the Authority's Most Significant Funds Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds-not the Authority as a whole. Some funds are required to be established by State law.

*Proprietary funds:* when the Authority charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Authority's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

### Major Features of The Parking Authority of the Town of Hackettstown (A Component Unit of the Town of Hackettstown)

#### Fund Financial Statements (Figure A-1)

##### Proprietary Funds

Scope	Activities the Authority operates similar to private businesses
Required financial statements	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.
Type of inflow/outflow information	All revenues and expenses, regardless of when cash is received or paid

## THE AUTHORITY AS A WHOLE

The Authority's *combined* net position changed from a year ago, *increased* from \$380,778.08 to \$394,374.24. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Authority's business-type activities as of December 31.

**Table 1**  
**Net Position**

	Business-Type Activities	
	2019	2018
Current and Other Assets	\$176,655.11	\$154,663.38
Capital Assets	222,319.13	230,614.70
Total Assets	398,974.24	385,278.08
Other Liabilities	4,600.00	4,500.00
Total Liabilities	4,600.00	4,500.00
Net Position:		
Net Investment in Capital Assets	222,319.13	230,614.70
Restricted	74,689.64	74,689.64
Unrestricted	97,365.47	75,473.74
Total Net Position	\$394,374.24	\$380,778.08

- Net Position of the Authority's business-type activities *increased* \$13,596.16 or 3.57 percent.
- Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - *increased* \$21,891.73.
- Restricted net position did not change.
- The net investment in capital assets category *decreased* \$8,295.57 due to depreciation expense in 2019.

**Table 2**  
**Changes in Net Position**

	<b>Business-Type Activities</b>	
	<b>2019</b>	<b>2018</b>
<u>Revenues:</u>		
Operating Revenues:		
On and Off Street Parking	\$75,357.05	\$64,750.51
General Revenues:		
Interest and Investment Earnings	239.55	231.67
Other General Revenues	-	279.90
	<u>75,596.60</u>	<u>65,262.08</u>
 <u>Program Expenses Including Indirect Expenses</u>		
Business-Type Activities:		
Parking	<u>62,000.44</u>	<u>69,067.40</u>
Total Expenses	<u>62,000.44</u>	<u>69,067.40</u>
Increase/(Decrease) in Net Position	<u>\$13,596.16</u>	<u>(\$3,805.32)</u>

## Business-type Activities

The Authority's major Enterprise Fund consists of the Parking Operations. The basic financial statements for the major funds are included in the report. Because the focus on business-type funds is cost service measurement or capital maintenance, we have included these funds in Table 3, which demonstrates return on ending net position.

**Table 3**

	<u>Parking</u>
Total Assets	\$398,974.24
Net Position	394,374.24
Change in Net Position	13,596.16
Return on Ending Total Assets	3.41%
Return on Ending Net Position	3.45%

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets  
Table 4**

### Net Investment in Capital Assets at Year-End

	<u>Business-type Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$156,252.58	\$156,252.58
Land Improvements	190,870.63	190,870.63
Machinery and Equipment	<u>62,960.69</u>	<u>62,960.69</u>
Subtotal	410,083.90	410,083.90
Accumulated Depreciation	<u>(187,764.77)</u>	<u>(179,469.20)</u>
Totals	<u>\$222,319.13</u>	<u>\$230,614.70</u>

More detailed information about the Authority's capital assets is presented in the notes to the basic financial statements.

## BUDGETS

There were line item transfers between the originally adopted budget and the final budget for the year 2018, see Exhibit 1 for more detailed information regarding the 2019 budget.

## **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority Secretary, Hackettstown Parking Authority, 215 Stiger Street, PO Box 216, Hackettstown, New Jersey 07840.

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2019**

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Parking</u>	<u>Totals</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Investments - Unrestricted	\$ 101,715.47	\$ 101,715.47
Cash and Investments - Restricted	74,689.64	74,689.64
Prepaid Expenses	250.00	250.00
Total Current Assets	<u>176,655.11</u>	<u>176,655.11</u>
Noncurrent Assets:		
Capital Assets	410,083.90	410,083.90
Less Accumulated Depreciation	<u>(187,764.77)</u>	<u>(187,764.77)</u>
Total Noncurrent Assets	<u>222,319.13</u>	<u>222,319.13</u>
Total Assets	<u>\$ 398,974.24</u>	<u>\$ 398,974.24</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	<u>4,600.00</u>	<u>4,600.00</u>
Total Current Liabilities	<u>4,600.00</u>	<u>4,600.00</u>
Total Liabilities	<u>4,600.00</u>	<u>4,600.00</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	222,319.13	222,319.13
Restricted for:		
Renewal and Replacement	74,689.64	74,689.64
Unrestricted	<u>97,365.47</u>	<u>97,365.47</u>
Total Net Position	<u>\$ 394,374.24</u>	<u>\$ 394,374.24</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Business-type Activities - Enterprise Funds	
	<u>Parking</u>	<u>Totals</u>
<b>Operating Revenues:</b>		
On and Off Street Revenues	\$ 75,357.05	\$ 75,357.05
Total Operating Revenues	<u>75,357.05</u>	<u>75,357.05</u>
 <b>Operating Expenses:</b>		
Personnel Services	24,068.12	24,068.12
Employee Benefits	8,433.38	8,433.38
Administrative Expenses	8,242.06	8,242.06
Operations and Maintenance	12,961.31	12,961.31
Depreciation	8,295.57	8,295.57
Total Operating Expenses	<u>62,000.44</u>	<u>62,000.44</u>
Operating Gain/(Loss)	<u>13,356.61</u>	<u>13,356.61</u>
 <b>Nonoperating Revenues (Expenses):</b>		
Interest Income	239.55	239.55
Total Nonoperating Revenues (Expenses)	<u>239.55</u>	<u>239.55</u>
 Change in Net Position	13,596.16	13,596.16
Total Net Position—Beginning	<u>380,778.08</u>	<u>380,778.08</u>
Total Net Position—Ending	<u>\$ 394,374.24</u>	<u>\$ 394,374.24</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Business-type Activities - Enterprise Funds	
	<u>Parking</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 75,357.05	\$ 75,357.05
Payments to Employees	(24,068.12)	(24,068.12)
Payments for Employee Benefits	(8,433.38)	(8,433.38)
Payments to Suppliers	<u>(21,103.37)</u>	<u>(21,103.37)</u>
Net Cash (Used) for Operating Activities	<u>21,752.18</u>	<u>21,752.18</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividends	<u>239.55</u>	<u>239.55</u>
Net Cash Provided by Investing Activities	<u>239.55</u>	<u>239.55</u>
Net Decrease in Cash and Cash Equivalents	21,991.73	21,991.73
 Balances—Beginning of Year	<u>154,413.38</u>	<u>154,413.38</u>
Balances—End of Year	<u>\$ 176,405.11</u>	<u>\$ 176,405.11</u>
 <b>Reconciliation of Operating Income to</b>		
<b>Net Cash (Used) for Operating Activities:</b>		
Operating (Loss)	\$ 13,356.61	\$ 13,356.61
Adjustments to Reconcile Operating (Loss) to Net Cash		
Provided by Operating Activities:		
Depreciation	8,295.57	8,295.57
Increase/(Decrease) in Accounts Payable	<u>100.00</u>	<u>100.00</u>
Total Adjustments	<u>8,395.57</u>	<u>8,395.57</u>
Net Cash (Used) for Operating Activities	<u>\$ 21,752.18</u>	<u>\$ 21,752.18</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

Note 1: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Parking Authority of the Town of Hackettstown ("the Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the Authority are discussed below.

B. Reporting Entity

These financial statements present the Town of Hackettstown Parking Authority (A Component Unit of the Town of Hackettstown). GASB has issued Statement's No. 39 and 61, which amends GASB 14 and requires the financial reporting entity to include both the primary government and those component units. Component units are legally separate organizations for which the Authority is financially accountable or other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Authority is financially accountable to the Town of Hackettstown (the "Town") since the Town appoints a voting majority of the Authority's board, and (1) the Town is able to significantly influence the programs and services performed or provided by the Authority; or (2) the Town is legally entitled to or can otherwise access the Authority's resources; the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of; or provide financial support to, the Authority; or the Town is obligated for the debt of the Authority. Component units may also include organizations that are fiscally dependent on the Town in that the Town approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the Authority is a component unit of the Town.

The Division of Local Government Services, Department of Community Affairs, State of New Jersey has not mandated that municipalities in the State of New Jersey implement GASB 34 therefore the Town's financial statements are not presented.

The Parking Authority of the Town of Hackettstown was created by ordinance of the Town of Hackettstown, N.J. finally adopted by the Town Council on September 30, 1957, pursuant to Chapter 198, P.L. 1948, (Revised Statutes 40:11A). The Authority exists as a public body politic and corporate constituting a political subdivision of the State of New Jersey.

Under the Enabling Act, the Authority is authorized and empowered, among other things: to construct, maintain, repair and operate parking projects; to issue its revenue bonds; to fix, alter, charge and collect rents, rates and fees for use of parking projects; to sue and be sued; to borrow money; to invest its funds; and to sell, transfer and dispose of any of its property. The Authority also has the right to acquire real property by the exercise of the power of eminent domain, subject to the consent of the governing body of the Town of Hackettstown.

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(CONTINUED)**

**Note 1: Summary of Significant Accounting Policies**

**B. Reporting Entity (continued)**

The Authority is restricted to function within the geographical limits of the Town of Hackettstown.

As a public body, under existing statute, the Authority is exempt from both Federal and State taxes.

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

The Authority is a component unit of the primary government of the Town of Hackettstown. The Commissioners of the Authority are appointed by the Town Council of the Town of Hackettstown for staggered terms of five years and the Town would be obligated to guarantee the Authority's Debt Service, to the extent not met by other sources.

**C. Basic Financial Statements- Fund Financial Statements**

**Proprietary Fund Type**

The focus of Proprietary Fund measurement is upon determination of net income, changes in net positions, financial position and cash flows. The accounted principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the Authority:

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises — where the intent of the Authority is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the users on a continuing basis be financed or recovered primarily through user charges; or, where the Authority has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control; accountability or other purposes.

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(CONTINUED)**

Note 1: Summary of Significant Accounting Policies

C. Basic Financial Statements- Fund Financial Statements (continued)

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20-50 Years
Improvements	10-20 Years
Machinery and Equipment	5-10 Years
Light Trucks and Vehicle	5 Years
Heavy Trucks and Vehicle	6 Years
Infrastructure	10-50 Years

Land and Construction in Progress are not depreciated.

D. Measurement Focus and Basis of Accounting

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include state and federal aid, grants entitlements and donations

E. Budgets/Budgetary Control

The annual budget is required to be balanced and authorities are permitted to utilize unreserved net position to balance their budget; however, the maximum amount which can be utilized is the lesser of (a) the estimated year end balance of unreserved net position or (b) working capital reduced by unrestricted assets not ordinarily convertible into cash (non-liquid, such as prepaid insurance and inventory).

For the purpose of using projected Unreserved Net Position or funding operating deficits, Authorities are permitted to amend or modify the annual operating budget, since actual results may differ from the amount estimated in the budget process.

Amendments to the operating and/or capital budgets may be permitted for a variety of conditions, as more fully described in the rules and regulations promulgated by the Local Finance Board. There were no significant budget amendments during the fiscal year.

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

F. Assets, Liabilities and Fund Equity

1. Deposits and Investments

Deposits are cash and cash equivalents, includes petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and Agency Obligations and Certificate of Deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey Parking Authorities are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 40A:5-15.1 et seq. provides a list of permissible investments that may be purchased by New Jersey Authorities.

2. Short-term Interfund Receivables/Payables

Short-term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Authority and that are due within one year.

3. Inventories

The cost of consumable materials and supplies on hand are immaterial to the financial statements and the Authority has therefore chosen to report these items as expenditures/expenses at the time of purchase.

4. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Business-type activities report user fees and interest earnings as their major receivables.

5. Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to renewal and replacement reserves.

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

F. Assets, Liabilities and Fund Equity (continued)

6. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds, notes and loans payable.

The accounting for proprietary fund debt is the same in the fund statements as it is in the government-wide statements.

7. Net Position Classifications

Proprietary Fund Statements

Net Position is classified as net assets minus liabilities and displayed in three components:

- a.. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position - All other net position amounts that do not meet the definition of "restricted" or "net investment in capital assets."

8. 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 certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates. The items were estimates would occur are for depreciation of fixed assets and their useful lives.

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

G. Revenues, Expenditures and Expenses

1. Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

2. Expenditures/Expenses

In the fund financial statements, expenditures are classified as follows:

Proprietary Fund — By Operating and Nonoperating

In the fund financial statements, proprietary funds report expenses relating to use of economic resources.

H. Recent Accounting Pronouncements

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.

The Government Accounting Standards Board issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction Period*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, Earlier application is encouraged. The Authority believes this may impact the disclosures relating to interest costs incurred before the end of a construction period in the notes to the financial statements.

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

H. Recent Accounting Pronouncements (continued)

In August 2018, the Government Accounting Standards Board issued GASB Statement No. 90, Majority Equity Interests. The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018. Earlier application is encouraged. The Authority is currently reviewing what effect, if any, this Statement may have on future financial statements.

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 Statement 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 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.

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(CONTINUED)**

**Note 2: Detailed Disclosure Regarding Assets and Revenues**

**A. Deposits and Investments**

**Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA). Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At December 31, 2019 the Authority's cash and cash equivalents amounted to \$177,122.50. The full amount was covered by federal depository insurance (F.D.I.C.) and \$0.00 was covered by a collateral pool maintained by the banks as required by GUDPA.

At December 31, 2019 the Authority did not participate in the State of New Jersey Cash Management Fund.

Pursuant to GASB Statement No. 40, Deposit and Investment Risk Disclosures ("GASB 40"), the Authority's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Authority would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by a pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name

As of December 31, 2019, none of the Authority's cash and cash equivalents was exposed to custodial credit risk.

As of December 31, 2019, the Authority's book balance was \$176,405.11.

## **TOWN OF HACKETTSTOWN PARKING AUTHORITY**

### **(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

#### **NOTES TO BASIC FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2019**

**(CONTINUED)**

#### **Note 2: Detailed Disclosure Regarding Assets and Revenues (Continued)**

##### **A. Deposits and Investments (continued)**

##### **Deposits (continued)**

The Authority does not have a policy for the management of custodial credit risk, except as noted above, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the Authority's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Authority. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

##### **Investments**

New Jersey statutes (N.J.S.A. 40A:5-15.1) permit the Authority to purchase the following types of securities:

- a. When authorized by resolution adopted by a majority vote of all its members the Board of Commissioners of any Authority may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Authority;
  - (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
  - (2) Government money market mutual funds;
  - (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
  - (4) Bonds or other obligations of the Authority or bonds or other obligations of local unit or units within which the Authority is located;
  - (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by Authority;
  - (6) Local government investment pools;
  - (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(CONTINUED)**

Note 2: Detailed Disclosure Regarding Assets and Revenues (Continued)

A. Deposits and Investments (continued)

Investments (continued)

- (8) Agreements for the repurchase of fully collateralized securities, if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

Credit Risk: The Authority does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit risk, "of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The Authority did not have any investments at December 31, 2019.

Interest Rate Risk: The Authority does not have a formal policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority did not have any investments at December 31, 2019.

Concentration of Credit Risk: The Authority places no limit on the amount the Authority may invest in any one issuer. The Authority did not have any investments at December 31, 2019.

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
 (CONTINUED)

Note 2: Detailed Disclosure Regarding Assets and Revenues (Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets not Being Depreciated	\$156,252.58	\$ -	\$ -	\$156,252.58
Land				
Total Capital Assets not Being Depreciated	<u>156,252.58</u>	<u>                    </u>	<u>                    </u>	<u>156,252.58</u>
Land Improvements	190,870.63			190,870.63
Machinery and Equipment	<u>62,960.69</u>	<u>                    </u>	<u>                    </u>	<u>62,960.69</u>
Totals at Historical Cost	<u>253,831.32</u>	<u>                    </u>	<u>                    </u>	<u>253,831.32</u>
Less accumulated Depreciation for:				
Land Improvements	(131,305.75)	(6,383.01)		(137,688.76)
Machinery and Equipment	<u>(48,163.45)</u>	<u>(1,912.56)</u>		<u>(50,076.01)</u>
Total Accumulated Depreciation	<u>(179,469.20)</u>	<u>(8,295.57)</u>	(1)	<u>187,764.77</u>
Net Capital Assets Being Depreciated	<u>74,362.12</u>	<u>(8,295.57)</u>	<u>                    </u>	<u>66,066.55</u>
Business-type Activities Capital Assets, Net	<u>\$230,614.70</u>	<u>\$(8,295.57)</u>	<u>\$ -</u>	<u>\$222,319.13</u>

(1) Depreciation expense was charged as follows:

Parking	<u>\$8,295.57</u>
	<u>\$8,295.57</u>

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(CONTINUED)**

**Note 3: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures**

**A. Operating Leases**

The Authority has no commitments to lease equipment under operating leases.

**B. Long - Term Liabilities**

The Authority has no Long - Term liability for the year ended December 31, 2019.

**Note 4: Detailed Disclosure Regarding Fund Equity**

**A. Restricted Net Assets**

Enterprise Fund:

Restricted for:

Renewal and Replacement

\$74,689.64

**Note 5: Subsequent Events**

The Authority has evaluated subsequent events through April 30, 2020, the date which the financial statements were available to be issued and the following item was noted for disclosure:

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 financial dilemma. The Parking Authority has identified several risks as a result of this pandemic, including a possible delay or reduction in collection of parking fees and cash flow shortages. The Authority will continue to monitor the potential economic impacts on the Parking Authority's operations.

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN  
(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**STATEMENT OF OPERATING REVENUES AND COSTS FUNDED BY OPERATING REVENUES  
COMPARED TO THE BUDGET FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

<u>Revenues</u>	<u>2019 Revised Budget</u>	<u>2019 Actual</u>	<u>Variance</u>	<u>2018 Actual</u>
Operating:				
Parking Meter Receipts	\$ 56,000.00	\$ 62,030.55	\$ 6,030.55	\$ 57,315.51
Annual Parking Rents	2,500.00	2,400.00	(100.00)	2,300.00
Fines	4,500.00	10,926.50	6,426.50	5,135.00
Overnight Fees	2,300.00	-	(2,300.00)	-
Total Operating Revenues	<u>65,300.00</u>	<u>75,357.05</u>	<u>10,057.05</u>	<u>64,750.51</u>
Non-Operating:				
Retained Earnings Appropriated	6,975.00	6,975.00	-	13,600.00
Miscellaneous		-	-	279.90
Interest on Investments and Deposits	<u>185.00</u>	<u>239.55</u>	<u>54.55</u>	<u>231.67</u>
Total Non-Operating Revenues	<u>7,160.00</u>	<u>7,214.55</u>	<u>54.55</u>	<u>14,111.57</u>
Total Revenues	<u>\$ 72,460.00</u>	<u>\$ 82,571.60</u>	<u>\$ 10,111.60</u>	<u>\$ 78,862.08</u>
Expenses:				
Employees Benefits:				
Pension	\$ 800.00	\$ 2,497.85	\$ (1,697.85)	\$ 2,752.94
Social Security Tax	3,000.00	5,935.53	(2,935.53)	7,713.65
Administrative Expenses:				
Personnel Services	33,960.00	24,068.12	9,891.88	28,952.20
Audit	8,100.00	6,810.00	1,290.00	4,400.00
Legal	-	150.00	(150.00)	-
Office Supplies and Administrative Expenses	5,500.00	1,182.06	4,317.94	1,798.64
Operations and Maintenance Expenses:				
Insurance	500.00	500.00	-	500.00
Uniforms	1,800.00	1,326.20	473.80	1,428.63
Maintenance and Repairs - Meters	3,000.00	4,467.75	(1,467.75)	1,589.69
Sign/Lot Maintenance	4,000.00	100.00	3,900.00	3,420.00
Parking Lot Rent	1,400.00	4,800.00	(3,400.00)	4,800.00
Public Events	4,500.00	26.66	4,473.34	1,750.00
Training and Education	500.00		500.00	-
Utilities		554.64	(554.64)	411.36
Miscellaneous	<u>400.00</u>	<u>1,186.06</u>	<u>(786.06)</u>	<u>952.35</u>
	<u>67,460.00</u>	<u>53,604.87</u>	<u>13,855.13</u>	<u>60,469.46</u>
Other Costs Funded by Operating Revenues:				
Reserve for Renewal and Replacement	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>	<u>-</u>
Total Expenses	<u>\$ 72,460.00</u>	<u>\$ 53,604.87</u>	<u>\$ 18,855.13</u>	<u>\$ 60,469.46</u>

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN  
(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**STATEMENT OF OPERATING REVENUES AND COSTS FUNDED BY OPERATING REVENUES  
COMPARED TO THE BUDGET FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

	2019 Revised <u>Budget</u>	2019 <u>Actual</u>	<u>Variance</u>	2018 <u>Actual</u>
<b>Excess (Deficit) of Revenues over Expenses</b>	\$ -	\$ 28,966.73	\$ -	\$ 18,392.62
<b>Reconciliation of Budgetary Basis to GAAP:</b>				
Net Position Appropriated:				
Unrestricted Accounts		(6,975.00)		(13,600.00)
Depreciation Expense		(8,295.57)		(8,532.60)
(Increase)/Decrease in Prepaid Expenses		-		0.68
Increase/(Decrease) in Accounts Payable		(100.00)		(66.02)
Total Adjustments		<u>(15,370.57)</u>		<u>(22,197.94)</u>
<b>Change in Net Position</b>		<u>\$ 13,596.16</u>		<u>\$ (3,805.32)</u>

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN  
(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION - RESERVED AND UNRESERVED**

	<u>Unreserved</u>	<u>Reserved Renewal and Replacement</u>	<u>Totals (Memorandum Only)</u>	
			<u>2019</u>	<u>2018</u>
Operating Revenues:				
Parking Meter Revenues	\$ 62,030.55	\$ -	\$ 62,030.55	\$ 57,315.51
Annual Parking Rents	2,400.00	-	2,400.00	2,300.00
Fines and Overnight Fees	10,926.50	-	10,926.50	5,135.00
	<u>75,357.05</u>	<u>-</u>	<u>75,357.05</u>	<u>64,750.51</u>
Operating Expenses:				
Personnel Services	24,068.12	-	24,068.12	28,952.20
Employee Benefits	8,433.38	-	8,433.38	10,466.59
Administrative Expenses	8,142.06	-	8,142.06	6,198.64
Operations and Maintenance	12,961.31	-	12,961.31	14,852.03
	<u>53,604.87</u>	<u>-</u>	<u>53,604.87</u>	<u>60,469.46</u>
Operating Income/ (Loss)	21,752.18	-	21,752.18	4,281.05
Non Operating Revenues and (Expenses):				
Interest Income	239.55	-	239.55	231.67
Increase in Accounts Payable	(100.00)	-	-	-
Miscellaneous	-	-	-	279.90
Retained Earnings Appropriated	6,975.00	-	6,975.00	13,600.00
Increase in Retained Earnings	28,866.73	-	28,866.73	18,392.62
Net Position January 1	<u>75,473.74</u>	<u>74,689.64</u>	<u>150,163.38</u>	<u>145,436.10</u>
	104,340.47	74,689.64	179,030.11	163,763.38
Decreased By:				
Utilization as Anticipated Revenue	(6,975.00)	-	(6,975.00)	(13,600.00)
Net Position December 31	<u>\$ 97,365.47</u>	<u>\$ 74,689.64</u>	<u>\$ 172,055.11</u>	<u>\$ 150,163.38</u>

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN  
(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENTS  
UNRESTRICTED ACCOUNTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Cash and Investments January 1, 2019	\$ 79,723.74
Cash Receipts:	
Parking Meter Receipts:	
Streets and Lots	62,030.55
Annual Parking Rents	2,400.00
Fines	10,926.50
Interest on Investments and Deposits	239.55
Total Cash and Investments Available	<u>155,320.34</u>
Cash Disbursements:	
Operations	49,104.87
Accounts Payable	4,500.00
Total Cash Disbursements	<u>53,604.87</u>
Cash and Investments December 31, 2019	<u>\$ 101,715.47</u>
Balance Comprised of:	
Cash	\$ 51,903.88
Investments:	
Certificates of Deposit	<u>49,811.59</u>
	<u>\$ 101,715.47</u>

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN  
(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENTS  
RESTRICTED ACCOUNTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

	Reserve and Replacement <u>Account</u>
Cash and Investments December 31, 2019	<u>\$ 74,689.64</u>
Balance Comprised of:	
Investments:	
Money Market Funds	<u>\$ 74,689.64</u>

## Schedule 4

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN  
(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**SCHEDULE OF PREPAID EXPENSES**

Balance January 1, 2019	\$ 250.00
Increased by:	
Purchases in 2019:	
Cash Disbursed	<u>500.00</u>
	750.00
Decreased by:	
Amount Charged to Operations	<u>500.00</u>
Balance December 31, 2019	<u><u>\$ 250.00</u></u>

## Schedule 5

**SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT**

Balance January 1, 2019	<u>\$ 410,083.90</u>
Balance December 31, 2019	<u><u>\$ 410,083.90</u></u>

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN  
(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**SCHEDULE OF ACCOUNTS PAYABLE**

Balance January 1, 2019	\$ 4,500.00
Increased by:	
Accounts Payable Charged to 2019 Budget	<u>4,600.00</u>
	9,100.00
Decreased by:	
Accounts Payable Paid in 2019	<u>4,500.00</u>
Balance December 31, 2019	<u>\$ 4,600.00</u>
<u>Analysis of Balance December 31, 2019</u>	
<u>Category</u>	
Audit Fee- 2019	<u><u>\$ 4,600.00</u></u>

**REPORTS PURSUANT TO  
GOVERNMENT AUDITING STANDARDS**



# WIELKOTZ & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
THOMAS M. FERRY, CPA, RMA, PSA

HEADQUARTERS  
401 WANAUKE AVENUE  
POMPTON LAKES, NEW JERSEY 07442  
(973)-835-7900

NEWTON OFFICE  
100B MAIN STREET  
NEWTON, NEW JERSEY 07860  
(973)-835-7900

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

The Honorable President and  
Members of the Board  
Town of Hackettstown Parking Authority  
County of Warren, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hackettstown Parking Authority, as of and for the years ended, December 31, 2019 and 2018, and the related notes to the financial statements, and have issued our report thereon dated April 30, 2020.

## Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Hackettstown Parking 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 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 Town of Hackettstown Parking 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 a 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2019-01 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Hackettstown Parking 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 test disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **The Authority's Response to the Findings**

The Authority's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. 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 the 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 in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information of the governing body, management, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wielkottz & Company, LLC*  
WIELKOTZ & COMPANY, LLC  
*Certified Public Accountants*

Newton, New Jersey

April 30, 2020

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Summary of Auditor's Results:**

- The Independent Auditor's Report expressed an unmodified opinion on the Authority's governmental activities financial statements.
- Significant deficiencies were disclosed during the audit of financial statements as reported in the *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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Authority, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

**Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:**

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

**Finding 2019-01**

During our audit, we noted that the Authority does not maintain an adequate segregation of duties due to limited personnel. The functions of handling cash and preparation of cash disbursement books are performed by one individual. This is not unusual in operations the size of the Authority, but management should constantly be aware of this condition and realize the concentration of duties and responsibility in a limited number of individuals is not desirable from a control point of view.

**Management Response:**

The finding 2019-01 was evaluated. The Authority was made aware of this lack of internal control and will consider strengthening internal control within reason of the costs, benefits derived and budgetary constraints.

**TOWN OF HACKETTSTOWN PARKING AUTHORITY**  
**(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the status of prior-year findings related to the basic financial statements and federal awards and state financial assistance that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, Federal Uniform Guidance and New Jersey OMB's Circular 15-08.

**Finding 2018-01**

During our audit, we noted that the Authority does not maintain an adequate segregation of duties due to limited personnel. The functions of handling cash and preparation of cash disbursement books are performed by one individual. This is not unusual in operations the size of the Authority, but management should constantly be aware of this condition and realize the concentration of duties and responsibility in a limited number of individuals is not desirable from a control point of view.

**Management Response:**

The finding 2018-01 was evaluated. The Authority was made aware if this lack of internal control and will consider strengthening internal control within reason of the costs, benefits derived and budgetary constraints.

**GENERAL COMMENTS  
AND RECOMMENDATIONS**

## GENERAL COMMENTS

### Contracts and Agreements

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$40,000.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$40,000, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and, bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J. S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is \$40,000.

The governing body has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Authority's attorney should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

## **GENERAL COMMENTS (CONTINUED)**

### **Contracts and Agreements.** (continued)

Our examination of expenditures did not reveal any individual payments, contracts, or agreements "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds other than those where bids had been previously sought by public advertisement or where a resolution had previously been adopted under the provisions of N.J.S.A. 40A:11-6.

Our review of the Authority's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40k 11-5.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

## **EXAMINATION OF CLAIMS**

Claims paid during the period under review were examined for clerical accuracy and proper approvals.

The review and inquiry indicate good scrutiny on the part of the Authority and Authority Officials regarding expenditures.

## RECOMMENDATIONS

1. That the Authority maintain an adequate segregation of duties.

## STATUS OF PRIOR YEAR'S AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year's recommendations and corrective action was taken on all, except for the following:

1. That the Authority maintain an adequate segregation of duties.

\*\*\*\*\*

## APPRECIATION

We wish to express our appreciation for the assistance and courtesies extended to us during the audit. Should any question arise as to our audit comments, please do not hesitate to call us

Respectfully submitted,

*Wielkottz & Company, LLC*  
WIELKOTZ & COMPANY, LLC  
*Certified Public Accountants*

Newton, New Jersey

**GOVERNING BODY CERTIFICATION OF THE ANNUAL AUDIT**  
**FORM OF RESOLUTION**

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year 2019 has been filed by a Registered Municipal Accountant with the Municipal Clerk pursuant to N.J.S.A. 40A:5-6, and a copy has been received by each member of the governing body; and,

WHEREAS, R.S. 52:27BB-34 authorizes the Local Finance Board of the State of New Jersey to prescribe reports pertaining to the local fiscal affairs; and,

WHEREAS, the Local Finance Board has promulgated N.J.A.C. 5:30-6.5, a regulation requiring that the governing body of each municipality shall by resolution certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed, as a minimum, the sections of the annual audit entitled "Comments and Recommendations, and,

WHEREAS, the members of the governing body have personally reviewed as a minimum the Annual Report of Audit, and specifically the sections of the Annual Audit entitled "Comments and Recommendations, as evidenced by the group affidavit form of the governing body attached hereto; and,

WHEREAS, such resolution of certification shall be adopted by the Governing Body no later than forty-five days after the receipt of the annual audit, pursuant to N.J.A.C. 5:30-6.5; and,

WHEREAS, all members of the governing body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

WHEREAS, failure to comply with the regulations of the Local Finance Board of the State of New Jersey may subject the members of the local governing body to the penalty provisions of R.S. 52:27BB-52, to wit:

R.S. 52:27BB-52: A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office.

NOW, THEREFORE BE IT RESOLVED, That the Hackettstown Parking Authority town of Hackettstown, hereby states that it has complied with N.J.A.C. 5:30-6.5 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON JUNE 8, 2020.

  
Clerk

**CERTIFICATION OF GOVERNING BODY OF THE ANNUAL AUDIT  
GROUP AFFIDAVIT FORM  
NO PHOTO COPIES OF SIGNATURES**

STATE OF NEW JERSEY  
COUNTY OF WARREN

We, members of the governing body of the Hackettstown, in the County of Warren, being duly sworn according to law, upon our oath depose and say:

1. We are duly appointed members of the Hackettstown Parking Authority of the town of Hackettstown in the county of Warren;
2. In the performance of our duties, and pursuant to N.J.A.C. 5:30-6.5, we have familiarized ourselves with the contents of the Annual Municipal Audit filed with the Clerk pursuant to N.J.S.A. 40A:5-6 for the year 2019;
3. We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled "Comments and Recommendations."

(L.S.)

(L.S.)

(L.S.)

(L.S.)

(L.S.)

(L.S.)

(L.S.)

(L.S.)

(L.S.)

(L.S.)

Sworn to and subscribed before me this  
22<sup>nd</sup> day of June, 2020  
Notary Public of New Jersey

**PAOLA J. REILLY**  
**NOTARY PUBLIC OF NEW JERSEY**  
My Commission Expires 7/8/2020

*Paola J. Reilly*

Kathleen Block  
Clerk

The Municipal Clerk (or Clerk of the Board of Chosen Freeholders as the case may be) shall set forth the reason for the absence of signature of any members of the governing body.

IMPORTANT: This certificate must be sent to the Bureau of Financial Regulation and Assistance, Division of Local Government Services, P.O. Box 803, Trenton, New Jersey 08625.



## **HACKETTSTOWN PARKING AUTHORITY**

### **2019 ANNUAL AUDIT-CORRECTIVE ACTION PLAN**

Finding 2019-01 During our audit, we noted that the Authority does not maintain an adequate segregation of duties due to limited personnel. The functions of handling cash and preparation of cash disbursement books are performed by on individual. This is not unusual in operations the size of the Authority, but management should constantly be aware of this condition and realize the concentration of duties and responsibility in a limited number of individuals is no desirable from a control point of view.

Recommendation: That the Authority maintain an adequate segregation of duties.

Corrective Action- Due to the size of the Authority and staying within reason of the costs, no action will be taken. There are three employees; One administrative person, and two meter personnel. The meter personnel are not qualified for the recommended segregated duties.

**RESOLUTION OF THE HACKETTSTOWN PARKING AUTHORITY  
APPROVING THE REQUIRED CORRECTIVE ACTION PLAN PURSUANT TO  
THE DIRECTIVE OF THE DIVISION OF LOCAL GOVERNMENT SERVICES  
FOR THE FISCAL YEAR 2019 AUDIT REPORT**

**WHEREAS** the Division of Local Government Services within the Department Of Community Affairs, requires the Authority to file a “Corrective Action Plan”, in substantially the form attached to this Resolution, outlining the actions to be taken by the Hackettstown Parking Authority relative to the finding and recommendation in the Authority’s annual audit report: an

**WHEREAS** the “Corrective Action Plan” shall be prepared by the Authority, with assistance from other officials of the Authority and/or the County affected by the audit findings and recommendations; and

**WHEREAS** the Board of Commissioners of the Authority is required, by resolution, to approve the said “Corrective Action Plan”; and

**WHEREAS** the “Corrective Action Plan”, as prepared by the Authority and approved by its governing body pursuant hereto, shall be placed on file and shall also be made available for public inspection on the Hackettstown Town Website, listed under “Hackettstown Parking Authority”.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Hackettstown Parking Authority, that the Board hereby approves of the “Corrective Action Plan” for the Fiscal Year 2019 Audit Report submitted by the Authority to the State of New Jersey, in substantially the form appended to this Resolution.

**BE IT FURTHER RESOLVED**, that all necessary Authority officers, personnel and professionals, be and hereby are directed and authorized to execute any and all documents as many be reasonably necessary to effectuate implementation and presentation of the said “Corrective Action Plan”, and to otherwise cooperate

with all State, County and other entities to effectuate implementation thereof.

**BE IT FURTHER RESOLVED**, that this Resolution shall become effective immediately.

Moved by: Jim Lambo

Seconded by: Lenny Kunz

Recorded Vote:

BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
Bill Kuster	X			
Lenny Kunz	X			
Peter Paftinos				X Resigned 5/14/20
Warren Wilson				X Resigned 3/31/20
Jim Lambo	X			

The following Resolution is a true and complete copy of a Resolution of the Hackettstown Parking Authority adopted at the Meeting of Monday, June 8, 2020.

Kathleen Block

Kathleen Block, Secretary

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN  
(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**SUMMARY OR SYNOPSIS OF AUDIT FOR PUBLICATION**

Summary or Synopsis of audit report for the Parking Authority of the Town of Hackettstown  
for the fiscal year ended December 31, 2019 as required by N.J.S.A. 40A:5-16

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>
	<b><u>Parking</u></b>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments - Unrestricted	\$ 101,715.47
Cash and Investments - Restricted	74,689.64
Prepaid Expenses	<u>250.00</u>
Total Current Assets	<u>176,655.11</u>
Noncurrent Assets:	
Capital Assets	410,083.90
Less Accumulated Depreciation	<u>(187,764.77)</u>
Total Noncurrent Assets	<u>222,319.13</u>
Total Assets	<u>398,974.24</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	<u>4,600.00</u>
Total Current Liabilities	<u>4,600.00</u>
Total Liabilities	<u>4,600.00</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	222,319.13
Restricted for:	
Renewal and Replacement	74,689.64
Unrestricted	<u>97,365.47</u>
Total Net Position	<u>\$ 394,374.24</u>

**THE PARKING AUTHORITY OF THE TOWN OF HACKETTSTOWN  
(A COMPONENT UNIT OF THE TOWN OF HACKETTSTOWN)**

**SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION  
(CONCLUDED)**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>
	<b><u>Parking</u></b>
<b>Operating Revenues:</b>	
On and Off Street Revenues	\$ 75,357.05
Total Operating Revenues	<u>75,357.05</u>
 <b>Operating Expenses:</b>	
Personnel Services	24,068.12
Employee Benefits	8,433.38
Administrative Expenses	8,242.06
Operations and Maintenance	12,961.31
Depreciation	<u>8,295.57</u>
Total Operating Expenses	<u>62,000.44</u>
Operating Income	<u>13,356.61</u>
 <b>Nonoperating Revenues (Expenses):</b>	
Interest Income	<u>239.55</u>
Total Nonoperating Revenues (Expenses)	<u>239.55</u>
Change in Net Position	13,596.16
Total Net Position—Beginning	<u>380,778.08</u>
Total Net Position—Ending	<u>\$ 394,374.24</u>

**RECOMMENDATIONS:**

1. That the Authority maintain an adequate segregation of duties for the operation of the Treasurer.

The above summary or synopsis was prepared from the report of audit of the Parking Authority of the Town of Hackettstown for the fiscal year ended December 31, 2019.

This report of Audit, submitted by Thomas M. Ferry, C.P.A., Registered Municipal Accountant, Wielkotz & Company, LLC, is on file with the Secretary.

The Accompanying Notes to Financial Statements are an integral part of this statement at the Authority's Office, 215 Stiger Street, Hackettstown, New Jersey.