

PASSAIC PARKING AUTHORITY
(A component unit of the City of Passaic)
REPORT OF AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

PASSAIC PARKING AUTHORITY

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LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the Board of Commissioners
Passaic Parking Authority
Passaic, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Passaic Parking Authority, a component unit of the City of Passaic as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Passaic Parking Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Passaic Parking Authority as of December 31, 2021 and 2020, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 Passaic Parking Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities 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 Passaic Parking 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 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards 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 the 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 and Government Auditing Standards we:

- Exercise professional judgement 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 Passaic Parking 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 Passaic Parking 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 the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Passaic Parking Authority as a whole. The supplementary schedule listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the 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 schedule listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 22, 2022 on our consideration of the Passaic 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 solely 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 effectiveness of the Passaic Parking Authority's 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 Passaic Parking Authority's internal control over financial reporting and compliance.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
July 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)

**PASSAIC PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

This section of the Passaic Parking Authority's ("Authority") annual financial report presents our discussion and analysis of the Authority's financial performance during the year ended December 31, 2021. Please read it in conjunction with the Authority's basic financial statements and accompanying notes.

The purpose of the Authority is to carry out the parking authority plans of the City of Passaic.

FINANCIAL HIGHLIGHTS

- The Authority's assets exceeded its liabilities at December 31, 2021 by \$3,789,147.
- The Authority's total assets increased by \$330,812.
- Operating revenues increased by \$98,433.
- Operating expenses decreased by \$89,759.
- Operating income increased by \$188,192.

OVERVIEW OF FINANCIAL STATEMENTS

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic 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 financial statements offer short and long term financial information about the activities and operations of the Authority. These statements are presented in the Government Accounting Standards Board ("GASB") prescribed manner.

FINANCIAL ANALYSIS OF THE AGENCY

Net Position – The following is a summary of the Authority's financial position as of December 31, 2021, 2020 and 2019:

	December 31, <u>2021</u>	December 31, <u>2020</u>	December 31, <u>2019</u>
ASSETS:			
Current and Other Assets	\$ 955,922	\$ 625,110	\$ 488,860
Capital Assets	<u>2,842,000</u>	<u>2,842,000</u>	<u>2,865,255</u>
Total Assets	<u>3,797,922</u>	<u>3,467,110</u>	<u>3,354,115</u>
LIABILITIES:			
Long-Term Liabilities	-	-	-
Other Liabilities	<u>8,775</u>	<u>12,833</u>	<u>49,375</u>
Total Liabilities	<u>8,775</u>	<u>12,833</u>	<u>49,375</u>
NET POSITION:			
Net Investment in Capital Assets	2,842,000	2,842,000	2,865,258
Restricted For: Renewal and Replacement	450,000	250,000	
Unrestricted	<u>497,147</u>	<u>362,277</u>	<u>439,482</u>
Total Net Position	<u>\$ 3,789,147</u>	<u>\$ 3,454,277</u>	<u>\$ 3,304,740</u>

**PASSAIC PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(Continued)**

FINANCIAL ANALYSIS OF THE AGENCY (Continued)

The Authority's Net Position increased \$334,870, or 10% during the year ended December 31, 2021. Key elements of this increase are operating revenues from the various parking fees exceeding operating expenses.

Operating Activities – The following table summarizes the revenues, expenses and changes in net position for the years ended December 31, 2021, 2020 and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
OPERATING REVENUES			
Parking Meters	\$ 402,324	\$ 323,533	\$ 516,268
Parking Permits	33,525	23,150	56,000
Shared Parking Violations	627,768	611,798	758,688
Other Income	-	6,703	
State Grant - NJEDA	-	-	25,000
	<u>1,063,617</u>	<u>965,184</u>	<u>1,355,956</u>
OPERATING EXPENSES			
Administrative and Executive	47,260	47,485	50,087
Cost of Providing Services	682,797	749,076	740,872
Depreciation	-	23,255	23,256
	<u>730,057</u>	<u>819,816</u>	<u>814,215</u>
OPERATING INCOME	<u>333,560</u>	<u>145,368</u>	<u>541,741</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	1,310	4,169	16,951
Interest Expense	-	-	(17,310)
	<u>1,310</u>	<u>4,169</u>	<u>(359)</u>
CHANGE IN NET POSITION	334,870	149,537	541,382
NET POSITION, BEGINNING OF PERIOD	<u>3,454,277</u>	<u>3,304,740</u>	<u>2,763,358</u>
NET POSITION, END OF PERIOD	<u>\$ 3,789,147</u>	<u>\$ 3,454,277</u>	<u>\$ 3,304,740</u>

Operating Revenues increased \$98,433 or 10% in 2021. This increase in operating revenues is mainly due to increased revenues from parking meters, parking permits and shared parking violations reported for the year ended December 31, 2021 as a result of restrictions related to COVID 19 in 2020.

**PASSAIC PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021
(Continued)**

FINANCIAL ANALYSIS OF THE AGENCY (Continued)

Operating Expenses decreased \$89,759 or 11% in 2021 mainly as a result of decreased expenses for cost of providing services reported for the year ended December 31, 2021.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The following table summarizes the Authority's capital assets, net of depreciation, as of December 31, 2021, 2020 and 2019.

	December 31, <u>2021</u>	December 31, <u>2020</u>	December 31, <u>2019</u>
Land	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
Construction in Progress	42,000	42,000	42,000
Property and Equipment, net	<u>-</u>	<u>-</u>	<u>23,255</u>
Total	<u>\$ 2,842,000</u>	<u>\$ 2,842,000</u>	<u>\$ 2,865,255</u>

Debt

The Authority had no debt outstanding as of December 31, 2021, 2020 and 2019.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority has committed itself to financial excellence. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

The budget for the calendar year ended December 31, 2022 was approved by the Division of Local Government Services and adopted by the Authority.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the City of Passaic, New Jersey citizens and redevelopers with a general overview of the Authority's finances to demonstrate the Passaic Parking Authority's accountability for the revenues it receives. If you have questions about this report or need additional financial information, contact the office of the Executive Director at 330 Passaic Street, Passaic, New Jersey 07055.

FINANCIAL STATEMENTS

PASSAIC PARKING AUTHORITY
COMPARATIVE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2021 AND 2020

	December 31, <u>2021</u>	December 31, <u>2020</u>
ASSETS		
Unrestricted Current Assets		
Cash and Cash Equivalents	\$ 866,267	\$ 552,515
State Grant Receivable	25,000	25,000
Due from City of Passaic	20,549	5,324
Intergovernmental Receivable	<u>44,106</u>	<u>42,271</u>
Total Unrestricted Current Assets	<u>955,922</u>	<u>625,110</u>
Total Current Assets	<u>955,922</u>	<u>625,110</u>
Noncurrent Assets		
Capital Assets		
Land	2,800,000	2,800,000
Construction In Progress	42,000	42,000
Property and Equipment	116,278	116,278
Accumulated Depreciation	<u>(116,278)</u>	<u>(116,278)</u>
Total Noncurrent Assets	<u>2,842,000</u>	<u>2,842,000</u>
Total Assets	<u>\$ 3,797,922</u>	<u>\$ 3,467,110</u>

PASSAIC PARKING AUTHORITY
COMPARATIVE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2021 AND 2020

	December 31, <u>2021</u>	December 31, <u>2020</u>
LIABILITIES		
Current Liabilities (Payable from Unrestricted Assets)		
Accounts Payable	\$ <u>8,775</u>	\$ <u>12,833</u>
Total Current Liabilities Payable from Unrestricted Assets	<u>8,775</u>	<u>12,833</u>
Total Liabilities	<u>8,775</u>	<u>12,833</u>
NET POSITION		
Net Investment in Capital Assets	2,842,000	2,842,000
Restricted for:		
Renewal and Replacement	450,000	250,000
Unrestricted	<u>497,147</u>	<u>362,277</u>
Total Net Position	<u>\$ 3,789,147</u>	<u>\$ 3,454,277</u>

PASSAIC PARKING AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Parking Fees		
Meters	\$ 402,324	\$ 323,533
Permits	33,525	23,150
Shared Parking Violations	627,768	611,798
Other Income	<u>-</u>	<u>6,703</u>
 Total Operating Revenues	 <u>1,063,617</u>	 <u>965,184</u>
OPERATING EXPENSES		
Administrative and Executive	47,260	47,485
Cost of Providing Services	682,797	749,076
Depreciation	<u>-</u>	<u>23,255</u>
 Total Operating Expenses	 <u>730,057</u>	 <u>819,816</u>
 Operating Income	 <u>333,560</u>	 <u>145,368</u>
NON-OPERATING REVENUES		
Interest Income	<u>1,310</u>	<u>4,169</u>
 Total Non-Operating Revenues	 <u>1,310</u>	 <u>4,169</u>
 CHANGE IN NET POSITION	 334,870	 149,537
Total Net Position, January 1,	<u>3,454,277</u>	<u>3,304,740</u>
Total Net Position, December 31,	<u>\$ 3,789,147</u>	<u>\$ 3,454,277</u>

PASSAIC PARKING AUTHORITY
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Parking Fees	\$ 1,061,782	\$ 969,045
Cash Paid to City of Passaic - Interlocal Agreement	(668,225)	(730,583)
Cash Paid to Suppliers	(44,205)	(60,017)
Cash Paid to Employees - Interlocal Agreement	<u>(36,910)</u>	<u>(35,800)</u>
Net Cash Provided by Operating Activities	<u>312,442</u>	<u>142,645</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>1,310</u>	<u>4,169</u>
Net Cash Provided by Investing Activities	<u>1,310</u>	<u>4,169</u>
Net Increase (Decrease) in Cash and Cash Equivalents	313,752	146,814
Cash and Cash Equivalents, January 1,	<u>552,515</u>	<u>405,701</u>
Cash and Cash Equivalents, December 31,	<u>\$ 866,267</u>	<u>\$ 552,515</u>
ANALYSIS OF BALANCE AT DECEMBER 31,		
Unrestricted - Cash and Cash Equivalents	<u>\$ 866,267</u>	<u>\$ 552,515</u>
	<u>\$ 866,267</u>	<u>\$ 552,515</u>

**PASSAIC PARKING AUTHORITY
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ <u>333,560</u>	\$ <u>145,368</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	-	23,255
(Increase)/Decrease in Intergovernmental Receivable	(1,835)	10,564
Increase/(Decrease) in Due from City of Passaic	(15,225)	-
Increase/(Decrease) in Accounts Payable	<u>(4,058)</u>	<u>(36,542)</u>
 Total Adjustments	 <u>(21,118)</u>	 <u>(2,723)</u>
 Net Cash Provided by Operating Activities	 <u>\$ 312,442</u>	 <u>\$ 142,645</u>

NOTES TO THE FINANCIAL STATEMENTS

**PASSAIC PARKING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Parking Authority of the City of Passaic (the "Authority") is a public body corporate and politic of the State of New Jersey. The Authority was created by a municipal ordinance adopted on November 9, 2006 by the City of Passaic (the "City") pursuant to the provisions of the Parking Authorities Law (the "Act") (N.J.S.A. 40:11A-1 et. seq.)

The City created the Authority for the principal purpose to provide a means of addressing the current and future parking demands of the City including the preparation of a comprehensive and coordinated plan for the development, financing, construction, operation and/or management of parking resources and certain specific parking facilities located within the City. The Authority began actual parking operations on April 1, 2007.

The Authority is governed by a Board of Commissioners (the "Board") consisting of seven members each of whom is appointed by the City's governing body. The Commissioners, who receive no compensation, who are first appointed, shall be designated to serve terms of one, two, three, four and five years, respectively from the date of their appointment, but thereafter Commissioners shall be appointed for a term of five years. All vacancies shall be filled for the unexpired term.

The Authority has broad powers under the Act, including, among others, the following: to retain, operate, manage and administer its property; to enforce applicable ordinances, laws and regulations as to parking of vehicles in the City; to acquire, lease or otherwise hold and use parking projects and land; to provide for bonds and secure their payment and rights of holders thereof; to charge and collect fees and service charges for the use of its facilities and to revise such fees and service charges to ensure that the revenues of the Authority will at all times be adequate to pay all operating and maintenance expenses, including reserves and to pay the principal of and the interest on any bonds, notes or loans, and to maintain such reserves or sinking funds therefore as may be required by the terms of any contract of the Authority; and to make and enforce rules and regulations for the management of its business and affairs.

The Governmental Accounting Standards Board (GASB) requires the financial reporting entity to include both the primary government and component units. Component units are legally corporate organizations for which the Authority is financially accountable. The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization's board, and (1) the Authority is able to significantly influence the programs or services performed or provided by the organization; or (2) the Authority is legally entitled to or can otherwise access the organization's resources; the Authority is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization, or the Authority is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the Authority has no component units. The Authority would be includable as a component unit of the City of Passaic on the basis of such criteria.

B. New Accounting Standards

During the years ended December 31, 2021 and 2020, the Authority adopted the following GASB Statements:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

PASSAIC PARKING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are: i) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and ii) to simplify accounting for interest cost incurred before the end of a construction period. This Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period.

Other accounting standards that the Authority is currently reviewing for its potential impact on the financial statements include:

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the year ending December 31, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases 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 provision of the contract.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the year ending December 31, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve 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.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

PASSAIC PARKING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the Authority will be effective beginning with the year ending December 31, 2022. The objectives of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. This Statement also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information of all Section 457 plans.

C. Basis of Presentation – Financial Statements

The accounts of the Authority are organized on the basis of funds, in accordance with the 2007 Project Note Resolution. The accounts are accounted for with a separate set of self-balancing accounting records that comprise its assets, liabilities, net assets, revenues and expenses. Government resources are allocated and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various activities are grouped into one generic fund type and one broad fund category, as follows:

Proprietary Fund Types

Enterprise Fund – The Enterprise Fund is used to account for governmental operations which are financed and operated in a manner similar to private enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to its users on a continuing basis be financed or recovered primarily through user charges.

Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicated the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

PASSAIC PARKING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and basis of Accounting (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Authority 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 accrued revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

E. Assets, Liabilities and Net Position

1. *Cash, Cash Equivalents and Investments*

Cash and cash equivalents are considered to be cash on hand, cash in banks, certificates of deposit, deposits with the New Jersey Cash Management Fund and all short-term investments with original maturities of six months or less from the date of purchase. Investments are reported at fair value and are limited by NJSA 40A:5-15.1 et seq.

2. *Accounts Receivable*

All receivables are reported at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Changes in the allowance for uncollectibles is recorded as an adjustment to revenue or as bad debt expenses depending on its effect on current year or prior year allowance amounts and the results of those changes.

3. *Capital Assets*

All capital assets acquired or constructed by the Authority are reported as expenses in the account that finances the acquisition of the assets and are capitalized in the Operating Accounts. Capital assets are defined by the Authority as assets with an individual cost of \$2,000 and an estimated useful life of at least two years. Such capital assets are valued at historical costs. Land is recorded at cost or, if donated or contributed, is stated at the estimated fair market value on the date of receipt by the Authority.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Construction costs are charged to construction in progress until such time as they are completed and certified by the Authority's consulting engineers, at which time they are transferred to their respective asset category and are then depreciated over their useful lives.

All capital assets are depreciated on the straight-line method based on their asset class and estimated useful lives as follows:

<u>Class</u>	<u>Life</u>
Property and Equipment	5 Years

4. *Net Position* – In the statement of net position, there are two classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

PASSAIC PARKING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position (Continued)

5. Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for parking services. Operating expenses include the cost of operations and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The Authority annually prepares an operating budget. The budget is prepared in accordance with the Budget Manual for Local Public Authorities as promulgated by the Division of Local Government Services, which differs in certain respects from accounting principles generally accepted in the United States of America. The budgets serve as a plan for expenses and the proposed means for financing them. Unexpended appropriations lapse at year end.

The annual budget is approved at least sixty days prior to the beginning of the fiscal year. The budgets must be approved by the Board and submitted to the Division of Local Government Services, Bureau of Authority regulation for approval prior to adoption. Budget adoptions and amendments are recorded in the Authority's minutes.

Six Year Capital budgets are also prepared. Included within the budget are individual projects along with their estimated cost, completion date and source of funding.

The encumbrance method of accounting is utilized by the Authority for budgetary purposes. Under this method purchase orders, contracts and other commitments for expenditures of resources are recorded to reserve a portion of the applicable budget appropriation.

In accordance with accounting principles generally accepted in the United States of America, outstanding encumbrances at year-end for which goods or services are received, are classified to expenses and accounts payable. All other encumbrances in the annual budgeted funds are reversed at year-end and are either cancelled or are included as reappropriations of fund equity for the subsequent year. Encumbrances at year-end in funds that are budgeted on a project basis automatically carry forward along with their related appropriations and are not subject to annual cancellations and reappropriations.

B. Revenue

Revenues from user charges and parking related violations are recognized on the accrual basis when earned. Grants received are recognized as revenue when the resources are expended for the purpose specified in the grant agreement. Grant funds received and the related program income not yet expended are reported as unearned revenue.

C. Designated Unrestricted Net Position

The Authority is permitted under budgetary accounting practices promulgated by the Division of Local Government Services to designate unrestricted net position. The Authority Board of Commissioners may formally dedicate net position to establish designations of unrestricted net position to meet policy adopted by the Board. As of December 31, 2021 and 2020 the Authority has established the following unrestricted net position designations.

Designation for Subsequent Year's Budget Expenditures – This designation in the amount of \$25,000 and \$35,000 at December 31, 2021 and 2020, respectively was established to designate the portion of the unrestricted net position utilized to balance the subsequent year's budgets.

**PASSAIC PARKING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3 DEPOSITS AND INVESTMENTS

Cash Deposits – The Authority's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Authority is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protect Act requires all banks doing business in the State of New Jersey to pledge plus collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC or NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 2021 and 2020, the book value of the Authority's deposits were \$866,267 and \$552,515, respectively, and the bank balance of the Authority's cash and deposits amounted to \$873,768 and \$558,865, respectively.

The Authority's deposits which are displayed on the balance sheet as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	December 31, December 31,	
	<u>2021</u>	<u>2020</u>
Insured		
Unrestricted	<u>\$873,768</u>	<u>\$558,865</u>

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 does not have a formal policy for custodial credit risk. As of December 31, 2021 and 2020, none of the Authority's bank balances were exposed to custodial credit risk.

Investments – The Authority is permitted to invest unrestricted operating funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include: i) bonds or other obligations of the United States or obligations guaranteed by the United States of America, ii) Government Money Market Mutual Funds, iii) any obligations that a federal agency or a federal instrumentality has issued with a maturity date not greater than 397 days from the date of purchase provided that such obligation bears a fixed rate of interest, iv) bonds or other obligations of the Authority, v) bonds or other obligations of school districts located within the Authority's jurisdiction, vi) bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Pensions, vii) Local Government investment pools, and viii) agreements for the repurchase of fully collateralized securities if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e).

As of December 2021 and 2020 the Authority had no outstanding investments.

PASSAIC PARKING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4 CAPITAL ASSETS

Capital assets activity for the years ended December 2021 and 2020 are as follows:

	Balance, January 1, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Capital assets, Not Being Depreciated:				
Land	\$ 2,800,000		\$ -	\$ 2,800,000
Construction In Progress	42,000	-	-	42,000
Total capital assets, Not Being Depreciated	<u>2,842,000</u>	<u>-</u>	<u>-</u>	<u>2,842,000</u>
Capital assets, Being Depreciated:				
Property and Equipment	116,278	-	-	116,278
Total capital assets, Being Depreciated	<u>116,278</u>	<u>-</u>	<u>-</u>	<u>116,278</u>
Less Accumulated Depreciation For:				
Property and Equipment	(116,278)	\$ -	-	(116,278)
Total Accumulated Depreciation	<u>(116,278)</u>	<u>-</u>	<u>-</u>	<u>(116,278)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, net	<u>\$ 2,842,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,842,000</u>
	Balance, January 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Capital assets, Not Being Depreciated:				
Land	\$ 2,800,000		\$ -	\$ 2,800,000
Construction In Progress	42,000	\$ -	-	42,000
Total capital assets, Not Being Depreciated	<u>2,842,000</u>	<u>-</u>	<u>-</u>	<u>2,842,000</u>
Capital assets, Being Depreciated:				
Property and Equipment	116,278	-	-	116,278
Total capital assets, Being Depreciated	<u>116,278</u>	<u>-</u>	<u>-</u>	<u>116,278</u>
Less Accumulated Depreciation For:				
Property and Equipment	(116,278)	-	-	(116,278)
Total Accumulated Depreciation	<u>(116,278)</u>	<u>-</u>	<u>-</u>	<u>(116,278)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, net	<u>\$ 2,842,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,842,000</u>

**PASSAIC PARKING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 5 LONG-TERM DEBT

On November 20, 2009, the Authority issued \$2,950,000 of Guaranteed Parking Revenue Bonds, Series 2009, Federally Taxable, ("2009 Revenue Bonds") to provide funds to currently refund the Authority's outstanding Project Notes, in the amount of \$2,950,000, maturing on November 22, 2009. The proceeds of the Project Notes were used to finance the acquisition of certain parking lots located within the City.

As of December 31, 2020 and 2019, there were no Revenue Bonds outstanding.

NOTE 6 INTERLOCAL AGREEMENTS WITH CITY OF PASSAIC

The Authority has entered into an agreement with the City in order to affect the various purposes for which the Authority was created. Pursuant to the inter-local agreement the Authority will receive certain services from the City. The agreed upon amounts owed for the municipal services provided for the years ending December 31, 2021 and 2020 were \$614,396 and \$730,583, respectively. In future years, the amounts owed by the Authority to the City may be adjusted based on: i) actual amounts of salaries and benefits for that particular year and ii) revenue sharing associated with prior year budgetary income.

City Parking Facilities: The Authority entered into an agreement with the City to operate any and all meters, facilities, vehicles and other equipment relating thereto, that is not already owned by the Authority. The City may, from time to time, by sale, lease, or otherwise, transfer to the Authority such Parking Facilities as it shall determine are consistent with the purposes of the Authority.

NOTE 7 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the cost-sharing contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees. Employees of the Passaic Parking Authority who are eligible for pension coverage are enrolled in the City's Public Employees Retirement System (PERS) pension plan. Therefore, the Authority was not required to directly contribute for normal cost pension contributions.

Post-Retirement Medical Benefits - The Authority currently does not provide employer paid post-retirement medical benefits to its active or retired employees.

NOTE 8 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to general liability, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is included in the City of Passaic's insurance policy to guard against these events which are intended to provide minimum exposure to the Authority should they occur.

NOTE 9 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

**PASSAIC PARKING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

The Authority's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of parking fees which are the Authority's primary revenue source for supporting its budget. The Authority cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Authority functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Authority. However, as of the date of audit, even though the Authority finances and operations had limited reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Authority have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the Authority cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Authority and the City's economy. The Authority is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the City of Passaic.

SUPPLEMENTARY SCHEDULE

PASSAIC PARKING AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021
BUDGETARY BASIS
(With Comparative Actual Amounts for the Year Ended December 31, December 31, 2020)

	2021 Modified Budget	2021 Actual	Variance Favorable (Unfavorable)	2020 Actual
OPERATING REVENUES				
Parking Fees - Meters	\$ 295,000	\$ 402,324	\$ 107,324	\$ 323,533
Parking Fees - Permits	20,000	33,525	13,525	23,150
Shared Parking Violations	615,000	627,768	12,768	611,798
Other Income				6,703
State Grants - NJEDA	-	-	-	-
Total Operating Revenues	<u>930,000</u>	<u>1,063,617</u>	<u>133,617</u>	<u>965,184</u>
NON-OPERATING REVENUES				
Interest Income	-	1,310	1,310	4,169
Total Non-Operating Revenues	<u>-</u>	<u>1,310</u>	<u>1,310</u>	<u>4,169</u>
Total Revenues	<u>\$ 930,000</u>	<u>\$ 1,064,927</u>	<u>\$ 134,927</u>	<u>\$ 969,353</u>
OPERATING APPROPRIATIONS				
ADMINISTRATION				
Interlocal Agreement - Salaries and Wages	\$ 37,200	\$ 36,910	\$ 290	\$ 35,800
Other Expenses	14,200	10,350	3,850	11,685
Total Administration	<u>51,400</u>	<u>47,260</u>	<u>4,140</u>	<u>47,485</u>
COST OF PROVIDING SERVICES				
Other Expenses	60,600	29,797	30,803	18,493
City of Passaic - Interlocal Services	653,000	653,000	-	730,583
Total Cost of Providing Services	<u>713,600</u>	<u>682,797</u>	<u>30,803</u>	<u>749,076</u>
NON-OPERATING APPROPRIATIONS				
Renewal and Replacement Reserves	200,000	200,000	-	250,000
Total Non-Operating Appropriations	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>250,000</u>
Total Appropriations Subtotal	<u>965,000</u>	<u>930,057</u>	<u>34,943</u>	<u>1,046,561</u>
Budgetary Income	<u>\$ (35,000)</u>	<u>\$ 134,870</u>	<u>\$ 169,870</u>	<u>\$ (77,208)</u>
Reconciliation of Budgetary Income to Change in Net Position - GAAP				
Increases to Budgetary Income:				
Reserve for Renewal and Replacement Budgetary Charge		200,000		250,000
Decreases to Budgetary Income:				
Depreciation		-		(23,255)
Changes in Net Position - GAAP		<u>\$ 334,870</u>		<u>\$ 149,537</u>

GOVERNMENT AUDITING STANDARDS REPORT



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the Board of Commissioners
Passaic Parking Authority
Passaic, 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, the financial statements of the Passaic Parking Authority, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Passaic Parking Authority's basic financial statements, as listed in the table of contents, and have issued our report thereon dated July 22, 2022.

Report on Internal Control over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Passaic Parking Authority's financial statements are free from 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.

However, we noted a certain matter that is not required to be reported under Government Auditing Standards that we have reported to management of the Passaic Parking Authority in the section of this report of audit entitled "General Comments and Recommendations".

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 Passaic Parking Authority'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 Passaic Parking Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
July 22, 2022

ROSTER OF OFFICIALS
AND
GENERAL COMMENTS AND RECOMMENDATIONS

ROSTER OF OFFICIALS

2021

<u>Name</u>	<u>Title</u>
Adam Buckstein	Chairman
Tiffany K. Allen	Vice-Chairman
Jose Balbi	Commissioner
Denise Perez	Commissioner
Daniel Ritz	Commissioner
Eugene Shpilsky	Commissioner
Ricardo Fernandez	Executive Director
Omar Garcia	Chief Financial Officer
Amada C. Curling	Secretary

General Comments and Recommendations

- * **Finding** – Our audit noted several immaterial differences between the pay station meter receipts and the amount deposited from each pay station.

Recommendation – The pay station meters be recalibrated to ensure pay station receipts agree with the amount deposited.

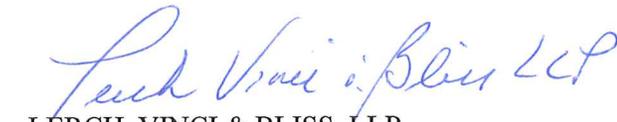
Status of Prior Year's Audit Comments and Recommendations

A review was performed on the prior year recommendation. Corrective action was not taken on the prior year recommendation as denoted by an asterisk (*).

Appreciation

We desire to express our appreciation of the assistance of the Executive Director and Temporary Chief Financial Officer during the course of our audit.

Respectfully submitted,


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants