

HARTSDALE PUBLIC PARKING DISTRICT

(A Component Unit of the Town of Greenburgh, New York)



**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

DECEMBER 31, 2019

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)

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HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

THE HARTSDALE PUBLIC PARKING DISTRICT

The Hartsdale Public Parking District (“the Parking District”) was created as a “Special District” by a resolution of the Town Board of the Town of Greenburgh, New York (“the Town”) and a NYS Legislative Act in 1952 to provide commuter parking for residents of the unincorporated area of the Town and to also provide metered parking in support of the local business community. The Parking District is governed by a Board of Commissioners (“the Board”). The Board is appointed by the Town Board of the Town and as such is therefore deemed a “**Component Unit**” of the Town of Greenburgh, New York. The Parking District operates as a Governmental Proprietary Fund and adheres to accounting principles generally accepted in the United States of America. Commissioners must be resident property owners within the unincorporated area of the Town. Each of the three commissioners serves a three-year term.

The Town sold several parcels of land to the Parking District which it had previously owned or were conveyed to it by the Penn Central Railroad and other local private owners. The New York State Comptroller along with the Town approved bond issues for the purchase of these properties from the Town in addition to providing funds for development of parking lots and garages. The bond issues were repaid to the Town through revenues generated from permit sales and meter income.

The Parking District is semi-autonomous of the Town and is solely user supported, operating on income from permit fees, parking meter revenue and rental income; it does not benefit from any Town services, tax revenues or parking violation fines. The Parking District owns and operates two multi-level garages and four open parking lots in addition to street metered parking within its boundaries. The Hartsdale Public Parking District has been serving the residents of the unincorporated Town of Greenburgh, local East Hartsdale Avenue merchants and the general public since April 22, 1952.

The following is a discussion and analysis of the Hartsdale Public Parking District’s financial performance for the year ended December 31, 2019. The results of this year are presented in comparison to last year, with an emphasis placed on the current year. This is a summary of the Parking District’s financial activities and should be read in conjunction with the financial statements immediately following this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial statements consist of three parts: MD&A (this section, required supplementary information), the basic financial statements and other information.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

FINANCIAL ANALYSIS OF THE PARKING DISTRICT

The Statement of Net Position reports the assets, liabilities, deferred inflows of resources and equity (net position) of the Parking District. Net position may serve over time as a useful indicator of a governmental entity's financial position.

The District's financial position is the product of many financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and depreciation of capital assets.

Table 1 provides a summary of the Parking District's net position as of December 31, 2019 with comparisons to December 31, 2018.

Table 1
Condensed Statement of Net Position

	December 31,		Increase/ (Decrease)	Percentage Change
	2018	2019		
Current and other assets	\$ 2,015,323	\$ 2,536,652	\$ 521,329	25.87%
Capital assets, net	9,556,904	9,296,047	(260,857)	(2.73%)
Total assets	11,572,227	11,832,699	260,472	2.25%
Current liabilities	1,233,982	1,304,246	70,264	5.69%
Long-term debt outstanding	2,795,000	2,415,000	(380,000)	(13.60%)
Total liabilities	4,028,982	3,719,246	(309,736)	(7.69%)
Deferred inflows of resources	59,500	51,000	(8,500)	(14.29%)
Total liabilities and deferred inflows of resources	4,088,482	3,770,246	(318,236)	(7.78%)
Net position:				
Net investment in capital assets	6,352,404	6,450,047	97,643	1.54%
Unrestricted	1,131,341	1,612,406	481,065	42.52%
Total net position	\$ 7,483,745	\$ 8,062,453	\$ 578,708	7.73%

The increase of \$260,472 or 2.25% in total assets is mainly due to an increase in cash offset by a decrease in net capital assets.

The decrease of \$318,236 or 7.78% in total liabilities and deferred inflows of resources is primarily a result of principal payments on long-term debt offset by an increase in unearned permit revenue.

The current liabilities in 2019 as compared to 2018 increased by \$70,264 or 5.69% as a result of an increase in unearned permit revenue.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Table 2 shows changes in net position for fiscal year 2019 compared to fiscal year 2018.

Table 2
Changes in Net Position

	December 31,		Increase/ (Decrease)	Percentage change
	2018	2019		
Operating revenues:				
Charges for services	\$ 1,504,439	\$ 1,668,535	\$ 164,096	10.91%
Insurance recoveries	-	27,800	27,800	100.00%
Rental income	123,416	128,465	5,049	4.09%
Total operating revenues	1,627,855	1,824,800	196,945	12.10%
Operating expenses:				
Personnel	409,994	383,256	(26,738)	(6.52%)
Repairs and maintenance	185,591	166,678	(18,913)	(10.19%)
Professional fees	106,662	88,980	(17,682)	(16.58%)
Other services and charges	222,175	212,951	(9,224)	(4.15%)
Depreciation expense	304,898	310,172	5,274	1.73%
Total operating expenses	1,229,320	1,162,037	(67,283)	(5.47%)
Operating income	398,535	662,763	264,228	66.30%
Non-operating revenue (expense):				
Interest income	893	678	(215)	(24.08%)
Interest expense	(98,733)	(84,733)	14,000	(14.18%)
Total non-operating revenue (expense)	(97,840)	(84,055)	13,785	(14.09%)
Change in net position	\$ 300,695	\$ 578,708	\$ 278,013	92.46%

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

OPERATING REVENUE

The Parking District obtains funds from permit fees, parking meter income and rental income. Permit fees and parking meter income are direct income for services provided. Rental income is obtained specifically from the Site "D" parking lot in which the Parking District has entered into long-term leases with wireless telecommunication providers for them to erect and maintain cellular phone antennae.

The Town local law permits non-resident permit sales by the Parking District to residents of the Village of Scarsdale and Village of Ardsley. The number of permits to be sold and the fees for these permits were left to the sole discretion of the Board of Commissioners. The non-resident permit program was developed for the purpose of selling the maximum number of non-resident permits at rates comparable to those being charged in their respective communities in order to permit parking fees for Town residents. Non-resident permits are sold based on availability of parking spaces not required by residents of the Unincorporated Town of Greenburgh. The Parking District previously discontinued the sale of non-resident permits due to a higher demand in resident permits.

The increase in charges for services in 2019 in the amount of \$164,096 or 10.91% is a result of permit rate increases. Meter revenues in Sites B & D will fluctuate depending on daily use. There is no discount with the use of a pay station. Revenue from pay stations is real time revenue with no prepayment for future use. The pay station charges \$10.00 for each use. The meter fee for daily parking in Sites B & D is \$10.00 payable by debit, credit or coin(s). Site B had an increase of \$27,826, Site D had an increase of \$21,858, street meter revenue increased by \$11,214, Site C revenue and site A revenue decreased by \$6,662 and \$8,441, respectively and refunds had an increase of \$3,590. Street meter revenue has increased due to increased usage.

The increase in the change in net position from 2018 to 2019 of \$278,013 is due to increases in revenues offset by a decrease in operating expenses.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

OPERATING EXPENSES

Operating expenses in 2019 decreased by \$67,283 or 5.47% which is a result of a decrease in personnel, repairs and maintenance, and professional fees, offset by an increase in depreciation expense.

Significant revenue and expense budget variances in 2019 were as follows:

- The favorable variance of \$7,147 for income from street parking was due to an increase in usage.
- The favorable variance of \$26,126 for resident permits was a result of the permit rate increase for 2019 permits.
- The favorable variance of \$27,800 for insurance recoveries due to receipts of insurance claims.
- The favorable variance of \$27,764 for personnel expenses was a result of a decrease in over-time paid due to a lighter winter season with less need for snow removal.
- The favorable variance of \$34,330 for insurance premium expenses was due to changes in policy premiums and employee contributions towards costs.
- The favorable variance of \$55,030 for maintenance expenses was due to repairs and improvements being capitalized that were included in the 2019 expense budget.
- The favorable variance of \$71,292 for snow removal expenses was a result of a milder winter than anticipated.
- The favorable variance of \$22,459 for employee benefits was a result of fluctuations based on employee contribution rates and the overall performance of the fund along with payments made to the retirement system provided by the Town of Greenburgh's Comptroller's office.
- The favorable variance of \$23,895 for consulting expenses was due to less involvement from their consultant for special projects as well as a decrease in construction projects and consultation on those projects.

There are no lawsuits or legal actions pending against the Hartsdale Public Parking District.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

FACTORS BEARING ON THE FUTURE

While most of the expenses of the Parking District can be anticipated, there are those that cannot be. One of these significant expenses is the annual contribution to the New York State Retirement System which is not under the control of the Board of Commissioners. This expense is determined by the New York State Comptroller's Office and is based on the value of the New York State Retirement System fund at the time their estimated rates are determined.

Emergency repairs are always a possibility but it is impossible to estimate these costs with accuracy in the annual budget. The Parking District then depends on reserve funds to address these costs as they arise, if the budget is not adequate.

Snow removal and snow removal related expenses are determined by weather conditions. Reserve funds have been used in the past and will be used in the future to cover unanticipated costs due to unusual and unpredictable weather.

SUMMARY

The Parking District has maintained reserve funds to be allocated to future budgeted renovations and improvements of existing Parking District properties in addition to also being available for unanticipated repairs. Over the last ten years, the Parking District has been able to make significant improvements to its properties without incurring additional bond financing or any type of additional liability. The Board confers annually with management and outside consultants in preparing the annual budget to determine which capital projects should be commenced during the following year. Permit fees and parking meter rates are increased as needed, based on these evaluations.

The Board of Commissioners will continue its efforts to maintain exceptional service and facilities. Every effort is made by the Board of Commissioners and management to reduce expenses wherever possible without negatively impacting the services.

**HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

CONTACTING THE PARKING DISTRICT'S MANAGEMENT

This financial report is designed to provide the Parking District's customers, Town of Greenburgh, New York, and its creditors with a general overview of the Parking District's finances and to demonstrate its accountability for the money it has received. Please address questions about this report or requests for additional financial information to:

Hartsdale Public Parking District
234 East Hartsdale Avenue
Hartsdale, NY 10530

Attn: Stephanie Crowe, Manager



R.S. ABRAMS & CO., LLP

Accountants & Consultants for Over 75 years

Robert S. Abrams
(1926-2014)

Marianne E. Van Duyn, CPA
Alexandria M. Battaglia, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Hartsdale Public Parking District
Hartsdale, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Hartsdale Public Parking District, a component unit of the Town of Greenburgh, New York, as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the Hartsdale Public Parking District'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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Hartsdale Public Parking District, a component unit of the Town of Greenburgh, New York, as of December 31, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ISLANDIA: 3033 EXPRESS DRIVE NORTH, SUITE 100 • ISLANDIA, NY 11749
WHITE PLAINS: 50 MAIN STREET, SUITE 1000 • WHITE PLAINS, NY 10606
PHONE: (631) 234-4444 • FAX: (631) 234-4234

www.rsabrams.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 7 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Hartsdale Public Parking District's, a component unit of the Town of Greenburgh, New York, basic financial statements. The schedule of revenues – budget (non-GAAP basis) and actual, schedule of expenses – budget (non-GAAP basis) and actual, and the schedule of net investment in capital assets on pages 24 through 26 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues – budget (non-GAAP basis) and actual, schedule of expenses – budget (non-GAAP basis) and actual, and the schedule of net investment in capital assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 State of America. In our opinion, the schedule of revenues – budget (non-GAAP basis) and actual, schedule of expenses – budget (non-GAAP basis) and actual, and the schedule of net investment in capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020 on our consideration of the Hartsdale Public Parking District, a component unit of the Town of Greenburgh, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hartsdale Public Parking District, a component unit of the Town of Greenburgh, New York's internal control over financial reporting and compliance.

R. J. Abrams + Co., LLP

Islandia, New York
February 28, 2020

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)

STATEMENT OF NET POSITION

DECEMBER 31, 2019

Assets

Current assets:

Cash	\$ 2,456,508
Accounts receivable, Town of Greenburgh	11,573
Unbilled rent receivable	670
Prepaid expenses	<u>67,901</u>
Total current assets	<u>2,536,652</u>

Non-current assets:

Capital assets:

Land	2,098,569
Capital assets being depreciated, net	<u>7,197,478</u>
Total non-current assets	<u>9,296,047</u>

Total assets	<u>11,832,699</u>
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Liabilities and Deferred Inflows of Resources

Current liabilities:

Accounts payable and accrued expenses	43,486
Accrued interest payable	7,283
Unearned permit revenue	870,316
Customer deposits payable	3,161
Bonds payable, current portion	<u>380,000</u>
Total current liabilities	1,304,246

Non-current liabilities:

Bonds payable, less current portion	<u>2,415,000</u>
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Total liabilities	<u>3,719,246</u>
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Deferred Inflows of Resources:

Defeasance gain	<u>51,000</u>
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Total liabilities and deferred inflows of resources	<u>3,770,246</u>
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Net position

Net investment in capital assets	6,450,047
Unrestricted	<u>1,612,406</u>

Total net position	<u>\$ 8,062,453</u>
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See notes to financial statements.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2019

Operating revenues:	
Charges for services	\$ 1,668,535
Insurance recoveries	27,800
Rental income	128,465
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Total operating revenues	1,824,800
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Operating expenses:	
Personnel	383,256
Repairs and maintenance	166,678
Professional fees	88,980
Other services and charges	212,951
Depreciation expense	310,172
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Total operating expenses	1,162,037
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Operating income	662,763
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Non-operating revenue (expense):	
Interest income	678
Interest expense	(84,733)
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Total non-operating revenue (expense)	(84,055)
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Change in net position	578,708
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Net position, beginning of year	7,483,745
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Net position, end of year	\$ 8,062,453
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HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities	
Receipts from customers and others	\$ 1,885,906
Payments for employee services and benefits	(378,835)
Payments to suppliers for goods and services	<u>(484,169)</u>
Net cash provided by operating activities	<u>1,022,902</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(49,315)
Principal paid on debt	(350,000)
Interest paid on debt	<u>(94,400)</u>
Net cash (used in) capital and related financing activities	<u>(493,715)</u>
Cash flows from investing activities	
Interest received	<u>678</u>
Net cash provided by investing activities	<u>678</u>
Net increase (decrease) in cash	529,865
Cash, beginning of year	<u>1,926,643</u>
Cash, end of year	<u><u>\$ 2,456,508</u></u>
Reconciliation of change in operating income to net cash provided by operating activities	
Change in operating income	\$ 662,763
Adjustments to reconcile change in operating income to net cash provided by operating activities:	
Depreciation and amortization	310,172
Changes in assets and liabilities:	
Accounts receivable, Town of Greenburgh	4,421
Prepaid expenses	3,675
Unbilled rent receivable	440
Accounts payable and accrued expenses	(19,235)
Unearned permit revenue	<u>60,666</u>
Net cash provided by operating activities	<u><u>\$ 1,022,902</u></u>

See notes to financial statements.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit Of the Town of Greenburgh, New York)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Financial reporting entity

The Hartsdale Public Parking District (“the Parking District”) is governed by the laws of the State of New York. The governing body is the Board of Commissioners of the Hartsdale Public Parking District of the Town of Greenburgh, New York. This Board is appointed by the Town Board of the Town of Greenburgh, New York. The scope of activities included within the accompanying financial statements are those transactions which comprise Parking District operations and are governed by, or significantly influenced by, the Board of Commissioners. Essentially, the primary function of the Parking District is to provide public parking services to residents and non-residents of the Town of Greenburgh, New York. These services are provided for in six separate parking sites in addition to street parking. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The Parking District has been determined to be a component unit of the Town of Greenburgh, New York based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*.

The accounting policies of the Parking District conform to the accounting principles generally accepted in the United States of America applicable to governmental units (“GAAP”). The Parking District complies with GAAP and applies all relevant GASB pronouncements. In addition, the Parking District applies Financial Accounting Standards Board (“FASB”) pronouncements, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

B. Measurement focus and basis of accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit Of the Town of Greenburgh, New York)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

The Parking District satisfies the definition of a proprietary fund. Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses and payments related to a government's business activities are accounted for through proprietary funds. The measurement focus is on the determination of operating income, net position, changes in net position and cash flows. Operating revenues include charges for services and rental income. Operating expenses include costs of services as well as materials, contracts, personnel and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenue and expense.

The Parking District is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources associated with these activities are included on the statement of net position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

The financial statements of the Parking District are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

C. Cash

The Parking District's cash consists of cash on hand, demand and time deposits. New York State ("NYS") law governs the Parking District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within NYS.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are noted in Section 10 of the NYS General Municipal Law.

D. Prepaid expenses

Payments made to vendors for services that will benefit periods beyond year-end are reported as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expense in the period in which the services are consumed.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit Of the Town of Greenburgh, New York)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

E. Accounts Receivable

Accounts receivable are stated at gross with uncollectible amounts recognized under the direct write-off method. There are no allowances for doubtful accounts as of December 31, 2019.

F. Capital assets

Capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated assets, if any, are reported at their acquisition value as of the date received. The Parking District maintains a capitalization threshold of \$1,000. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Interest earned on proceeds of bonds during the construction phase of capital assets, since they are tax-exempt borrowings, which are restricted to the acquisition or construction of capital assets, is offset against interest costs in determining the amount to be capitalized.

All capital assets, with the exception of land easements, are depreciated.

Depreciation is computed by the straight-line method based on the estimated useful lives of the related asset classifications. The estimated useful lives of the principal classes of assets are as follows:

<u>Classification</u>	<u>Years</u>
Land improvements	20
Buildings and structures	7-50
Machinery and equipment	5-15
Licensed vehicles	8

G. Unearned revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The amount reported on the Statement of Net Position as unearned revenue represents parking permit revenue collected in 2019 for 2020 and not yet earned. This unearned revenue will be recognized when earned in 2020.

H. Vested employee benefits

The Parking District's employees are granted vacation, sick pay and compensatory time in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit Of the Town of Greenburgh, New York)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, since there is no liability at December 31, 2019, no accrual for accumulated compensatory time has been recorded for the compensated absences liability at year-end.

Most Parking District employees participate in the NYS Employees' Retirement System covered under the Town of Greenburgh.

I. Long-term obligations

Long-term debt and other long-term obligations are reported as liabilities in the Parking District's Statement of Net Position.

J. Deferred inflows of resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category which is a deferred gain on refunding which resulted from a difference in carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

K. Net position classifications

Net position (the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in the Statement of Net Position) is displayed in three components:

- a. Net investment in capital assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets net of any unexpended proceeds, including the gain on defeasance on the bond refunding.
- b. Restricted net position – consists of net positions with constraints placed on their 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. The Parking District has no restricted net position as of December 31, 2019.
- c. Unrestricted net position – all other net positions that do not meet the definition of net investment in capital assets or restricted net position.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit Of the Town of Greenburgh, New York)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

L. Rental income

The Parking District has executed lease agreements with three separate telecommunications companies for the use of Parking District property to install cellular telephone antennas and related equipment. These leases are similar in that they provide for lease terms of twenty years, renewable in five-year increments, with varying percentages of rent increases, as well as various conditions, restrictions and requirements. Unbilled rents receivable represent the excess of scheduled rental income recognized on a straight-line basis over rental income as it becomes receivable according to the provisions of the leases.

Rental income commitments are as follows:

For the Year ending December 31,

2020	\$143,382
2021	148,382
2022	103,053
2023	83,331
2024	83,331
Thereafter	48,666

Agreements were entered into during 2010 by two of the telecommunications companies which provide for four additional five-year renewal options in the future for a total of twenty additional years. On January 18, 2013, one of these telecommunications companies entered into an additional agreement to provide for three more five-year renewal options for a grand total of thirty-five years. When these options are exercised the Parking District will record the rental income as required by GAAP. In November 2017, one of the telecommunications companies entered into an additional agreement to provide a new initial term of five years with an automatic renewal for up to four separate consecutive additional five-year renewal periods for a total of twenty years. In August 2019, one of the telecommunication companies amended their lease agreement adding a 282 square foot parcel of real property.

M. Budget

In accordance with the Parking District's enabling legislation, the Parking District prepares a proposed budget for approval by the Board of Commissioners and subsequently adopts an annual budget for operating expenses and capital outlays. The budget is adopted on the cash basis of accounting which is a comprehensive basis of accounting other than GAAP and therefore no amounts are provided for depreciation and amortization and are monitored at

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

various levels of classification detail. Expenses at the component unit level may not legally exceed the total budget.

N. Use of estimates

The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH:

Cash consists of the following:

Demand deposits	\$ 1,396,498
Time deposits	<u>1,060,010</u>
	<u>\$ 2,456,508</u>

NOTE 3 – CUSTODIAL CREDIT RISKS:

Custodial credit risk is the risk that in the event of a bank failure, the Parking District's deposits may not be returned to it. While the Parking District does not have a specific policy for custodial credit risk, NYS statutes govern the Parking District's investment policies, as discussed previously in these notes. Checking accounts, interest and non-interest bearing accounts are guaranteed by the FDIC in amounts not to exceed \$250,000 per depositor. Savings, money market and NOW accounts are also guaranteed by the FDIC in amounts not to exceed \$250,000.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ <u> -</u>
Collateralized with securities held by the pledging financial institution, or its trust department or agent, in the District's name.	\$ <u>2,277,381</u>

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DECEMBER 31, 2019

NOTE 4 - CAPITAL ASSETS:

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

	Beginning balance	Additions/ adjustments/ reclassifications	Retirements/ adjustments/ reclassifications	Ending balance
Nondepreciable capital assets:				
Land easement	\$ 2,098,569	\$ -	\$ -	\$ 2,098,569
Depreciable capital assets:				
Land improvements	728,264	-	-	728,264
Buildings and structures	11,591,521	28,200	-	11,619,721
Machinery and equipment	353,420	21,115	-	374,535
Licensed vehicles	40,967	-	-	40,967
Total depreciable capital assets	12,714,172	49,315	-	12,763,487
Less:				
Accumulated depreciation	5,255,837	310,172	-	5,566,009
Depreciable capital assets net of depreciation	7,458,335	(260,857)	-	7,197,478
Total capital assets, net	\$ 9,556,904	\$ (260,857)	\$ -	\$ 9,296,047

Depreciation expense for the year ended December 31, 2019 was \$310,172.

NOTE 5 - PENSION PLANS AND POST-EMPLOYMENT BENEFITS:

A. General information

The District participates in the New York State Employees' Retirement System (NYSERS) which is a cost-sharing multiple employer public employee retirement system. The System offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

HARTSDALE PUBLIC PARKING DISTRICT
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B. Provisions and administration

NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute, and benefits to employees. NYSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244.

C. Funding polices

The System is noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% to 3.5% of their salary. With the exception of tier V and VI employees, employees in the system more than ten years are no longer required to contribute. In addition, employee contribution rates under tier VI vary based on sliding salary scale. The Comptroller of the State of New York certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund.

The Parking District is required to contribute at a rate determined actuarially by the System under the Town of Greenburgh. The Parking District contributions made to the System were equal to 100% of the contributions required for each year and are remitted to the Town of Greenburgh for payment.

Required contributions for the current year and two preceding years were:

For the Year ending December 31,

2019	\$ 39,881
2018	\$ 58,111
2017	\$ 54,360

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 6 – LONG-TERM DEBT:

Interest on long-term debt for the year was composed of:

Interest paid	\$ 94,400
Less: interest accrued in the prior year	(8,450)
amortization of defeasance gain	(8,500)
Plus: interest accrued in the current year	7,283
Total expense	\$ 84,733

Long-term liability balances and activity for the year are summarized below:

	Beginning balance	Issued	Redeemed	Ending balance	Amounts due within one year
Serial bonds payable:					
Construction/Improvement - Site F	\$ 585,000	\$ -	\$ 75,000	\$ 510,000	\$ 80,000
Construction/Improvement - Site A	2,560,000	-	275,000	2,285,000	300,000
Total long-term liabilities	\$ 3,145,000	\$ -	\$ 350,000	\$ 2,795,000	\$ 380,000

The following is a summary of the maturity of long-term indebtedness:

<u>Description of issue - serial bonds</u>	<u>Original issue date</u>	<u>Final maturity</u>	<u>Interest rate</u>	<u>Outstanding at December 31, 2019</u>
Construction/Improvement - Site F	2015	6/1/2025	2.00-4.00%	\$ 510,000
Construction/Improvement - Site A	2015	6/1/2026	2.00-4.00%	2,285,000
				\$ 2,795,000

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

The following is a summary of maturing debt service requirements:

	Principal	Interest	Total
<u>For the Year Ending December 31,</u>			
2020	\$ 380,000	\$ 79,800	\$ 459,800
2021	385,000	64,500	449,500
2022	400,000	48,800	448,800
2023	410,000	32,600	442,600
2024	430,000	20,100	450,100
2025-2026	790,000	14,900	804,900
Total	\$ 2,795,000	\$ 260,700	\$ 3,055,700

In a prior year, the Town of Greenburg refunded bonds in the amount \$4,215,000 which resulted in a deferred gain of \$85,000. The gain on defeasance on the advanced refunding is being amortized using the straight-line method over 10 years, the time to maturity of the refunded bonds, at the point of refunding. Amortization is recorded as a reduction to interest expense.

NOTE 7 – RISK MANAGEMENT:

The Parking District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties with coverage as follows: property and general liability policies with limits of \$7.5 million and \$2 million, respectively, and by an umbrella policy with coverage up to \$5 million. The Parking District also maintains liability coverage for its Board members up to \$1 million.

NOTE 8 – COMMITMENTS AND CONTINGENCIES:

Operating leases

Hartsdale Public Parking has operating leases for office equipment expiring at various dates through September 2022. The aggregate minimum rental payments under these non-cancelable leases for future fiscal years through the date of the last lease payment are as follows:

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit Of the Town of Greenburgh, New York)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

Year ending December 31,	<u>Amount</u>
2020	\$ 7,648
2021	7,648
2022	<u>4,172</u>
Total	<u>\$ 19,468</u>

NOTE 9 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the entity through February 28, 2020 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)

OTHER INFORMATION

DECEMBER 31, 2019

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)

SCHEDULE OF REVENUES - BUDGET (NON-GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Cash basis budget- unaudited</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Operating revenues:			
Charges for services:			
Income from parking:			
- Site A	\$ 160,000	\$ 136,526	\$ (23,474)
- Site B	150,000	163,738	13,738
- Site C	25,000	26,560	1,560
- Site D	80,000	83,492	3,492
- Street	225,000	232,147	7,147
Resident permits	1,004,125	1,030,251	26,126
Security card income	350	360	10
Refunds	(12,000)	(9,355)	2,645
Miscellaneous	250	4,816	4,566
Total charges for services	<u>1,632,725</u>	<u>1,668,535</u>	<u>35,810</u>
Insurance recoveries	-	27,800	27,800
Rental income	<u>123,363</u>	<u>128,465</u>	<u>5,102</u>
Total operating revenues	<u>1,756,088</u>	<u>1,824,800</u>	<u>68,712</u>
Non-operating revenues:			
Interest income	<u>400</u>	<u>678</u>	<u>278</u>
Total non-operating revenues	<u>400</u>	<u>678</u>	<u>278</u>
Total revenues	<u>\$ 1,756,488</u>	<u>\$ 1,825,478</u>	<u>\$ 68,990</u>

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)

SCHEDULE OF EXPENSES - BUDGET (NON-GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Cash basis</u> <u>budget-unaudited</u>	<u>Actual</u>	<u>Variance</u> <u>favorable</u> <u>(unfavorable)</u>
Operating expenses:			
Personnel:			
Personnel	\$ 330,000	\$ 302,236	\$ 27,764
Security, enforcement	21,000	19,363	1,637
Employee benefits	84,116	61,657	22,459
Total personnel	<u>435,116</u>	<u>383,256</u>	<u>51,860</u>
Repairs and maintenance:			
Maintenance	118,000	62,970	55,030
Snow removal	175,000	103,708	71,292
Total repairs and maintenance	<u>293,000</u>	<u>166,678</u>	<u>126,322</u>
Professional fees:			
Accounting	31,640	31,240	400
Legal fees	55,000	48,935	6,065
Engineering	-	7,700	(7,700)
Consulting	25,000	1,105	23,895
Total professional fees	<u>111,640</u>	<u>88,980</u>	<u>22,660</u>
Other services and charges:			
Utilities	20,000	22,820	(2,820)
Taxes and rentals	40,000	26,789	13,211
Administrative expenses	50,550	44,047	6,503
Insurance	152,694	118,364	34,330
Renovations and improvements	-	950	(950)
Security, enforcement non salary	-	(19)	19
Total other services and charges	<u>263,244</u>	<u>212,951</u>	<u>50,293</u>
Total operating expenses	<u>1,103,000</u>	<u>851,865</u>	<u>251,135</u>
Non-operating expense:			
Reserve for contingencies	209,088	-	209,088
Debt service, interest	94,400	84,733	9,667
Debt service, principal	350,000	-	350,000
Total non-operating expenses	<u>653,488</u>	<u>84,733</u>	<u>568,755</u>
Total expenses	<u>\$ 1,756,488</u>	<u>936,598</u>	<u>\$ 819,890</u>
Non-cash expenses:			
Depreciation expense		310,172	
Total non-cash expenses		<u>310,172</u>	
Total operating and non-operating expenses		<u>\$ 1,246,770</u>	

See Paragraph on Supplementary Schedules Included in Auditor's Report.

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2019

Capital assets, net		\$ 9,296,047
Deduct:		
Current portion of bonds payable expended for capital assets	\$ 380,000	
Defeasance gain	51,000	
Long-term portion of bonds payable expended for capital assets	<u>2,415,000</u>	
		<u>2,846,000</u>
Net investment in capital assets		<u><u>\$ 6,450,047</u></u>



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*

To the Board of Commissioners
Hartsdale Public Parking Districts

We have audited, 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, the financial statements of the business-type activities of Hartsdale Public Parking District, a component unit of Town of Greenburgh, New York, as of and for the fiscal year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Hartsdale Public Parking District's basic financial statements, and have issued our report thereon dated February 28, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hartsdale Public Parking District'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 Hartsdale Public Parking District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hartsdale Public Parking District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hartsdale Public Parking District'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*.

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.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
February 28, 2020