

HARTSDALE PUBLIC PARKING DISTRICT

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



**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

DECEMBER 31, 2021

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, 2021

THE HARTSDALE PUBLIC PARKING DISTRICT

The Hartsdale Public Parking District (the “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 District is governed by a Board of Commissioners (the “Board”). The Board is appointed by the Town Board of the Town, and therefore the District is deemed a “Component Unit” of the Town. The 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 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 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 District owns and operates two multi-level garages and four open parking lots in addition to street metered parking within its boundaries. The District has been serving the residents of the unincorporated Town, local East Hartsdale Avenue merchants, and the general public since April 22, 1952.

The following is a discussion and analysis of the District’s financial performance for the year ended December 31, 2021. 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 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, 2021

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 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 payment of debt, the acquisition of capital assets, and depreciation of capital assets.

Table 1 provides a summary of the District's net position as of December 31, 2021 with comparisons to December 31, 2020.

Table 1
Condensed Statement of Net Position

	December 31,		Increase/ (Decrease)	Percentage Change
	2020	2021		
Current and other assets	\$ 2,040,193	\$ 2,156,924	\$ 116,731	5.72.%
Capital assets, net	9,031,556	8,805,036	(226,520)	(2.51%)
Total assets	11,071,749	10,961,960	(109,789)	(0.99%)
Current liabilities	661,874	800,645	138,771	20.97.%
Long-term debt outstanding	2,030,000	1,630,000	(400,000)	(19.70%)
Total liabilities	2,691,874	2,430,645	(261,229)	(9.70%)
Deferred inflows of resources	42,500	34,000	(8,500)	(20.00%)
Total liabilities and deferred inflows of resources	2,734,374	2,464,645	(269,729)	(9.86%)
Net position:				
Net investment in capital assets	6,574,056	6,741,036	166,980	2.54%
Unrestricted	1,763,319	1,756,279	(7,040)	-0.40%
Total net position	\$ 8,337,375	\$ 8,497,315	\$ 159,940	1.92%

The decrease of \$109,789 or 0.99% in total assets is mainly due to a decrease in net capital assets due to depreciation, partially offset by capital additions and an increase in cash.

The current liabilities in 2021 as compared to 2020 increased by \$138,771 or 20.97% as a result of an increase in unearned permit revenue.

The decrease of \$269,729 or 9.86% in total liabilities and deferred inflows of resources is primarily a result of principal payments on long-term debt and the amortization of the defeasance gain, partially offset by 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, 2021

Table 2 shows changes in net position for fiscal year 2021 compared to fiscal year 2020.

Table 2
Changes in Net Position

	December 31,		Increase/ (Decrease)	Percentage change
	2020	2021		
Operating revenues:				
Charges for services	\$ 1,253,897	\$ 911,096	\$ (342,801)	(27.34%)
Rental income	141,685	140,931	(754)	(0.53%)
Total operating revenues	<u>1,395,582</u>	<u>1,052,027</u>	<u>(343,555)</u>	<u>(24.62%)</u>
Operating expenses:				
Personnel	378,047	412,588	34,541	9.14.%
Repairs and maintenance	80,346	86,154	5,808	7.23.%
Professional fees	114,297	102,828	(11,469)	(10.03%)
Other services and charges	187,923	170,859	(17,064)	(9.08%)
Depreciation expense	290,289	248,435	(41,854)	(14.42%)
Total operating expenses	<u>1,050,902</u>	<u>1,020,864</u>	<u>(30,038)</u>	<u>(2.86%)</u>
Operating income	<u>344,680</u>	<u>31,163</u>	<u>(313,517)</u>	<u>(90.96%)</u>
Non-operating revenue (expense):				
Gain on sale, net	-	183,000	183,000	N/A
Interest income	276	493	217	78.62.%
Interest expense	(70,034)	(54,716)	15,318	(21.87%)
Total non-operating revenue (expense)	<u>(69,758)</u>	<u>128,777</u>	<u>198,535</u>	<u>(284.61%)</u>
Change in net position	<u>\$ 274,922</u>	<u>\$ 159,940</u>	<u>\$ (114,982)</u>	<u>(41.82%)</u>

HARTSDALE PUBLIC PARKING DISTRICT
(A Component Unit of the Town of Greenburgh, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

OPERATING REVENUE

The 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 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 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 District previously discontinued the sale of non-resident permits due to a higher demand in resident permits.

The decrease in charges for services in 2021 in the amount of \$342,801 or 27.34% is a result of a decrease in demand for parking due to COVID-19. 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 A revenue increased by \$52,735, Site B had an increase of \$38,823, Site C revenue decreased by \$10,664, Site D had a decrease of \$517, street meter revenue increased by \$65,634 and refunds had a decrease of \$81,867. Quarterly and annual resident permit revenue decreased by \$588,091. The overall decrease in revenue is mainly attributable to decreased parking usage as a result of fewer residents commuting to New York City since the COVID-19 pandemic.

The decrease in the change in net position from 2020 to 2021 of \$114,982 is due to decreases 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, 2021

OPERATING EXPENSES

Operating expenses in 2021 decreased by \$30,038 or 2.86% which is a result of a decrease in professional fees, other services and charges and depreciation expense, partially offset by an increase in personnel and repairs and maintenance.

Significant revenue and expense budget variances in 2021 were as follows:

- The unfavorable variance of \$2,402 for income from site C parking was due to a decrease in meter usage, resulting from the removal of meter heads in 2021, designating parking spaces as exclusively permit spaces.
- The favorable variance of \$309,523 for total charges for services was a result of increased travel as a result of easing COVID-19 restrictions.
- The favorable variance of \$183,000 for gain on sale, net was the result of the sale of parking spaces from the District's Site F garage to the MTA in the amount of \$210,000, partially offset by incurred costs on the sale of \$27,000.
- The favorable variance of \$20,351 for personnel expenses was a result of the District budgeting additional amounts for anticipated increases in overtime for maintenance and snow removal.
- The favorable variance of \$79,707 for maintenance expenses was due to postponement of repairs and improvements projects.
- The favorable variance of \$123,139 for snow removal expenses was a result of a milder winter than anticipated.
- The favorable variance of \$38,991 for insurance premium expense was due to a decrease in the number of employees enrolled in the insurance benefit plan.

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, 2021

FACTORS BEARING ON THE FUTURE

While most of the expenses of the 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 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.

As a result of COVID-19, economic uncertainties have arisen that are likely to negatively impact the District's net income as well as create additional unforeseen expenditures. Other impacts could occur though such potential impact is unknown at this time.

SUMMARY

The District has maintained reserve funds to be allocated to future budgeted renovations and improvements of existing District properties in addition to also being available for unanticipated repairs. Over the last ten years, the 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, 2021**

CONTACTING THE PARKING DISTRICT'S MANAGEMENT

This financial report is designed to provide the District's customers, Town of Greenburgh, New York, and its creditors with a general overview of the 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

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the business-type activities of Hartsdale Public Parking District (the "District"), a component unit of the Town of Greenburgh, New York, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District'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 respective financial position of the business-type activities of the District as of December 31, 2021, 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.

Basis for Opinions

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. 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but 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.

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of revenues – budget (non-GAAP basis) and actual, the schedule of expenses – budget (non-GAAP basis) and actual, and the schedule of net investment in capital assets presented on pages 24-26 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information 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 April 19, 2022 on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

R. J. Abrams + Co., LLP

Islandia, New York
April 19, 2022

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

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

STATEMENT OF NET POSITION

DECEMBER 31, 2021

Assets

Current assets:

Cash	\$ 2,074,875
Accounts receivable	20,795
Accounts receivable, Town of Greenburgh	6,510
Unbilled rent receivable	670
Prepaid expenses	<u>54,074</u>
Total current assets	<u>2,156,924</u>

Non-current assets:

Capital assets:

Land	2,098,569
Capital assets being depreciated, net	<u>6,706,467</u>
Total non-current assets	<u>8,805,036</u>

Total assets	<u>10,961,960</u>
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Liabilities and Deferred Inflows of Resources

Current liabilities:

Accounts payable and accrued expenses	60,540
Accrued interest payable	4,733
Unearned permit revenue	332,211
Customer deposits payable	3,161
Bonds payable, current portion	<u>400,000</u>
Total current liabilities	<u>800,645</u>

Non-current liabilities:

Bonds payable, less current portion	<u>1,630,000</u>
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Total liabilities	<u>2,430,645</u>
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Deferred Inflows of Resources:

Defeasance gain	<u>34,000</u>
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Total liabilities and deferred inflows of resources	<u>2,464,645</u>
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Net position

Net investment in capital assets	6,741,036
Unrestricted	<u>1,756,279</u>

Total net position	<u><u>\$ 8,497,315</u></u>
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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, 2021

Operating revenues:	
Charges for services	\$ 911,096
Rental income	140,931
Total operating revenues	<u>1,052,027</u>
Operating expenses:	
Personnel	412,588
Repairs and maintenance	86,154
Professional fees	102,828
Other services and charges	170,859
Depreciation expense	248,435
Total operating expenses	<u>1,020,864</u>
Operating income	<u>31,163</u>
Non-operating revenue (expense):	
Gain on sale, net	183,000
Interest income	493
Interest expense	(54,716)
Total non-operating revenue (expense)	<u>128,777</u>
Change in net position	159,940
Net position, beginning of year	<u>8,337,375</u>
Net position, end of year	<u><u>\$ 8,497,315</u></u>

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities	
Receipts from customers and others	\$ 1,146,069
Payments for employee services and benefits	(399,505)
Payments to suppliers for goods and services	<u>(345,763)</u>
Net cash used in operating activities	<u>400,801</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(21,915)
Principal paid on debt	(385,000)
Interest paid on debt	(64,500)
Gain on sale, net	<u>183,000</u>
Net cash used in capital and related financing activities	<u>(288,415)</u>
Cash flows from investing activities	
Interest received	<u>493</u>
Net cash provided by investing activities	<u>493</u>
Net increase (decrease) in cash	112,879
Cash, beginning of year	<u>1,961,996</u>
Cash, end of year	<u><u>\$ 2,074,875</u></u>
Reconciliation of change in operating income to net cash used in operating activities	
Change in operating income	\$ 31,163
Adjustments to reconcile change in operating income to net cash used in operating activities:	
Depreciation and amortization	248,435
Changes in assets and liabilities:	
Accounts receivable	(20,795)
Accounts receivable, Town of Greenburgh	13,083
Unbilled rent receivable	1,851
Prepaid expenses	2,009
Accounts payable and accrued expenses	12,069
Unearned permit revenue	<u>112,986</u>
Net cash used in operating activities	<u><u>\$ 400,801</u></u>

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Financial reporting entity

The Hartsdale Public Parking District (the “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 District operations and are governed by, or significantly influenced by, the Board of Commissioners. Essentially, the primary function of the 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 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 District conform to the accounting principles generally accepted in the United States of America applicable to governmental units (“GAAP”). The District complies with GAAP and applies all relevant GASB pronouncements. In addition, the 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, 2021

The 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 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 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 District's cash consists of cash on hand, demand and time deposits. New York State ("NYS") law governs the 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, 2021

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, 2021.

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 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 resources are received prior to revenue recognition criteria being satisfied. The amount reported on the Statement of Net Position as unearned revenue represents parking permit revenue collected in 2021 for 2022 and not yet earned. This unearned revenue will be recognized when earned in 2022.

H. Vested employee benefits

The 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, 2021

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, since there is no liability at December 31, 2021, no accrual for accumulated compensatory time has been recorded for the compensated absences liability at year-end.

Most 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 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 District has no restricted net position as of December 31, 2021.
- 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, 2021

L. Rental income

The District has executed lease agreements with three separate telecommunications companies for the use of 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 represents the excess of scheduled rental income recognized on a straight-line basis over rental income as it becomes a receivable according to the provisions of the leases.

Rental income commitments are as follows:

For the Year ending December 31,

2022	\$ 21,615
------	-----------

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 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 District's enabling legislation, the 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 various levels of classification detail. Expenses at the component unit level may not legally exceed the total budget.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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	\$ 804,097
Time deposits	<u>1,270,778</u>
	<u>\$ 2,074,875</u>

NOTE 3 – CUSTODIAL CREDIT RISK:

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the 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, are collateralized as follows:

Uncollateralized	\$ _____
Collateralized with securities held by the pledging financial institution, or its trust department or agent, in the District's name.	<u>\$ 1,590,213</u>

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 4 - CAPITAL ASSETS:

Capital assets activity for the year ended December 31, 2021 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	3,600	-	731,864
Buildings and structures	11,622,306	1,225	-	11,623,531
Machinery and equipment	397,748	17,090	-	414,838
Licensed vehicles	40,967	-	-	40,967
Total depreciable capital assets	12,789,285	21,915	-	12,811,200
Less:				
Accumulated depreciation	5,856,298	248,435	-	6,104,733
Depreciable capital assets net of depreciation	6,932,987	(226,520)	-	6,706,467
Total capital assets, net	\$ 9,031,556	\$ (226,520)	\$ -	\$ 8,805,036

Depreciation expense for the year ended December 31, 2021 was \$248,435.

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.

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

contribute, and benefits to employees. NYSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244.

C. Funding polices

The Systems are noncontributory for employees who joined prior to July 27, 1976. Those joining after July 27, 1976 and prior to January 1, 2010 with less than ten years of membership are required to contribute 3% of their annual salary. For NYSTRS, employees who joined on or after January 1, 2010 and before April 1, 2012 are required to contribute 3.5% for their annual salary for their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent upon their salary, for their entire working career. For employees in NYSERS who joined after January 1, 2010 but prior to March 31, 2013, they must contribute 3% of their salary throughout their active membership. Those joining after April 1, 2013 are required to contribute between 3% and 6%, dependent upon their salary, for their entire working career.

For ERS, the Comptroller annually 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, for the ERS' fiscal year ended March 31. The District's contribution rates for ERS' fiscal year ended March 31, 2021 of covered payroll was 16.20% for Tier 4 and 9.70% for Tier 6.

The District is required to contribute at a rate determined actuarially by the System under the Town of Greenburgh. The 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,	
2021	\$ 44,051
2020	\$ 39,084
2019	\$ 39,881

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 6 – LONG-TERM DEBT:

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

Interest paid	\$ 64,500
Less: interest accrued in the prior year	(6,017)
amortization of defeasance gain	(8,500)
Plus: interest accrued in the current year	4,733
Total expense	\$ 54,716

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	\$ 430,000	\$ -	\$ 85,000	\$ 345,000	\$ 80,000
Construction/Improvement - Site A	1,985,000	-	300,000	1,685,000	320,000
Total long-term liabilities	\$ 2,415,000	\$ -	\$ 385,000	\$ 2,030,000	\$ 400,000

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, 2020</u>
Construction/Improvement - Site F	2015	6/1/2025	2.00-4.00%	\$ 345,000
Construction/Improvement - Site A	2015	6/1/2026	2.00-4.00%	1,685,000
				\$ 2,030,000

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

The following is a summary of maturing debt service requirements:

<u>For the Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 400,000	\$ 48,800	\$ 448,800
2023	410,000	32,600	442,600
2024	430,000	20,100	450,100
2025	440,000	11,400	451,400
2026	<u>350,000</u>	<u>3,500</u>	<u>353,500</u>
Total	<u>\$ 2,030,000</u>	<u>\$ 116,400</u>	<u>\$ 2,146,400</u>

In a prior year, the Town of Greenburgh 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 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 District also maintains liability coverage for its Board members up to \$1 million.

NOTE 8 – COMMITMENTS AND CONTINGENCIES:

Operating leases

Hartsdale Public Parking District has operating leases for office equipment expiring at various dates through October 2026. 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, 2021

	<u>Amount</u>
Year ending December 31,	
2022	\$ 6,680
2023	3,747
2024	3,747
2025	3,747
2026	3,747
Total	<u>\$ 21,668</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 April 19, 2022 (the date the financial statements were available to be issued) and concluded the 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, 2021

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, 2021

	<u>Cash basis</u> <u>budget- unaudited</u>	<u>Actual</u>	<u>Variance</u> <u>favorable</u> <u>(unfavorable)</u>
Operating revenues:			
Charges for services:			
Income from parking:			
- Site A	\$ 103,082	\$ 120,234	\$ 17,152
- Site B	-	82,016	82,016
- Site C	22,978	20,576	(2,402)
- Site D	-	19,392	19,392
- Site F	-	7,208	7,208
- Pipeline	-	10,470	10,470
- Street	188,491	232,502	44,011
Resident permits	298,447	424,998	126,551
Security card income	350	10	(340)
Refunds	(12,000)	(6,415)	5,585
Replacement sticker income	225	80	(145)
Miscellaneous	-	25	25
Total charges for services	<u>601,573</u>	<u>911,096</u>	<u>309,523</u>
Rental income	<u>142,209</u>	<u>140,931</u>	<u>(1,278)</u>
Total operating revenues	<u>743,782</u>	<u>1,052,027</u>	<u>308,245</u>
Non-operating revenues:			
Gain on sale, net	-	183,000	183,000
Interest income	<u>450</u>	<u>493</u>	<u>43</u>
Total non-operating revenues	<u>450</u>	<u>183,493</u>	<u>183,043</u>
Total revenues	<u><u>\$ 744,232</u></u>	<u><u>\$ 1,235,520</u></u>	<u><u>\$ 491,288</u></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, 2021

	Cash basis budget-unaudited	Actual	Variance favorable (unfavorable)
Operating expenses:			
Personnel:			
Personnel	\$ 353,265	\$ 332,914	\$ 20,351
Security, enforcement	19,500	19,826	(326)
Employee benefits	67,268	59,848	7,420
Total personnel	440,033	412,588	27,445
Repairs and maintenance:			
Maintenance	114,000	34,293	79,707
Snow removal	175,000	51,861	123,139
Total repairs and maintenance	289,000	86,154	202,846
Professional fees:			
Accounting	31,240	34,600	(3,360)
Legal fees	60,000	66,845	(6,845)
Engineering	20,000	-	20,000
Consulting	5,000	1,383	3,617
Total professional fees	116,240	102,828	13,412
Other services and charges:			
Utilities	20,000	19,762	238
Taxes and rentals	27,330	26,697	633
Administrative expenses	42,200	35,210	6,990
Insurance	128,181	89,190	38,991
Total other services and charges	217,711	170,859	46,852
Total operating expenses	1,062,984	772,429	290,555
Non-operating expense:			
Debt service, interest	64,500	54,716	9,784
Debt service, principal	385,000	-	385,000
Total non-operating expenses	449,500	54,716	394,784
Total expenses	\$ 1,512,484	827,145	\$ 685,339
Non-cash expenses:			
Depreciation expense		248,435	
Total non-cash expenses		248,435	
Total operating and non-operating expenses		\$ 1,075,580	

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, 2021

Capital assets, net		\$ 8,805,036
Deduct:		
Current portion of bonds payable expended for capital assets	\$ 400,000	
Defeasance gain	34,000	
Long-term portion of bonds payable expended for capital assets	<u>1,630,000</u>	
		<u>2,064,000</u>
Net investment in capital assets		<u><u>\$ 6,741,036</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 District

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 (the "District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 19, 2022.

Report on Internal Control over Financial Reporting

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

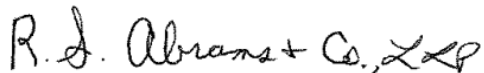
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 financial statement. 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.

A handwritten signature in cursive script that reads "R.S. Abrams & Co., LLP".

R.S. Abrams & Co., LLP
Islandia, NY
April 19, 2022