

Harrison Parking Authority
(A Component Unit of the
Town/Village of Harrison, New York)

Financial Statements

Year Ended December 31, 2021

Harrison Parking Authority

(A Component Unit of the Town/Village of Harrison, New York)

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Independent Auditors' Report

**The Board of Directors of the
Harrison Parking Authority, (A Component Unit of the Town/Village of Harrison, New York)**

Report on the Financial Statements

We have audited the accompanying financial statements of the Harrison Parking Authority ("Authority"), (a component unit of the Town/Village of Harrison, New York), which comprise the statement of net position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of December 31, 2021, and the respective changes in financial position and, where applicable, 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 ("GAAS") 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

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

Auditors' 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 auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted management's discussion and analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report solely is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
March 7, 2022

Harrison Parking Authority

(A Component Unit of the Town/Village of Harrison, New York)

Statement of Net Position

December 31, 2021

ASSETS

Cash and equivalents	\$ 26,398
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LIABILITIES

Accounts payable	\$ 2,500
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Non-current liabilities

Due within one year	67,712
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Due in more than one year	296,838
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Total Liabilities

367,050

NET POSITION

Unrestricted	\$ (340,652)
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See notes to financial statements.

Harrison Parking Authority

(A Component Unit of the Town/Village of Harrison, New York)

Statement of Activities

Year Ended December 31, 2021

OPERATING REVENUES

Parking permits	\$ 74,175
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OPERATING EXPENSES

Professional fees	<u>2,500</u>
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Income from Operations	<u>71,675</u>
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NONOPERATING REVENUES (EXPENSES)

Interest income	7
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Interest expense	<u>(15,923)</u>
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Total Nonoperating Revenues (Expenses), net	<u>(15,916)</u>
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Change in Net Position	55,759
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NET POSITION

Beginning	<u>(396,411)</u>
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Ending	<u><u>\$ (340,652)</u></u>
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See notes to financial statements.

Harrison Parking Authority

(A Component Unit of the Town/Village of Harrison, New York)

Statement of Cash Flows

Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from parking permits	\$ 74,175
Cash payments for goods and services	<u>(2,500)</u>

Net Cash from Operating Activities	<u>71,675</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Repayment of loans payable	(65,309)
Interest paid	<u>(15,923)</u>

Net Cash from Capital and Related Financing Activities	<u>(81,232)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>7</u>
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Net Change in Cash and Equivalents	(9,550)
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CASH AND EQUIVALENTS

Beginning of Year	<u>35,948</u>
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End of Year	<u><u>\$ 26,398</u></u>
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**RECONCILIATION OF INCOME FROM OPERATIONS TO
NET CASH FROM OPERATING ACTIVITIES**

Income from operations	<u><u>\$ 71,675</u></u>
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See notes to financial statements.

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Harrison Parking Authority

(A Component Unit of the Town/Village of Harrison, New York)

Notes to Financial Statements

Year Ended December 31, 2021

Note 1 - Organization and Purpose

The Harrison Parking Authority ("Authority") was formed in 2004, for the purpose of constructing, operating and maintaining a parking structure in the Town/Village of Harrison, New York ("Town/Village"). In 2017, the Authority determined that the construction of a parking structure would not be needed. As such, all costs previously capitalized have been expensed. However, the Authority now receives annual permit fees which will be used to pay down the loan payable to the primary government, the Town/Village. The Authority is a public benefit corporation organized under the Laws of the State of New York. Members of the Authority are appointed by the Mayor for a specified term. These members are also members of the Town/Village Board. While the Town/Village will provide the accounting services, Authority members have complete responsibility of the Authority and accountability for fiscal matters. Presently, the Town/Village is not liable for Authority debt. All operating revenues in excess of the Authority's cost of operations are retained by the Authority.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Authority has been identified as a component unit of the Town/Village, in accordance with the criteria set forth by the Government Accounting Standards Board ("GASB") Statement No. 61 *"The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34"*, the Authority's financial statements have been discretely presented in the Town/Village's financial statements.

Basis of Accounting

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Authority reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operation. The principal operating revenue of the Authority is parking permits. Operating expenses include contractual costs and professional fees. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Authority's deposits and investment policies are governed by State statutes. The Authority has not adopted its own written investment policy, however they informally follow the Town/Village policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Authority is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Harrison Parking Authority

(A Component Unit of the Town/Village of Harrison, New York)

Notes to Financial Statements (Continued)

Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Authority has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Authority follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Authority does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Authority's name. All of the Authority's aggregate bank balances were covered by depository insurance at December 31, 2021.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Authority does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Authority's investment policy limits the amount on deposit at each of its banking institutions.

Harrison Parking Authority

(A Component Unit of the Town/Village of Harrison, New York)

Notes to Financial Statements (Continued)

Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)**Revenue Recognition**

The Authority charges an annual fee for the issuance of parking permits. All fees are collected and recognized as revenue when realized.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use. Net position on the statement of net position is classified as unrestricted.

Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements, were available to be issued, which date is March 7, 2022.

Note 3 - Long-Term Liabilities

The following table summarizes changes in the Authority's long-term indebtedness for the year ended December 31, 2021:

	Balance January 1, 2021	Maturities and/or Payments	Balance December 31, 2021	Due Within One Year
Loans Payable -				
Due to Primary Government	<u>\$ 429,859</u>	<u>\$ 65,309</u>	<u>\$ 364,550</u>	<u>\$ 67,712</u>

Loans Payable - Due To Primary Government

The due to primary government as of December 31, 2021 represents amounts advanced in 2006, 2007, 2008 and 2017 to the Authority totaling \$668,953. The agreement provides for an annual payment of \$81,232, beginning in 2017. Interest on the \$608,953 loan is payable at 4% and interest on the \$60,000 loan is payable at .5%.

Harrison Parking Authority

(A Component Unit of the Town/Village of Harrison, New York)

Notes to Financial Statements (Concluded)

Year Ended December 31, 2021

Note 3 - Long-Term Liabilities (Continued)

The aggregate annual maturities of the loan outstanding at December 31, 2021 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 67,712	13,520
2023	70,210	11,022
2024	72,807	8,424
2025	75,507	5,725
2026	78,314	2,917
	<u>\$ 364,550</u>	<u>\$ 41,608</u>

Note 4 - Pension Plan and Other Post Employment Benefit Obligations

The Authority does not have any paid employees and, therefore does not participate in a pension plan and does not provide health care benefits for retired employees.

Note 5 - Summary Disclosure of Significant Contingencies**Litigation**

From time to time, and in the ordinary course of business, the Authority may be subject to various claims, charges and litigation. At December 31, 2021, the Authority did not have any pending claims, charges or litigation that it expects would have a material adverse effect on its financial position, activities, or cash flows.

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

**The Board of Directors of the
Harrison Parking Authority (A Component Unit of the Town/Village of Harrison, New York)**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Harrison Parking Authority ("Authority"), (A Component Unit of the Town/Village of Harrison, New York) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which comprise the Authority's financial statements, and have issued our report thereon dated March 7, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free 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 statements. 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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 7, 2022