

*Report of Audit*  
*on the*  
*Financial Statements*  
*of*  
*The Parking Authority of*  
*the Township of*  
*West Windsor*  
*for the*  
*Years Ended*  
*December 31, 2017 and 2016*



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS



# **Financial Report**

of

## **The Parking Authority of the Township of West Windsor**

For the Years Ended December 31, 2017 and 2016

Prepared by

The Parking Authority of the Township of West Windsor

Finance Department



# **THE PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR**

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## **FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## **INDEPENDENT AUDITOR'S REPORT**

The Board of Commissioners  
Parking Authority of the Township of West Windsor  
West Windsor, New Jersey

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Parking Authority of the Township of West Windsor, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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.



## SUPLEE, CLOONEY & COMPANY

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Parking Authority of the Township of West Windsor, as of December 31, 2017 and 2016, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion analysis and the schedules related to accounting and reporting for pensions in Schedule R-1 through R-3 identified in the table of contents 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.

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## *Other Information*

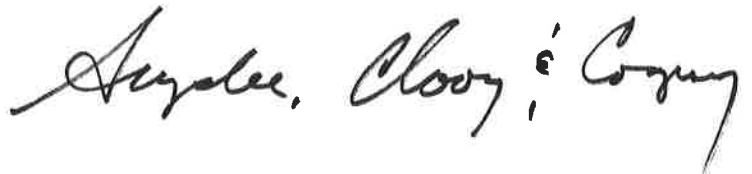
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parking Authority of the Township of West Windsor's basic financial statements. The financial statements and other schedules are presented for purposes of additional analysis and are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

The supplementary schedules are the responsibility of management and were derived from and relates 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 States of America. In our opinion, the financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2018 on our consideration of the Parking Authority of the Township of West Windsor'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 Parking Authority of the Township of West Windsor's internal control over financial reporting and compliance.

July 21, 2018

A handwritten signature in cursive script that reads "Suplee, Clooney & Company". The signature is written in dark ink and is positioned to the right of the date.



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

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

The Board of Commissioners  
Parking Authority of the Township of West Windsor  
West Windsor, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Parking Authority of the Township of West Windsor as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Parking Authority of the Township of West Windsor's financial statements, and have issued our report thereon dated July 21, 2018.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Parking Authority of the Township of West Windsor's 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 Parking Authority of the Township of West Windsor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Parking Authority of the Township of West Windsor's internal control.

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

## SUPLEE, CLOONEY & COMPANY

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 Parking Authority of the Township of West Windsor'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.

July 21, 2018

A handwritten signature in black ink, appearing to read "Suplee, Clooney & Company". The signature is written in a cursive, flowing style.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual report presents management's analysis of the Authority's financial condition and activities for the year. This information should be read in conjunction with the Authority's financial statements.

Financial Highlights

Total assets were \$11,678,219 and total liabilities were \$8,163,458 resulting in net position of \$3,514,761 at December 31, 2017. Net position at December 31, 2017 increased by \$212,888 compared to December 31, 2016. This increase is largely due to a decrease in Operating and Administrative costs.

Operating income was \$518,997 for the year ended December 31, 2017. This is an increase of \$122,912 compared to the year ended December 31, 2016 operating income of \$396,085. User charges increased in 2017 by \$45,226. The increase in Operating Income resulted mainly from decreases in costs and expenses.

Operating expenses decreased by \$77,686 over December 31, 2016. The largest decrease was in snow removal, which decreased by \$27,036.

Total outstanding debt amounts to \$4,520,000 at December 31, 2017, consisting of Parking Revenue Bonds issued on April 20, 2014 (Township Guaranteed, Series 2013). The Bonds were issued to provide funds for the cost of construction of a new parking facility on Alexander Road including capitalized interest and expenses with the issuance and delivery of the Bonds.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplemental information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Authority's capital plan, budget, and other management tools were used for this analysis.

The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a statement of net position; a statement of revenues, expenses and changes in net position; a statement of cash flows; notes to the financial statements and a statement of net position-fiduciary fund.

The statement of net position presents the Assets, Liabilities, Deferred Inflows and Outflows of Resources and Total Net Position of the Authority on a historical cost basis. Over time, increases and decreases in the components of the Authority's Total Net Position are indicators of whether the financial position of the Authority is improving or deteriorating.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of Annual Financial Report (Continued)

The statement of revenues, expenses and changes in net position presents the results of the business activities over the fiscal year and information as to how net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides information about the Authority's ability to recover its costs through user fees and other charges.

The statement of cash flows presents changes in cash and cash equivalents resulting from operating activities, investing, capital and non-capital activities. The statement presents cash receipts and disbursements without consideration of the earnings event. This statement shows what sources provided cash, what cash was used for and what the change in cash balance was for the reporting period.

In 2016, the Government Accounting Standards Board (GASS) Statement 68 required state and local governmental entities to disclose their unfunded pension liabilities. The Authority participates in the pension plan sponsored by the State of New Jersey, which has a publicized, large unfunded liability. Although the Authority is not responsible for making pension payments to employees when they retire, GASS 68 dictates that the pro-rata share represented by Authority employees participating in PERS (Public Employee Retirement System) be reported in the audited financial statements to promote better financial clarity. Understandably, the net pension liability of \$1,133,046 and \$1,540,722 for the years ended December 31, 2017 and 2016, respectively, shown within long-term liabilities, are significant amounts. Notes to the Financial Statements No. 2, 7 and 8 explain pension plan accounting in greater detail.

The notes to the financial statements provide required disclosures and other information essential to a complete understanding of information provided in the financial statements. The notes contain information about the Authority's accounting policies, significant account balances and changes, material risks, obligations, commitments, contingencies and subsequent events.

The statement of net position - Fiduciary Funds presents the assets and liabilities that the Authority has custodial responsibilities for under a lease agreement with the New Jersey Transit Corporation. Under this agreement the Authority operates and maintains public parking lots and the railroad station at Princeton Junction, New Jersey.



PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Authority

The following tables and other information are provided as key financial data used by management for monitoring and planning purposes.

Table 1 - Net Position - summarizes the changes in net position for the years ended December 31, 2017, 2016 and 2015:

Table 1

Condensed Summary of Net Position

	Years Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>Increase/ Decrease</u>	<u>%</u>	<u>2015</u>
<b>Assets:</b>					
Current Unrestricted Net Assets	\$ 3,868,635	\$ 2,504,216	\$ 1,364,419	54%	\$ 1,584,013
Restricted Assets	491,166	465,880	25,286	5%	450,260
Capital Assets (Net of Depreciation)	6,961,237	7,211,347	(250,110)	-3%	7,436,191
Deferred Outflow of Resources - Pension	357,181	519,011	(161,830)	-31%	198,611
<b>Total Assets</b>	<b>\$ 11,678,219</b>	<b>\$ 10,700,454</b>	<b>\$ 977,765</b>	<b>9%</b>	<b>\$ 9,669,075</b>
<b>Liabilities:</b>					
Current Liabilities	\$ 2,164,491	\$ 1,170,045	\$ 994,446	85%	\$ 494,340
Non-Current Liabilities	4,578,822	4,687,814	(108,992)	-2%	4,831,531
Net Pension Liability	1,133,046	1,540,722	(407,676)	-26%	1,130,661
<b>Total Liabilities</b>	<b>\$ 7,876,359</b>	<b>\$ 7,398,581</b>	<b>\$ 477,778</b>	<b>6%</b>	<b>\$ 6,456,532</b>
Deferred Inflows of Resources - Pension	\$ 287,099	\$ -	287,099		\$ 18,179
<b>Total Deferred Inflows of Resources</b>	<b>\$ 287,099</b>	<b>\$ -</b>	<b>287,099</b>		<b>18,179</b>
<b>Net Position:</b>					
Invested in Capital Assets	\$ 2,293,490	\$ 2,437,730	\$ (144,240)	\$ (0)	\$ 2,556,703
Restricted for:					
Renewal and Replacement	267,185	256,335	10,850	4%	245,485
Future Debt Service	195,651	38,579	157,072	407%	38,579
Unrestricted - Pension Related	(1,062,964)	(721,711)	(341,253)	47%	(950,229)
Unrestricted	1,821,399	1,290,940	530,459	41%	1,303,826
<b>Total Net Position</b>	<b>\$ 3,514,761</b>	<b>\$ 3,301,873</b>	<b>\$ 212,888</b>	<b>6%</b>	<b>\$ 3,194,364</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 11,678,219</b>	<b>\$ 10,700,454</b>	<b>\$ 977,765</b>	<b>9%</b>	<b>\$ 9,669,075</b>

As previously noted, net position may over time serve as a useful measure of an entity's financial position. In the Authority's case, assets exceeded liabilities by \$3,514,761 at December 31, 2017.

A portion of the Authority's net position (\$2,293,490 or 60.8% at December 31, 2017) is reflected in investment in capital assets, as shown on Table 1. These assets are used by the Authority to provide public parking facilities and thus are not available for future spending.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Authority (continued)

Net position increased by \$212,888 in 2017 and increased by \$107,509 in 2016. The 2017 increase in net position resulted from a decrease in certain expenses such as those related to snow removal, lot maintenance and professional consultants.

Table 2 – Operating Activities – summarizes the changes in revenue, expenses and net position for the fiscal years December 31, 2017, 2016 and 2015.

Table 2

Condensed Summary of Revenues, Expenses and Changes in Net Position

	Years Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>Increase/ Decrease</u>	<u>%</u>	<u>2015</u>
Revenues					
Operating Revenues:					
User Charges	\$ 1,300,558	\$ 1,255,332	\$ 45,226	4%	\$ 1,312,141
Total Operating Revenues	1,300,558	1,255,332	45,226	4%	1,312,141
Expenses					
Operating Expenses:					
Cost of Providing Services	335,999	327,399	8,600	3%	511,254
General and Administrative	222,521	268,434	(45,913)	-17%	336,864
Depreciation	223,041	263,414	(40,373)	-15%	257,060
Total operating expenses	781,561	859,247	(77,686)	-9%	1,105,178
Operating Income	518,997	396,085	122,912	31%	206,963
Non-Operating Revenues (Expenses)	(306,109)	(288,576)	(17,533)	6%	(258,405)
Change in net Position	212,888	107,509	105,379	98%	(51,442)
Net Position - Beginning of Year	3,301,873	3,194,364	107,509	3%	3,245,806
Net Position - End of Year	\$ 3,514,761	\$ 3,301,873	\$ 212,888	6%	\$ 3,194,364

The summary of revenues, expenses, and changes in net position provides information as to the nature and source of changes in financial position. Table 2 shows that total operating revenues in 2017 increased by \$45,226 from increased user charges. Total operating expenses (excluding depreciation) decreased by \$37,313. The largest decrease in operating expenses was for snow removal, which decreased by \$27,036 in 2017.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets

Table 3 summarizes the changes in capital assets at December 31, 2017, 2016 and 2015.

Table 3

	Years Ended December 31,			
	<u>2017</u>	<u>2016</u>	<u>Increase/ Decrease</u>	<u>2015</u>
Land, Land Rights and Improvements	\$ 330,075	\$ 330,075	-	\$ 330,075
Buildings	65,662	67,021	(1,359)	67,021
Parking Lots	8,508,466	8,763,212	(254,746)	8,738,816
Vehicles	87,029	129,639	(42,610)	120,453
Equipment	211,696	284,027	(72,331)	284,027
Pedestrian Trail	328,996		328,996	
Construction in Progress	-	81,939	(81,939)	76,952
	9,531,924	9,655,913	(123,989)	9,617,344
Less: Accumulated Depreciation	2,570,687	2,444,566	126,121	2,181,153
Total Capital Assets, Net of Depreciation	\$ 6,961,237	\$ 7,211,347	(250,110)	\$ 7,436,191

The Authority's Investment in capital assets decreased by \$144,240 for the year.

Debt Outstanding

The Authority's outstanding debt was \$4,520,000 at December 31, 2017 and \$4,620,000 at December 31, 2016. Interest on these bonds is paid semi-annually with interest rates ranging from 3% to 4%. Principal payments on the outstanding debt are due annually with final maturity on March 1, 2043. Additional information on the Authority's long-term debt can be found in Note 6 in the financial statements.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any question about this report or need any additional information, contact the Authority in writing at P.O. Box 58, Princeton Junction, New Jersey 08550 or by telephone at 609-799-3130.

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## **BASIC FINANCIAL STATEMENTS**



PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR  
(A Component Unit of the Township of West Windsor)

STATEMENTS OF NET POSITION  
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Unrestricted Current Assets:		
Cash and Cash Equivalents	\$ 3,861,518	\$ 2,497,099
Miscellaneous Receivable	2,700	2,700
Rent Security	4,417	4,417
<u>Total Unrestricted Current Assets</u>	<u>3,868,635</u>	<u>2,504,216</u>
Restricted Assets:		
Cash and Cash Equivalents	491,166	465,880
<u>Total Restricted Current Assets</u>	<u>491,166</u>	<u>465,880</u>
Capital Assets:		
Land	330,075	330,075
Buildings	65,662	67,022
Vehicles	87,029	129,639
Equipment	211,696	284,027
Parking Lots	8,508,466	8,763,212
Pedestrian Trail	328,996	
Construction in Progress		81,939
	<u>9,531,924</u>	<u>9,655,914</u>
Less: Accumulated Depreciation	<u>2,570,687</u>	<u>2,444,567</u>
<u>Capital Assets, Net</u>	<u>6,961,237</u>	<u>7,211,347</u>
Deferred Outflows of Resources:		
Pension Related	357,181	519,011
<u>Total Deferred Outflows of Resources</u>	<u>357,181</u>	<u>519,011</u>
<u>TOTAL ASSETS</u>	<u>\$ 11,678,219</u>	<u>\$ 10,700,454</u>

The accompanying Notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR  
(A Component Unit of the Township of West Windsor)

STATEMENTS OF NET POSITION  
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 111,018	\$ 49,165
Prepaid Parking Fees	365,637	356,285
Due to Fiduciary Fund	1,523,260	604,008
<u>Total Current Liabilities Payable from Unrestricted Assets</u>	<u>1,999,915</u>	<u>1,009,458</u>
Current Liabilities Payable from Restricted Assets:		
Revenue Bonds Payable	105,000	100,000
Accrued Interest Payable on Revenue Bonds	59,576	60,587
<u>Total Current Liabilities Payable from Restricted Assets</u>	<u>164,576</u>	<u>160,587</u>
<u>Total Current Liabilities</u>	<u>2,164,491</u>	<u>1,170,045</u>
Long-Term Liabilities:		
Compensated Absences Payable	16,075	14,197
Long-Term Portion of Revenue Bonds Payable	4,415,000	4,520,000
Premium on Sale of Bonds	147,747	153,617
Net Pension Liability	1,133,046	1,540,722
<u>Total Long-Term Liabilities</u>	<u>5,711,868</u>	<u>6,228,536</u>
<u>Total Liabilities</u>	<u>7,876,359</u>	<u>7,398,581</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Related	287,099	
<u>Total Deferred Inflows of Resources</u>	<u>287,099</u>	
Net Position:		
Net Investment in Capital Assets	2,293,490	2,437,730
Restricted- Renewal and Replacement	267,185	256,335
Restricted, Future Debt Services	195,651	38,579
Unrestricted	758,435	569,229
<u>Total Net Position</u>	<u>3,514,761</u>	<u>3,301,873</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>	<u>\$ 11,678,219</u>	<u>\$ 10,700,454</u>

The accompanying Notes are an integral part of these financial statements.



PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR  
(A Component Unit of the Township of West Windsor)

STATEMENTS OF REVENUE, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
User Charges	\$ 1,300,558	\$ 1,255,332
<u>Total Operating Revenues:</u>	<u>1,300,558</u>	<u>1,255,332</u>
Operating Expenses:		
Cost of Providing Services	335,999	327,399
Administrative and General Expenses	222,521	268,434
Depreciation	<u>223,041</u>	<u>263,414</u>
<u>Total Operating Expenses</u>	<u>781,561</u>	<u>859,247</u>
<u>Operating Income</u>	<u>518,997</u>	<u>396,085</u>
Non-Operating Revenues (Expenses):		
Interest Income	16,331	7,639
Interest Expense	(171,393)	(174,733)
Township Land Lease Payment	(80,248)	(50,000)
Other	<u>(70,799)</u>	<u>(71,482)</u>
Total Non-Operating Revenues (Net)	<u>(306,109)</u>	<u>(288,576)</u>
<u>Net Income (Loss)</u>	212,888	107,509
Net Position, Beginning of Year	<u>3,301,873</u>	<u>3,194,364</u>
Net Position, End of Year	<u>\$ 3,514,761</u>	<u>\$ 3,301,873</u>

The accompanying Notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR  
(A Component Unit of the Township of West Windsor)

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>Cash Flows from Operating Activities:</u>		
Receipts from Customers	\$ 1,374,044	\$ 1,356,617
Other Receipts	919,252	490,540
Payments to Suppliers and Employees	<u>(549,851)</u>	<u>(599,127)</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>1,743,445</u>	<u>1,248,030</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Interest Paid on Debt	(178,274)	(181,276)
Principal Payments on Debt	(100,000)	(100,000)
(Acquisition) Sale of Capital Assets	(360,663)	(38,569)
Refund on Capital Assets	<u>268,866</u>	<u>288,961</u>
<u>Net Cash Used in Capital and Related Financing Activities</u>	<u>(370,071)</u>	<u>(30,884)</u>
<u>Cash Flows from Investing Activities:</u>		
Interest Received	<u>16,331</u>	<u>7,639</u>
<u>Net Cash Provided by Investing Activities</u>	<u>16,331</u>	<u>7,639</u>
Net Increase in Cash and Cash Equivalents	1,389,705	1,224,785
Cash and Cash Equivalents, Beginning of Year	<u>2,962,979</u>	<u>1,738,194</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,352,684</u>	<u>\$ 2,962,979</u>
Reconciliation of Operating Income to Net Assets Provided by		
Operating Income	\$ 518,997	\$ 396,085
Depreciation	223,041	263,414
Changes in Operating Assets and Liabilities:		
Accounts Payable	70,925	34,551
Compensated Absences Payable	1,878	(37,845)
Prepaid Parking Fees	9,352	101,285
Due to Fiduciary Funds	<u>919,252</u>	<u>490,540</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,743,445</u>	<u>\$ 1,248,030</u>

The accompanying Notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to government entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As permitted by accounting principles generally accepted in the United States of America, the Authority has elected to apply only Financial Accounting Standards Board ("FASB") Statements and Interpretations issued on or before November 30, 1989.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting applied by the Authority is determined by its measurement focus. The financial statements are reported using the economic measurement focus and the accrual basis of accounting. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position. Net Position (totals assets and deferred outflows net of total liabilities and deferred inflows) are segregated into investment in capital assets, restricted and unrestricted components.

The activities under the lease agreement with the New Jersey Transit Corporation are accounted for in a fiduciary fund (Agency Fund) and are not included in the Statement of Net Position (Exhibit A). Agency funds account for assets held by the Authority in a custodial capacity. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operation.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

The Authority implemented GASB 68 in the Year 2015. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2015.

The Authority has also implemented GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions (Continued)

The Authority has also implemented GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

At transition to Statement 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or non-employer contributing entity's beginning net position and expense in the initial period of implementation.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions (Continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, Authorities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Liabilities area of the balance sheet.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has three items that qualify in this category: credits on debt refundings, deferred amounts related to pension, and deferred bond premium.

Cash Equivalents and Deposits

Cash and cash equivalents, for purposes of the statement of cash flows, include restricted and unrestricted cash on hand or on deposit, certificates of deposit and investments with a maturity of three months or less.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Restricted assets represent cash, investments and receivables maintained in accordance with bond resolutions, loan agreements and other resolutions and formal actions of the Authority or by agreement for the purpose of funding certain debt service payments, depreciation and contingency activities, and improvements and extensions to the parking facilities.

Grants and Contributions

Contributions received are recorded in the period received. Developer financed construction is recorded in the period in which applicable costs are incurred. Donated assets are recorded at fair market value at time of the contribution.

Capital Assets

Property, plant and equipment constructed or purchased by the Authority as part of its parking facilities are recorded at cost. Other minor equipment purchases and the cost of repairs and maintenance are expensed as incurred.

Depreciation is determined on a straight-line basis and is provided over the following useful life:

Building	15-40 Years
Parking Lot	10-40 Years
Vehicles	10 Years
Equipment	7 Years

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets

Budgets, which are required by state statute, are adopted in accordance with regulations promulgated by the Department of Community Affairs (DCA). An annual appropriated budget is adopted for the operations of the Authority, subject to approval by the DCA. A capital program adopted by the Authority is management's six year plan for financing the estimated cost of addition or replacement of major fixed assets used in the Authority's operation.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Equity is classified as net position and displayed in three components:

- 1) Net Investment in Capital Assets - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted - when constraints placed on net position are either a) externally imposed by creditors (such as the bond resolution), grantors, or laws or regulations of other governments or b) imposed by law.

Presently, the Authority has one (2) items of restricted net position which is required by the bond resolution. These restrictions are for renewals and replacements and future debt service.

- 3) Unrestricted - any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Compensated Absences Payable

The Authority allows employees (including part-time) to earn vacation time based on the employee's length of service and time worked during the preceding year. Vacation time may be carried forward and paid at termination of the employee.

Unused sick leave may be carried forward into subsequent calendar years. Upon retirement, accumulated sick leave may be converted to a cash payment at a rate of not more than 50% of the employee's current hourly salary up to a maximum of six (6) months time. Employees hired after July 8, 2003 will be capped at a maximum of \$10,000.00. If the employee leaves for other than retirement, unused sick pay is forfeited.

It is estimated that the cost of unpaid vacation time and sick time as of December 31, 2017 and 2016 was \$16,075 and \$14,197 respectively; these amounts are reflected as an expenditure and liability in the financial statements.

Income Taxes

No provision for income taxes has been made, as the Authority is exempt from Federal and State income taxes.



PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(3) CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost. All other investments are stated at fair value.

Deposits

New Jersey statutes require that authorities deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Authorities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depositor insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(3) CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

N.J.S.A. 40A:5-15.1 provides that public funds may be invested in the following types of securities when authorized by resolution adopted by a majority vote of all its members:

- a. Bonds or other obligations of the United States of America or obligation guaranteed by the United States of America, including securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the "Investment Company Act of 1940", 54 Stat. 847 (16 U.S.C. 80a-1 et seq.), purchase and redeemed only through the use of National or State banks located within this State, if the portfolio of that investment company or investment trust is limited to bonds or other obligations of the United States of America, bonds or other obligations guaranteed by the United States of America and repurchase agreements fully collateralized by bonds or other obligations guaranteed by the United States of America, which collateral shall be delivered to or held by the investment company or investment trust, either directly or through an authorized custodian;
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal Land Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than 12 months from the date of purchase.
- c. Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part of within which the school district is located;
- d. Bonds or other obligations, having a maturity date not more than 12 months from the date of purchase, approved by the Division of Investment of the Department of the Department of Treasury for investment by local units.

N.J.S.A. 52:18A-90.4 provides that the Director of the Division of Investment may, subject to the approval of the State Investments Council and the State Treasurer, establish, maintain and operate a common trust fund to be known as the State of New Jersey Cash Management Fund in which may be deposited the surplus public moneys of the state, its counties, municipalities and school districts and the agencies or authorities created by any of these entities. This fund shall be considered a legal depositor for public moneys.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(3) CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Authority does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2017 and 2016, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balances was exposed to custodial credit risk.

Based upon the limitation set forth by New Jersey Statutes and existing investment practices, the Authority is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

As of December 31, 2017, and 2016, the Authority's deposits and investments are summarized as follows:

	<u>2017</u>	<u>2016</u>
Reconciliation to Statement of Net Position (Exhibit A):		
Unrestricted:		
Cash and Cash Equivalents	\$3,861,518	\$2,497,099
Restricted Cash and Cash Equivalents	491,166	465,880
Agency Fund Cash and Cash Equivalents (Not Included in Exhibit A)	<u>477,809</u>	<u>1,208,382</u>
	<u>\$4,830,493</u>	<u>\$4,171,361</u>

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(4) RESTRICTED ACCOUNTS

In accordance with the 1994 bond resolution, the Authority has established the following accounts for the deposit, in the priority of the order listed, of all revenues received by the Authority:

<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>USE FOR WHICH RESTRICTED</u>
Revenue Authority	All revenues received, as of the first day of each month, transfers to the various accounts described below.	Authorized operating Expenses.
Bond Service	Amount needed to equal the Bond Service Requirement as of the end of any particular month.	Principal and interest on bonds.
Renewal and Replacement	Amount needed to increase the balance to equal the Project Reserve Requirements as defined by the Resolution.	Transfers to meet major repairs, renewals and replacements. Excess may be transferred to the General Fund.
General Fund	To the extent of excess funds after prior fund transfers and other lawful purposes.	Transfers to meet minimum levels required in the Bond Service Fund.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(5) PROPERTY, PLANT AND EQUIPMENT

Activity in the fixed assets for the Authority for the year ended December 31, 2017 was as follows:

	Balance <u>Dec. 31, 2016</u>	Additions/ <u>Deletions</u>	Balance <u>Dec. 31, 2017</u>
Land	\$ 330,075	\$ -0-	\$ 330,075
Building	67,022	(1,360)	65,662
Parking Lots	8,763,212	(254,746)	8,508,466
Pedestrian Trail	-0-	328,996	328,996
Vehicle	129,639	(42,610)	87,029
Equipment	284,027	(72,331)	211,696
Construction in Progress	<u>81,939</u>	<u>(81,939)</u>	<u>-0-</u>
	9,655,914	(123,990)	9,531,924
Less: Accumulated Depreciation	<u>(2,444,567)</u>	<u>(126,120)</u>	<u>(2,570,687)</u>
Net Property, Plant and Equipment	<u>\$7,211,347</u>	<u>\$(250,110)</u>	<u>\$6,961,237</u>

(6) LONG-TERM DEBT

Series 2012 Parking Revenue Bonds - Authorized and issued \$4,720,000 dated April 17, 2012 issued to provide funds for (i) the cost of construction of a new parking facility on Alexander Road; (ii) capitalized interest on the bonds; and (iii) the expenses incurred in connection with the issuance and delivery of the bonds. These bonds are due in annual installments on each March 1st through 2043. Interest is due each March 1 and December 1, beginning December 1, 2012 at rates of 3.00% to 4.00%. The bonds are subject to redemption at the Authority's option on any principal payment date on or after March 1, 2022, at the redemption price of 100% of the principal amount of the bonds to be redeemed, plus accrued interest thereon, if any, to the date fixed for redemption.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(6) LONG-TERM DEBT (CONTINUED)

A summary of annual debt service requirements for principal and interest on the bond debt outstanding as of December 31, 2017 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Amount</u>
2018	\$105,000	\$175,200	\$280,200
2019	110,000	171,975	281,975
2020	110,000	168,125	278,125
2021	115,000	163,625	278,625
2022-2026	650,000	750,138	1,400,138
2027-2031	785,000	610,100	1,395,100
2032-2036	955,000	436,500	1,391,500
2037-2041	1,160,000	225,400	1,385,400
2042-2043	<u>530,000</u>	<u>21,400</u>	<u>551,400</u>
	<u>\$4,520,000</u>	<u>\$2,722,463</u>	<u>\$7,242,463</u>

During the year ended December 31, 2017, the following changes occurred in the Authority's 2012 bonds payable:

Balance, December 31, 2016	\$4,620,000
Principal Payment	<u>(100,000)</u>
Balance, December 31, 2017	<u>\$4,520,000</u>

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(7) PENSION PLAN

All required full-time employees of the Authority are covered by the Public Employees' Retirement System which has been established by state statute and is administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or online at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials and part-time employees, effective July 1, 2007. Part-time employees that earn an annual salary of at least \$5,000 and work less than 35 hours per week are eligible to enroll in the New Jersey Defined Contribution Plan (DCRP). The DCRP is offered through the Prudential Retirement Insurance and Annuity Company. Employees contribute 7.34% of salary and the Authority contributes 3% of salary, for a total contribution of 10.34%. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the PERS system.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(7) PENSION PLAN (CONTINUED)

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS was changed. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30-year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30-year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20-year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for PERS.

Employers are required to contribute at an actuarially determined rate for PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.



PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(7) PENSION PLAN (CONTINUED)

Contribution Requirements (Continued)

Four Year Trend Information for PERS

<u>Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2017	\$46,215	100%	\$46,215
2016	\$43,303	100%	\$43,303
2015	\$39,999	100%	\$39,999
2014	\$35,366	100%	\$35,366

DCRP Contributions

The Authority did not make DCRP contributions for the years ended December 31, 2017 and 2016.

(8) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Accounting and Financial Reporting for Pensions - GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating authority as of December 31, 2017. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(8) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68  
(CONTINUED)

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of \$1,133,046 for the Authority's proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Authority's proportion was 0.0048673716%, which was a decrease of 0.0003347607% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$85,220 for the Authority's proportionate share of the total pension expense. The pension expense recognized in the Authority's financial statement based on the April 1, 2017 billing was \$46,215.

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$26,679
Changes of assumptions	\$227,433	228,270
Net difference between projected and actual earnings on pension plan investments		7,715
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>59,666</u>	<u>49,226</u>
	<u>\$287,099</u>	<u>\$312,090</u>

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(8) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68  
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Other amounts reported by the State as the Authority's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended	
<u>June 30</u>	<u>Amount</u>
2018	\$ 64,235
2019	187,306
2020	(7,944)
2021	(194,306)
2022	<u>(24,300)</u>
	<u>\$ 24,991</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. These actuarial valuations used the following assumptions:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Inflation	2.25 Percent	3.08 Percent
Salary Increases (based on age):		
Through 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.65 Percent

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(8) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68  
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(8) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68  
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65 at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U. S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(8) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68  
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>4.00%</u>	June 30, 2017 At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
Authority's proportionate share of the pension liability	\$1,405,621	\$1,133,046	\$905,958

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(9) POST-RETIREMENT HEALTH BENEFITS

The Authority provides post-retirement health benefits to employees who retire with 25 years or more of service within the system. Employees with ten (10) or more years of service may also qualify for benefits under the Disability Retirement Provisions of the Plan. There are currently no retirees who meet this requirement and receiving benefits. In addition, there is one (1) current employee who is eligible upon retirement.

Plan Description

The Authority contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to eligible retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP.

That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

Funding Policy

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Authority on a monthly basis. Participating employers are also contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Authority's contributions to SHBP for the years ended December 31, 2017 and 2016 were \$46,376 and \$43,303, respectively.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(10) NET POSITION

The components of net position are as follows:

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
Net Position:		
Invested in Capital Assets, Net of Related Liabilities	\$2,293,490	\$2,437,730
Restricted:		
Renewal and Replacement Fund	267,185	256,335
Future Debt Service Fund	<u>195,651</u>	<u>38,579</u>
Total Restricted	<u>\$ 462,836</u>	<u>\$ 294,914</u>
Unrestricted:		
Unappropriated	\$1,821,399	\$1,290,940
Net Pension Liability	<u>(1,062,964)</u>	<u>(721,711)</u>
Total Unrestricted	<u>\$ 758,435</u>	<u>\$ 569,229</u>
Total Net Position	<u>\$3,514,761</u>	<u>\$3,301,873</u>

(11) LEASE

On December 18, 1987, the Parking Authority of the Township of West Windsor entered into a lease agreement with the New Jersey Transit Corporation for a term of five years. The Parking Authority of the Township of West Windsor and New Jersey Transit Corporation have agreed to extend the lease until December 31, 2002, to operate the railroad station and certain parking lots at the Princeton Junction Train Station, primarily its adjacent Alexander Road parking lot. A new lease extension, for periods after December 31, 2002 is currently being negotiated. The Parking Authority of the Township of West Windsor assumed responsibility for maintenance, graffiti removal, minor repairs, security, insurance, utilities, taxes, snow and ice control, parking fee collections, issuance of permits and administration of subleases.

In accordance with the lease agreement, shared costs have been allocated 74% to the New Jersey Transit Corporation and 26% to the Parking Authority of the Township of West Windsor for the years ending December 31, 2017 and 2016.



PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(11) LEASE (CONTINUED)

The lease agreement provides for annual minimum rental payments of \$1,200,000.00 and the right to increase the annual minimum rental based upon the previous year's total payment to the New Jersey Transit Corporation. Any such increase in the annual minimum rental shall not affect the Parking Authority of the Township of West Windsor's right to operate without a deficit. In addition to the annual minimum rental payments, the Parking Authority of the Township of West Windsor shall pay to the New Jersey Transit Corporation on an annual basis all excess revenues above those required to cover the approved budget.

(12) OTHER LEASES

The Authority entered into a lease agreement dated October 3, 2013 for office space at Windsor Plaza, Store #24 at 64 Princeton-Hightstown Road, West Windsor, New Jersey. The lease is for a term of five (5) years with the tenant having three (3) options to extend the term, each for five (5) years. The lease commencement date will start upon receipt of building permits for tenant's fit out. Tenant's obligation to pay base rent will commenced upon delivery and possession of space with landlord work complete and tenant fit out complete. This occurred on June 4, 2014.

The base rent for the first year is \$36,270. On the anniversary of the rental commencement date of each year after year 1, base rent shall be increased by 3%. The lease also provides that the tenant will pay 3.297% of the real property taxes and common area maintenance, insurance and management fees starting upon receipt of building permits for tenant's fit out. The lease agreement provides for an additional payment of \$1,239 for the first five (5) years to cover the cost of the tenant fit out.

The future minimum rental payments for the base rent are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2018	\$55,198
2019	<u>23,206</u>
Total	<u>\$78,404</u>

The rent payments are a shared cost under the lease agreement with the New Jersey Transit Corporation and as such, are allocated 74% to the New Jersey Transit Corporation and 26% to the Authority.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(13) CONTRACT WITH TOWNSHIP OF WEST WINDSOR – LEASE AGREEMENT

The Authority and the Township of West Windsor entered into an agreement date January 30, 2012 in connection with the construction of the new parking facility on Alexander Road (for purposes of this agreement referred to as “Compost Site”).

The Parking Authority and the Township have agreed to the following:

- a. If it is determined that remediation of certain properties is cost effective, allowing for the construction of a parking facility, the Township agrees to enter into a lease agreement with the Authority for a period of fifty (50) years for a consideration of \$1.00 per year.
- b. The Authority agrees to develop at its own cost a parking facility for approximately 650 vehicles for West Windsor residents, unless the Authority makes the facility available for residents residing outside of West Windsor Township.
- c. The Township agrees to guarantee the bonds and/or notes necessary to finance the costs for the construction of the parking facility, in consideration for which, the Authority agrees that it will share the 10% “Net” revenues generated from the parking facility on the compost site, as well as other parking facilities owned by the Parking Authority which operates at the Princeton Junction/ West Windsor Train Station.
- d. The Parking Authority and the Township also agree to enter into a lease agreement whose term shall commence on January 31, 2012 and shall terminate on January 31, 2062 but may by mutual written agreement of both parties be extended. In consideration for this lease agreement the Parking Authority agrees to pay the Township the sum of \$50,000.00, for years 1 through 10 of the lease agreement, in addition to the 10% “Net” revenues generated from the parking facility on the Compost Site. Six months prior to the end of year ten (10) of the lease agreement, the parties shall re-negotiate the lease terms and annual payment due.

PARKING AUTHORITY OF THE TOWNSHIP WEST WINDSOR  
(A COMPONENT UNIT OF THE TOWNSHIP OF WEST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(14) AMOUNTS REQUIRED BY BOND RESOLUTION

The following cash and investment accounts are required by the May 1, 1994 bond resolution:

	<u>2017</u>	<u>2016</u>
Renewal and Replacement Account:		
Cash and Cash Equivalents and Other Assets	\$295,515	\$265,521
Renewal and Replacement Requirement	<u>267,185</u>	<u>256,335</u>
Excess	\$ <u>28,330</u>	\$ <u>9,186</u>
Bond Service Account:		
Cash on Hand, Cash Equivalents and Other Assets	\$195,651	\$200,359
Bond Service Requirement	<u>195,651</u>	<u>191,388</u>
Excess	\$ <u>-0-</u>	\$ <u>8,971</u>

(15) RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There was no reduction in commercial coverage during the year.

The Authority has elected to provide unemployment insurance coverage through participation in the State of New Jersey Plan, under the contribution method. Under this method the Authority pays employee deductions and an employer's share at a rate set by the Department of Labor and Industry.

(16) SUBSEQUENT EVENTS

The Authority has evaluated subsequent events occurring after the financial statement date through July 21, 2018, which is the date the financial statements were available to be issued. Based on this evaluation, the Authority has determined that no subsequent events have occurred which require disclosure in the financial statements.

(17) LITIGATION, CLAIMS, COMMITMENTS AND CONTINGENCIES

In the ordinary conduct of its business, the Authority may be a party to litigation. At December 31, 2017, in the opinion of management based upon consultation with legal counsel, there were no matters pending or threatened which would have a material adverse effect on the financial position of the Authority.

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## **SUPPLEMENTARY INFORMATION**



SCHEDULE "1"

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR  
(A Component Unit of The Township of West Windsor)

SCHEDULE OF REVENUES AND APPROPRIATIONS  
COMPARED TO BUDGET - YEAR ENDED DECEMBER 31, 2017  
WITH COMPARATIVE ACTUAL TOTAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Anticipated Revenues:			
Operating Revenues:			
User Charges	\$ 1,284,000	\$ 1,300,558	\$ 1,255,332
Other Income	32,800	73,486	
Total Operating Revenues	<u>1,316,800</u>	<u>1,374,044</u>	<u>1,255,332</u>
Non-Operating Revenues:			
Interest Income		16,331	7,639
Total Non-Operating Revenues		<u>16,331</u>	<u>7,639</u>
Unreserved Retained Earnings			
Total Revenues Including Unreserved Retained Earnings	<u>1,316,800</u>	<u>1,390,375</u>	<u>1,262,971</u>
Budget Appropriations:			
Cost of Providing Services:			
Enforcement Costs	73,500	25,183	26,598
Enforcement Salaries	36,000	46,069	48,163
Office Supplies and Expense	30,000	15,782	
Insurance	50,220	26,864	25,456
Lighting and Heating	23,000	27,518	25,648
Lot and Trail Maintenance	96,000	42,437	34,409
Lawn and Landscape	18,000	11,665	
Snow Removal	260,000	135,028	162,064
Trash Removal	6,000	5,453	5,061
Total Costs of Providing Services	<u>592,720</u>	<u>335,999</u>	<u>327,399</u>
Administrative and General Expenses:			
Office Salaries	75,600	38,500	43,800
Employee Benefits	54,000	44,173	88,387
Office Supplies and Expense	32,500	76,251	81,439
Professional Fees	17,280	49,156	39,609
Rent Expense	30,000	14,441	15,199
Total Administrative and General Expenses	<u>209,380</u>	<u>222,521</u>	<u>268,434</u>
Total Budget Appropriations	<u>802,100</u>	<u>558,520</u>	<u>595,833</u>
Other Costs Funded by Operating Revenues:			
Principal on Bonds	100,000	100,000	100,000
Interest on Bonds	174,404	171,393	174,733
Capital Outlay			38,569
Township Land Lease Payment	42,206	80,248	50,000
Reserve for Renewal and Replacement	10,850	10,850	10,850
Total Other Costs Funded by Operating Reserves	<u>327,460</u>	<u>362,491</u>	<u>374,152</u>
Total Costs Funded by Revenues	1,129,560	921,011	969,985
Anticipated Surplus (Deficit)	<u>\$ 187,240</u>	<u>\$ 469,364</u>	<u>\$ 292,986</u>

SCHEDULE "2"

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR  
(A Component Unit of The Township of West Windsor)

SCHEDULE OF REVENUE BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Date of</u> <u>Issue</u>	<u>Amount</u> <u>Original</u> <u>Issue</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Amount</u>
Parking Revenue Bonds- Series 2013	3/1/2012	\$ 4,720,000.00	3.00-4.00%	3/1/2018	\$ 105,000.00
				3/1/2019	110,000.00
				3/1/2020	110,000.00
				3/1/2021	115,000.00
				3/1/2022	120,000.00
				3/2/2023	125,000.00
				3/1/2024	130,000.00
				3/1/2025	135,000.00
				3/1/2026	140,000.00
				3/1/2027	145,000.00
				3/1/2028	150,000.00
				3/1/2029	155,000.00
				3/1/2030	165,000.00
				3/1/2031	170,000.00
				3/1/2032	175,000.00
				3/1/2033	185,000.00
				3/1/2034	190,000.00
				3/1/2035	200,000.00
				3/1/2036	205,000.00
				3/1/2037	215,000.00
				3/1/2038	225,000.00
				3/1/2039	230,000.00
				3/1/2040	240,000.00
				3/1/2041	250,000.00
				3/1/2042	260,000.00
				3/1/2043	270,000.00
					<u>\$ 4,520,000.00</u>



PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PUBLIC EMPLOYEES RETIREMENT SYSTEM LAST TEN YEARS

Fiscal Year Ending June 30,	Authority's Proportion Share of the Net Pension Liability (Asset)	Authority's Proportionate Share of the Net Pension Liability (Asset)	Authority's Covered-Employee Payroll	Authority's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2014	0.0048519772%	\$ 908,423	\$ 347,436	261.46%	40.71%
2015	0.0050368033%	\$ 1,130,661	\$ 357,872	315.94%	42.74%
2016	0.0052021323%	\$ 1,540,722	\$ 437,627	352.06%	40.13%
2017	0.0048673716%	\$ 1,133,046	\$ 445,277	254.46%	48.10%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR

SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS

PUBLIC EMPLOYEES RETIREMENT SYSTEM LAST TEN YEARS

<u>Fiscal Year Ending June 30.</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Authority's Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered- Employee Payroll</u>
2014	\$ 35,366	\$ 35,366	\$ -0-	\$ 347,436	10.18%
2015	\$ 39,999	\$ 39,999	\$ -0-	\$ 357,872	11.18%
2016	\$ 43,303	\$ 43,303	\$ -0-	\$ 437,627	9.89%
2017	\$ 46,215	\$ 46,215	\$ -0-	\$ 445,277	10.38%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

NOTE TO RSI III  
FOR THE YEAR ENDED DECEMBER 31, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms      None

Change in assumptions      The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (2.85%) to the current measurement date (3.58%), resulting in a change in the discount rate from 3.98% to 5.00%. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.



PARKING AUTHORITY OF THE TOWNSHIP OF WEST WINDSOR

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

NOTE TO RSI III  
FOR THE YEAR ENDED DECEMBER 31, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms      None

Change in assumptions      The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (2.85%) to the current measurement date (3.58%), resulting in a change in the discount rate from 3.98% to 5.00%. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.





