

WOODBRIAGE REDEVELOPMENT AGENCY
(A component unit of the Township of Woodbridge)
REPORT OF AUDIT
FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019

WOODBRIIDGE REDEVELOPMENT AGENCY

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Woodbridge Redevelopment Agency
Woodbridge, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the Woodbridge Redevelopment Agency, a component unit of the Township of Woodbridge, as of and for the fiscal years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Woodbridge Redevelopment Agency'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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Woodbridge Redevelopment Agency as of June 30, 2020 and 2019, and the respective changes in its financial position and its cash flows for the fiscal 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 and analysis 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Woodbridge Redevelopment Agency's basic financial statements as a whole. The supplementary schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary schedule listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary schedule listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 19, 2021 on our consideration of the Woodbridge Redevelopment Agency'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 Woodbridge Redevelopment Agency's internal control over financial reporting and compliance.



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

Fair Lawn, New Jersey
April 19, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)

**WOODBIDGE REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020**

This section of the Woodbridge Redevelopment Agency's ("Agency") annual financial report presents our discussion and analysis of the Agency's financial performance during the fiscal year ended on June 30, 2020. Please read it in conjunction with the Agency's basic financial statements and accompanying notes.

The purpose of the Agency is to carryout the redevelopment plans of the Township of Woodbridge.

FINANCIAL HIGHLIGHTS

- The Agency's assets exceeded its liabilities at June 30, 2020 by \$2,364,281.
- The Agency's total assets decreased by \$4,606,465.
- Operating revenues decreased by \$7,315,121.
- Operating expenses decreased by \$15,812,237.
- Operating loss decreased by \$8,497,116.

OVERVIEW OF FINANCIAL STATEMENTS

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Agency is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Enterprise fund financial statements offer short- and long-term financial information about the activities and operations of the Agency. These statements are presented in the Government Accounting Standards Board ("GASB") prescribed manner.

FINANCIAL ANALYSIS OF THE AGENCY

The following is a summary of the Agency's financial position as of June 30, 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current Assets	\$ 1,500,435	\$ 6,106,900	\$ 16,004,605
Noncurrent Assets	<u>1,389,500</u>	<u>1,389,500</u>	<u>1,631,055</u>
Total Assets	<u>2,889,935</u>	<u>7,496,400</u>	<u>17,635,660</u>
Current Liabilities	<u>525,654</u>	<u>3,065,725</u>	<u>2,679,619</u>
Total Liabilities	<u>525,654</u>	<u>3,065,725</u>	<u>2,679,619</u>
Net Position:			
Net Investment in Capital Assets		-	241,555
Restricted for Affordable Housing	1,876,169	2,441,345	2,102,402
Restricted for Red Oak Project	221,006	1,866,042	11,726,202
Unrestricted	<u>267,106</u>	<u>123,288</u>	<u>885,882</u>
Total Net Position	<u>\$ 2,364,281</u>	<u>\$ 4,430,675</u>	<u>\$ 14,956,041</u>

**WOODBRIIDGE REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)**

FINANCIAL ANALYSIS OF THE AGENCY (Continued)

The Agency's Net Position decreased \$2,066,394 or 46.6% in fiscal year 2020. Key elements of this change include the net of: i) a decrease of \$565,176 in restricted for affordable housing, ii) a decrease of \$1,645,036 in restricted for red oak project and iii) an increase of \$143,818 in unrestricted net position as of June 30, 2020.

Operating Activities – The following table summarizes the revenues, expenses and changes in net position for the fiscal years ended June 30, 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPERATING REVENUES			
Redevelopers' Reimbursements	\$ 486,019	\$ 225,883	\$ 231,002
Township Contribution - Local Subsidy	250,000	150,000	200,000
Township Affordable Housing Contribution		1,000,000	-
Avenel Arts Project Contributions		7,076,304	1,009,564
Red Oak Project Contributions		-	12,165,220
Contribution of Property Held for Redevelopment		-	368,555
Developer Contribution - Red Oak Property			
Acquisition	240,000	-	-
Intergovernmental Grants	-	-	2,000
Miscellaneous Fees	<u>506,675</u>	<u>345,628</u>	<u>409,593</u>
 Total Operating Revenues	 <u>1,482,694</u>	 <u>8,797,815</u>	 <u>14,385,934</u>
 OPERATING EXPENSES			
Salaries and Wages	216,461	193,453	172,360
Other Expenses	3,343,678	18,937,368	2,408,494
Disposition of Property Held for Redevelopment	<u>-</u>	<u>241,555</u>	<u>127,000</u>
 Total Operating Expenses	 <u>3,560,139</u>	 <u>19,372,376</u>	 <u>2,707,854</u>
 OPERATING INCOME (LOSS)	 <u>(2,077,445)</u>	 <u>(10,574,561)</u>	 <u>11,678,080</u>
 NON-OPERATING REVENUES			
Interest Income	<u>11,051</u>	<u>49,195</u>	<u>7,512</u>
 CHANGE IN NET POSITION	 (2,066,394)	 (10,525,366)	 11,685,592
 NET POSITION, BEGINNING OF YEAR	 <u>4,430,675</u>	 <u>14,956,041</u>	 <u>3,270,449</u>
 NET POSITION, END OF YEAR	 <u>\$ 2,364,281</u>	 <u>\$ 4,430,675</u>	 <u>\$ 14,956,041</u>

**WOODBIDGE REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020
(Continued)**

FINANCIAL ANALYSIS OF THE AGENCY (Continued)

Operating Revenues decreased \$7,315,121 in fiscal year 2020 mainly due to the net result of the following: i) decreased amounts received for costs associated with the Avenel Arts Center project; and ii) decreased amounts received from the Township's Affordable Housing Trust Fund to reimburse costs associated with the Pennrose Cedar Meadows affordable housing project.

Operating Expenses decreased \$15,812,237 or 81.6% in fiscal year 2020 mainly due to the net result of the following: i) decreased expenses related to the Red Oak (Stern Tower) project; ii) decreased expenses related to the Avenel Arts Center project; and iii) decreased expenses related to the Pennrose Cedar Meadows affordable housing project.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Agency had the following capital assets as of June 30, 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Property Held for Redevelopment	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 241,555</u>

Debt

The Agency had no outstanding debt at June 30, 2020, 2019 and 2018.

OTHER FINANCIAL INFORMATION

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The budget for the fiscal year ended June 30, 2021 was approved by the Division of Local Government Services and adopted by the Agency.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Township of Woodbridge, New Jersey citizens and redevelopers with a general overview of the Agency's finances to demonstrate the Woodbridge Redevelopment Agency's accountability for the revenues it receives. If you have questions about this report or need additional financial information, contact the office of the Executive Director at One Main Street, Woodbridge, New Jersey 07095.

FINANCIAL STATEMENTS

WOODBRIIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u> (Restated)
ASSETS		
Unrestricted Current Assets		
Cash and Cash Equivalents	\$ 931,507	\$ 2,199,542
Total Unrestricted Current Assets	<u>931,507</u>	<u>2,199,542</u>
Restricted Current Assets		
Escrow Account		
Cash and Cash Equivalents	285,369	491,900
Affordable Housing Account		
Cash and Cash Equivalents	51,598	51,845
Red Oak Project Construction Account		
Cash and Cash Equivalents	221,006	3,352,052
Escrow Deposits Receivable	<u>10,955</u>	<u>11,561</u>
Total Restricted Current Assets	<u>568,928</u>	<u>3,907,358</u>
Total Current Assets	<u>1,500,435</u>	<u>6,106,900</u>
Noncurrent Assets		
Loans Receivable	<u>1,389,500</u>	<u>1,389,500</u>
Total Noncurrent Assets	<u>1,389,500</u>	<u>1,389,500</u>
Total Assets	<u>2,889,935</u>	<u>7,496,400</u>

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF NET POSITION
AS OF JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u> (Restated)
LIABILITIES		
Current Liabilities (Payable from Unrestricted Assets)		
Accounts Payable	\$ 94,717	\$ 941,627
Unearned Revenue	<u>135,526</u>	<u>135,526</u>
Total Current Liabilities (Payable from Unrestricted Assets)	<u>230,243</u>	<u>1,077,153</u>
Current Liabilities (Payable from Restricted Assets)		
Accounts Payable	54,199	1,544,971
Escrow Deposits Payable	<u>241,212</u>	<u>443,601</u>
Total Current Liabilities (Payable from Restricted Assets)	<u>295,411</u>	<u>1,988,572</u>
Total Current Liabilities	<u>525,654</u>	<u>3,065,725</u>
NET POSITION		
Restricted For:		
Affordable Housing	1,876,169	2,441,345
Red Oak Project	221,006	1,866,042
Unrestricted	<u>267,106</u>	<u>123,288</u>
Total Net Position	<u>\$ 2,364,281</u>	<u>\$ 4,430,675</u>

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u> (Restated)
OPERATING REVENUES		
Redeveloper Reimbursements	\$ 486,019	\$ 225,883
Township Contribution - Local Subsidy	250,000	150,000
Township Contribution - Affordable Housing		1,000,000
Avenel Arts Center Contributions:		
Township General Capital Fund		700,000
Township Recreation Utility		1,385,868
Intergovernmental Grants		4,990,436
Developer Contribution - Red Oak Project Property Acquisition	240,000	-
Miscellaneous Fees	<u>506,675</u>	<u>345,628</u>
 Total Operating Revenues	 <u>1,482,694</u>	 <u>8,797,815</u>
OPERATING EXPENSES		
Salaries and Wages	216,461	193,453
Other Expenses		
Avenel Arts Center Expenses	158,925	7,941,963
Red Oak Project Expenses	1,887,684	9,894,689
Affordable Housing Expenses	564,929	661,135
Redeveloper Expenses	486,019	215,883
Miscellaneous	246,121	223,698
Disposition of Property Held for Redevelopment	<u>-</u>	<u>241,555</u>
 Total Operating Expenses	 <u>3,560,139</u>	 <u>19,372,376</u>
 OPERATING LOSS	 <u>(2,077,445)</u>	 <u>(10,574,561)</u>
NON-OPERATING REVENUES		
Interest Income	<u>11,051</u>	<u>49,195</u>
 Total Non-Operating Revenues	 <u>11,051</u>	 <u>49,195</u>
 CHANGE IN NET POSITION	 <u>(2,066,394)</u>	 <u>(10,525,366)</u>
Total Net Position, Beginning of Year	<u>4,430,675</u>	<u>14,956,041</u>
Total Net Position, End of Year	<u>\$ 2,364,281</u>	<u>\$ 4,430,675</u>

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Redevelopers Reimbursements	\$ 284,211	\$ 259,546
Cash Received from Developer - Property Acquisition	240,000	
Cash Received for Avenel Arts Center		8,085,868
Cash Received from Municipal Contribution	250,000	150,000
Cash Received from Township Affordable Housing		1,000,000
Cash Received from Miscellaneous Fees	506,675	345,628
Cash Paid for Providing Services	(5,681,360)	(18,459,630)
Cash Paid for Employees	<u>(216,461)</u>	<u>(193,453)</u>
Net Cash Used for Operating Activities	<u>(4,616,935)</u>	<u>(8,812,041)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest Received from Escrow Deposits	<u>25</u>	<u>19</u>
Net Cash Provided by NonCapital Financing Activities	<u>25</u>	<u>19</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>11,051</u>	<u>49,195</u>
Net Cash Provided by Investing Activities	<u>11,051</u>	<u>49,195</u>
Net Decrease in Cash and Cash Equivalents	(4,605,859)	(8,762,827)
Cash and Cash Equivalents, Beginning of Year	<u>6,095,339</u>	<u>14,858,166</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,489,480</u>	<u>\$ 6,095,339</u>
ANALYSIS OF BALANCE AT JUNE 30,		
Unrestricted - Cash and Cash Equivalents	\$ 931,507	\$ 2,199,542
Restricted - Cash and Cash Equivalents	<u>557,973</u>	<u>3,895,797</u>
	<u>\$ 1,489,480</u>	<u>\$ 6,095,339</u>

**WOODBIDGE REDEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating Loss	\$ <u>(2,077,445)</u>	\$ <u>(10,574,561)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities		
(Increase) Decrease in Escrow Deposits Receivable	606	(3,060)
(Increase) Decrease in Due from Redeveloper		128,374
(Increase) Decrease in Intergovernmental Grants Receivable		1,009,564
(Increase) Decrease in Property Held for Redevelopment		241,555
Increase in Accounts Payable	(2,337,682)	477,738
Increase (Decrease) in Escrow Deposits Payable	<u>(202,414)</u>	<u>(91,651)</u>
Total Adjustments	<u>(2,539,490)</u>	<u>1,762,520</u>
Net Cash Used for Operating Activities	\$ <u>(4,616,935)</u>	\$ <u>(8,812,041)</u>

NOTES TO THE FINANCIAL STATEMENTS

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity and Activities

The Woodbridge Redevelopment Agency (the "Agency") is a public body corporate and politic of the State of New Jersey. The Agency was created by Township ordinance pursuant to the provisions of N.J.S.A. 40A:12A-1, et seq., for the purpose of carrying out the redevelopment plans for the Township of Woodbridge. The Agency is empowered to exercise public and essential government functions, including acquisition, condemnation, clearance, renovation and redevelopment of property in designated blighted areas and to carry out redevelopment plans for the Township of Woodbridge.

The Agency is governed by a Board of Commissioners (the "Board") consisting of seven members, who are appointed by the Mayor with the advice and consent of the Township Council. The Board of Commissioners determines policy actions, approves resolutions and selects an executive director to be responsible for the overall operation of the Agency.

On August 5, 1992, the Legislature of the State of New Jersey adopted the Local Redevelopment and Housing Law (NJSA 40A:12A-1 et. seq.) which became effective on a retroactive basis to January 1, 1992. This law requires all redevelopment agencies to be subject to the provisions of the "Local Authorities Fiscal Control Law". As a result of this legislation, the Woodbridge Redevelopment Agency is subject to the laws, rules and regulations promulgated for Authorities in the State of New Jersey and must report to the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The Woodbridge Redevelopment Agency includes in its financial statements the primary government and those component units for which the primary government is financially accountable. Component units are legally separate organizations for which the Agency is financially accountable or other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Agency is financially accountable for an organization if the Agency appoints a voting majority of the organization's board, and (1) the Agency is able to significantly influence the programs or services performed or provided by the organization; or (2) the Agency is legally entitled to or can otherwise access the organization's resources; the Agency is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization, or the Agency is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Agency in that the Agency approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the Agency has no component units. The Agency would be includable as a component unit of the Township of Woodbridge on the basis of such criteria.

B. New Accounting Standards

The Agency did not adopt any new GASB Statements during the fiscal years ended June 30, 2020 and 2019.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

**WOODBRIIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Agency are organized and operated on the basis of funds. The agency maintains an Enterprise Fund to account for its operations. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related, legal and contractual provisions. A description of the Agency's fund type it maintains to account for its financial transactions is as follows:

Proprietary Fund Types – This fund type accounts for operations that are organized to be self-supporting and includes Enterprise Funds. An enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the entity has decided that the periodic determination of revenues earned, costs incurred and/or net income is appropriate for management accountability purposes.

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

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Agency has elected not to follow FASB guidance issued subsequent to December 1, 1989.

**WOODBRIIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of operations and services and administrative expenses. The Agency considers transactions pertaining to property held for redevelopment to be operating revenues and expenses since these transactions are connected with its principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Net Position

1. **Cash, Cash Equivalents and Investments** – The Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Investments are stated at fair value and are limited by N.J.S.A. 40A:5-15.1.
2. **Restricted Assets** – Certain assets are classified restricted because they are maintained in separate bank accounts and their use is limited as the result of certain agreements entered into between the Agency and third parties.
3. **Net Position** – In the statement of net position, there are three classes of net position:
 - **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.
 - **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
 - **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.
4. **Use of Estimates** – The preparation of financial statements requires management of the Agency to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

E. Budgetary Information

An annual operating budget is prepared and adopted each fiscal year by the Agency. The budget is prepared in accordance with the Budget Manual for Local Authorities as promulgated by the Division of Local Government Services which differs in certain respects from accounting principles generally accepted in the United States of America. The Agency may at their discretion modify the budget subsequent to adoption. The legal level of budget control is defined in the Agency as the current budget plus other available funds. Unencumbered appropriations lapse at year-end.

F. Revenue Recognition

The Township's subsidies to the Agency are recognized as operating revenue when they become available in the Township's budget. Grants received are recognized as revenue when the resources are expended for the purpose specified in the grant agreement. Grant funds received and the related program income not yet expended are reported as unearned revenue.

NOTE 2 DEPOSITS AND INVESTMENTS

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

**WOODBRIIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020 and 2019, the book value of the Agency's deposits were \$1,489,480 and \$6,095,339, respectively, and the bank balance of the Agency's cash and deposits amounted to \$1,698,901 and \$6,097,532, respectively.

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2020</u>	<u>2019</u>
Insured		
Restricted	\$604,523	\$3,897,990
Unrestricted	<u>1,094,378</u>	<u>2,199,542</u>
	<u>\$1,698,901</u>	<u>\$6,097,532</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Agency does not have a formal policy for custodial credit risk. As of June 30, 2020 and 2019, none of the Agency's bank balances were exposed to custodial credit risk.

Investments – The Agency is permitted to invest unrestricted operating funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Agency or bonds or other obligations of the school districts which are part of the Agency or school districts located within the Agency, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e). As of June 30, 2020 and 2019 the Agency has no outstanding investments.

NOTE 3 LOANS RECEIVABLE

The Agency entered into a loan agreement on December 22, 2017 with Cedar Meadows Housing Association for an amount not to exceed \$2,000,000. As of June 30, 2020 and 2019, the principal amount of the loan outstanding is \$1,389,500 and shall bear no interest. A revised loan agreement for the actual amount is being prepared. Principal on the loan shall be repaid to the Agency on December 22, 2047. No principal payments are due under this loan prior to December 22, 2047.

NOTE 4 CAPITAL ASSETS

The Agency had no capital assets activity for the year ended June 30, 2020.

The Agency had the following capital asset activity for the year ended June 30, 2019:

	Balance July 1, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2019</u>
<u>2019</u>				
Capital assets, not being depreciated:				
Property Held for Redevelopment	\$ 241,555	\$ -	\$ 241,555	\$ -
Total capital assets, not being depreciated	<u>241,555</u>	<u>-</u>	<u>241,555</u>	<u>-</u>
Total capital assets, net	<u>\$ 241,555</u>	<u>\$ -</u>	<u>\$ 241,555</u>	<u>\$ -</u>

**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 5 EMPLOYEE RETIREMENT SYSTEMS

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

Post-Retirement Medical Benefits

The Agency currently does not provide employer paid post-retirement medical benefits to its active or retired employees.

NOTE 6 RISK MANAGEMENT

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

NOTE 7 INTERLOCAL AGREEMENT

The Township of Woodbridge and the Agency have entered into an Interlocal Agreement during 2007 for the purpose of the Township supporting the Agency in various ways to facilitate the Agency's redevelopment efforts until the Agency can become self sustaining. The term of this Interlocal Agreement shall commence retroactively to January 1, 2007 and shall conclude upon the earlier of (i) termination by the Township in writing to the Agency, or (ii) the Agency determining that it is able to fund its operation and terminating the Agreement.

NOTE 8 OTHER MATTERS

On July 26, 2011, the Township of Woodbridge adopted the Cooper Towers Rehabilitation Plan for the rehabilitation of certain properties in the Township and appointed the Agency to act as the Redevelopment Entity for the Cooper Towers Rehabilitation Area. The Township transferred \$2,250,000 from the Affordable Housing Trust Fund to pay for the costs associated with this project. The cumulative affordable housing expenses incurred by the Agency for the fiscal years ended June 30, 2020 and 2019 for this project was \$2,201,136 and \$2,201,136, respectively.

In fiscal year 2013 the Agency received \$2,600,000 from the sale of property held for redevelopment. The proceeds of this sale are to be utilized to develop affordable housing in connection with the Camel Creek Rehabilitation Plan. In fiscal year 2019 the Township contributed an additional \$1,000,000 toward the Camel Creek Rehabilitation Plan. The cumulative affordable housing expenses incurred by the Agency for the fiscal years ended June 30, 2020 and 2019 for this project was \$3,164,802 and \$2,599,873, respectively.

On December 17, 2015, the Agency entered in a Grant Agreement with the County of Middlesex to receive a grant in the amount of \$6,000,000. The grant proceeds are to be utilized to construct a new 10,000 square foot cultural community center (the "Avenel Arts Center") which will provide a broad range of public exposure and participation in cultural-arts based activities and events. In fiscal year 2019 the Township contributed an additional \$2,085,868 to be utilized for costs associated with this project. The cumulative expenses incurred by the Agency for the fiscal years ended June 30, 2020 and 2019 for the Avenel Arts Center project was \$9,110,452 and \$8,951,527, respectively.

**WOODBRIIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 8 OTHER MATTERS (Continued)

On April 5, 2016, the Township of Woodbridge and the Agency entered in a Shared Service Agreement related to the administration of the Township’s abandoned properties. The Agency shall provide the following services under this agreement: i) identify and inventory abandoned properties located in the Township (referred to as the “Abandoned Property List”); ii) provide any and all notices required by state statute; iii) provide for property inspections and registration of abandoned properties including the collection of fees and penalties; iv) establish rules and procedures governing appeals challenging the inclusion of any property on the Abandoned Property List; v) exercise available legal remedies associated with the Abandoned Property List; and vi) maintain reports, records and accounts of all properties included on the Abandoned Property List.

On April 13, 2018, the Township of Woodbridge, the Agency, the Housing Authority of the Township of Woodbridge and Wick Redevelopment Group Woodbridge, LLC (the “Redeveloper”) entered into a redevelopment agreement which contemplates two (2) projects to be constructed by the Redeveloper, one on the Red Oak property and the other on the Stern Tower property. The Red Oak project to be constructed on the Red Oak property will include a 60-unit residential building for the current residents of the Stern Tower property. Once the Stern Tower property is vacated and the current residents are relocated to the new 60-unit residential building on the Red Oak property, it shall be conveyed by the Agency to the Redeveloper. The Redeveloper shall then demolish the existing structure on the Stern Tower property and construct a maximum 138-unit residential building, consisting of 117 market rate units and 21 affordable housing units and parking. The cumulative expenses incurred by the Agency for the fiscal years ended June 30, 2020 and 2019 for the Red Oak project was \$12,224,324 and \$10,336,640, respectively.

On June 17, 2020, the Agency entered into a grant agreement with the State of New Jersey to receive a grant in the amount of \$7,609,062. The grant proceeds are to be utilized for a freight rail project in conjunction with the “Raritan Center North American Beverage Packing Company, LLC Rail Facility” project. The terms of the grant require the Agency provide 10% in matching funds in the amount of \$845,451.

NOTE 9 PRIOR PERIOD ADJUSTMENT

The Agency has restated the financial statements for the fiscal year ended June 30, 2019 to record a Loan Receivable due from Cedar Meadows Housing Association for costs paid by the Agency that were previously expensed in accordance with the loan agreement between parties. The effect of this restatement is an increase in loans receivable and restricted net position reserved for affordable housing in the amount of \$1,389,500 as of June 30, 2019 as presented below:

Statement of Net Position - June 30, 2019

	<u>As Originally Reported</u>	<u>As Adjusted</u>	<u>Effect of Change</u>
ASSETS			
NonCurrent Assets			
Loans Receivable		\$ 1,389,500	\$ 1,389,500
Total NonCurrent Assets		1,389,500	1,389,500
Total Assets	\$ 6,106,900	7,496,400	1,389,500
NET POSITION			
Restricted For:			
Affordable Housing	1,051,845	2,441,345	1,389,500
Total Net Position	3,041,175	4,430,675	1,389,500

**Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ending June 30, 2019**

Total Net Position, Beginning of Year	\$ 13,566,541	\$ 1,389,500	\$ 14,956,041
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**WOODBIDGE REDEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 10 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Agency expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the Agency. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State’s economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Agency cannot predict how the outbreak will impact the financial condition or operations of the Agency, or if there will be any impact on the assessed values of property within Agency. The Agency cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in Agency revenues.

SUPPLEMENTARY SCHEDULE

WOODBRIIDGE REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
BUDGETARY BASIS

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020 Adopted Budget	2020 Actual	Variance Excess (Deficit)	2019 Actual
OPERATING REVENUES				
Administrative Fees	\$ 247,500	\$ 413,537	\$ 166,037	\$ 215,000
Abandoned Property Registration Fees	115,000	93,000	(22,000)	130,000
Miscellaneous Revenues	-	138	138	628
	<u>362,500</u>	<u>506,675</u>	<u>144,175</u>	<u>345,628</u>
NON-OPERATING REVENUES				
Township Contribution (A)	150,000	250,000	100,000	150,000
Interest	100	8,335	8,235	14,576
	<u>150,100</u>	<u>258,335</u>	<u>108,235</u>	<u>164,576</u>
	<u>512,600</u>	<u>765,010</u>	<u>252,410</u>	<u>510,204</u>
OPERATING APPROPRIATIONS				
ADMINISTRATION				
Salaries and Wages	\$ 210,950	\$ 216,461	\$ (5,511)	\$ 193,453
Other Expenses	5,000	80,838	(75,838)	3,632
	<u>215,950</u>	<u>297,299</u>	<u>(81,349)</u>	<u>197,085</u>
COST OF PROVIDING SERVICES				
Other Expenses	331,500	165,283	166,217	220,066
	<u>331,500</u>	<u>165,283</u>	<u>166,217</u>	<u>220,066</u>
	<u>547,450</u>	<u>462,582</u>	<u>84,868</u>	<u>417,151</u>
	<u>\$ (34,850)</u>	<u>\$ 302,428</u>	<u>\$ 337,278</u>	<u>\$ 93,053</u>

(A) The Agency considers this revenue to be an operating revenue for financial reporting purposes.

WOODBRIIDGE REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
BUDGETARY BASIS
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2019)

	2020 Adopted <u>Budget</u>	2020 <u>Actual</u>	Variance Excess (Deficit)	2019 <u>Actual</u>
Budgetary Income (Brought Forward)	\$ (34,850)	\$ 302,428	\$ 337,278	\$ 93,053
Reconciliation of Budgetary Income to Change in Net Position - GAAP				
Increases to Budgetary Income:				
Township Contribution - Affordable Housing				1,000,000
Avenel Arts Project Contributions				7,076,304
Developer Contribution - Property Acquisition		240,000		
Redeveloper Reimbursements		486,019		225,883
Interest Earned - Restricted Accounts		2,716		34,619
Decreases to Budgetary Income:				
Affordable Housing Expenses		(564,929)		(661,135)
Avenel Arts Center Expenses		(158,925)		(7,941,963)
Red Oak Project Expenses		(1,887,684)		(9,894,689)
Disposition of Property Held for Redevelopment				(241,555)
Redeveloper Expenses		<u>(486,019)</u>		<u>(215,883)</u>
Change in Net Position		<u>\$ (2,066,394)</u>		<u>\$(10,525,366)</u>

GOVERNMENT AUDITING STANDARDS REPORT



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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CHRISTOPHER M. VINCI, CPA
CHRISTINA CUIFFO, CPA

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

Honorable Chairman and Members of the Board
Woodbridge Redevelopment Agency
Woodbridge, 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 Woodbridge Redevelopment Agency, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Woodbridge Redevelopment Agency's basic financial statements, as listed in the table of contents, and have issued our report thereon dated April 19, 2021.

Internal Control over Financial Reporting

Management of the Woodbridge Redevelopment Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the Woodbridge Redevelopment Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Woodbridge Redevelopment Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Woodbridge Redevelopment Agency's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Woodbridge Redevelopment Agency'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 Woodbridge Redevelopment Agency'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 Woodbridge Redevelopment Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

Fair Lawn, New Jersey
April 19, 2021

ROSTER OF OFFICIALS
AND
GENERAL COMMENTS AND RECOMMENDATIONS

ROSTER OF OFFICIALS

JUNE 30, 2020

<u>Name</u>	<u>Title</u>
Henry Haidacher	Chairperson
Robert Gillespie	Vice-Chairperson
John Ur	Commissioner
Hope Ann Kondrk	Commissioner
Laura Kohut	Commissioner
Cory S. Spillar	Commissioner
Brian Small	Commissioner
John E. McCormac	Mayor
Caroline Ehrlich	Executive Director
Marta Darden	Director of Planning
Rose Ruvolo	Chief Accountant
Heather LaMotta	Deputy Executive Director

COMMENTS/RECOMMENDATIONS

There are none.

Status of Prior Year's Audit Comments and Recommendations

There were none.

Appreciation

We desire to express our appreciation of the assistance of the Executive Director and Agency staff during the course of our audit.

Respectfully submitted,



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