

**Financial Report**

of

**The Parking Authority of the  
Borough of Point Pleasant Beach**

For the Years Ended April 30, 2016 and 2015

Prepared By

The Parking Authority of the Borough of Point Pleasant Beach

Finance Department

**THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH**

**INDEX**

	<u>PAGE NUMBER</u>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4-5
Management's Discussion and Analysis (Unaudited)	6-8
<b>BASIC FINANCIAL STATEMENTS</b>	
<b><u>EXHIBITS</u></b>	
"A" Statements of Net Position - April 30, 2016 and 2015	9
"B" Statements of Revenue, Expenses and Changes in Net Position for the Years Ended April 30, 2016 and 2015	10
"C" Statements of Cash Flows for the Years Ended April 30, 2016 and 2015	11
Notes to Financial Statements - April 30, 2016 and 2015	12-17
<b>SUPPLEMENTARY INFORMATION</b>	
<b><u>SCHEDULES</u></b>	
"1" Schedule of Operating Revenues and Costs Funded by Operating Revenues Compared to Budget for the Period Ended April 30, 2016 with Comparative Actual Amounts for the Year Ended April 30, 2015	18
General Comments and Recommendations	19

**FINANCIAL SECTION**

# SUPLEE, CLOONEY & COMPANY

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parking Authority of the Borough of Point Pleasant Beach at April 30, 2016 and 2015, 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 and analysis 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 opinions on the financial statements that collectively comprise the Parking Authority of the Borough of Point Pleasant Beach's basic financial statements. The supplementary data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary data schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the 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 data schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



# 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 FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners  
Parking Authority of the Borough of Point Pleasant Beach  
Point Pleasant Beach, New Jersey 08742

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 Borough of Point Pleasant Beach as of and for the years ended April 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Parking Authority of the Borough of Point Pleasant Beach's financial statements, and have issued our report thereon dated September 28, 2016.

### ***Internal Control Over Financial Reporting***

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Overview of Annual Financial Report (Continued)**

The Statement of Net Position presents the financial position of the Authority on a full accrual historical cost basis. This statement presents information on all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position is one indicator of whether the financial position of the Authority is improving or deteriorating.

While the Statement of Net Position provides information about the nature and amount of resources and obligations at year-end, the Statement of Revenues, Expenses and Changes to Net Position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The Notes to the Financial Statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

## **Summary of Organization and Business**

The Parking Authority of the Borough of Point Pleasant Beach (the "Authority") was created by the Borough of Point Pleasant Beach (the "City") through ordinance pursuant to authority granted by statutes in 1948. An Agreement was entered into between the Borough and the Parking Authority providing that the Parking Authority would undertake the management and operation of the existing on-street metered parking system and have the exclusive right and power to institute, manage and operate a system of on-street and off-street parking within the Borough.

## **Contacting the Authority's Management**

Any questions about the Authority's report or if additional information is needed, please contact the Secretary of the Parking Authority of the Borough of Point Pleasant Beach, 416 New Jersey Avenue, Point Pleasant Beach, New Jersey 08742.

**BASIC FINANCIAL STATEMENTS**

THE PARKING AUTHORITY OF THE  
BOROUGH OF POINT PLEASANT BEACH

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED APRIL 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues:		
Metered Fees	\$ 53,000	\$ 50,000
	<u>53,000</u>	<u>50,000</u>
<u>Total Operating Revenues</u>		
	<u>53,000</u>	<u>50,000</u>
Operating Expenses:		
Personnel Services	5,340	4,895
Administrative Expenses	18,432	8,467
Operating and Maintenance Expenses	46,786	40,656
Depreciation Expense		1,750
	<u>70,558</u>	<u>55,768</u>
<u>Total Operating Expenses</u>		
	<u>70,558</u>	<u>55,768</u>
Net Operating Loss	(17,558)	(5,768)
Non-Operating Revenue (Expense):		
Interest Income	1	7
	<u>1</u>	<u>7</u>
<u>Net Decrease in Net Position</u>		
	<u>(17,557)</u>	<u>(5,761)</u>
Net Position, May 1	<u>405,009</u>	<u>410,770</u>
Net Position, April 30	<u>\$ 387,452</u>	<u>\$ 405,009</u>

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

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2016 AND 2015

(1) GENERAL

The Parking Authority of the Borough of Point Pleasant Beach, New Jersey (the "Authority") was created by the Borough of Point Pleasant Beach, New Jersey (the "Borough") through ordinance pursuant to authority granted by statutes in 1948. The purpose of the Authority is to develop, acquire, rehabilitate, improve, maintain, and/or operate all properties which it owns, leases or utilizes for parking facilities and related activities with the Borough, which includes parking meters and toll devices located at public parking facilities and on streets throughout the municipality.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the GASB's accounting policies are described below.

Reporting Entity

The Authority's financial statements include the operations of on-street and off-street parking in the Borough of Point Pleasant Beach for which the Board of Commissioners of the Authority exercises financial accountability. Board members are appointed to five-year terms by the Borough of Point Pleasant Beach. There are no additional entities required to be included in the reporting entity and the Authority is not included in any other reporting entity.

GASB Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. In accordance with this statement the Authority is a component unit of the Borough and should be reported in the financial statements of the Borough. However, the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs ("DCA"), State of New Jersey requires that the financial statements of the Authority and Borough be reported separately.

Basis of Accounting

The financial statements of the Authority have been prepared on the accrual basis and in accordance with generally accepted accounting principles applicable to enterprise funds of state and local governments. An Enterprise Fund is used to account for operations: (i) that are financed primarily through user charges, or (ii) where the governing body has decided that determination of net income is appropriate.

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2016 AND 2015

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment (Continued)

Details of property, plant and equipment as of April 30 are as follows:

	<u>2016</u>	<u>2015</u>
Real Estate and Parking Areas	\$ 360,096	\$ 360,096
Land Improvements	118,736	118,736
Parking Meters	69,284	69,284
Equipment and Miscellaneous	49,039	49,039
	<u>597,155</u>	<u>597,155</u>
Less: Accumulated Depreciation	<u>237,059</u>	<u>237,059</u>
Net Property, Plant and Equipment	<u>\$ 360,096</u>	<u>\$ 360,096</u>

Cash and Cash Equivalents

Cash equivalents are stated at cost which approximates fair value. Cash equivalents include cash in banks and certificates of deposit included in unrestricted funds with original maturities of less than three months.

Inventory

Inventory of spare parts and supplies is recorded as an expense when purchased and accordingly, is not included in the statements of net position.

Income Taxes

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

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2016 AND 2015

(4) CASH AND CASH EQUIVALENTS (CONTINUED)

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.

The authority does not have a policy for either credit risk or custodial credit risk. However, it is the Authority's policy only to invest with banks that are approved by the board. The Authority does not have a policy to limit interest rate risk.

(5) CHANGES IN FIXED ASSETS

The following is a summary of the changes in fixed assets for the year ending April 30, 2016:

	Balance <u>May 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Apr 30, 2016</u>
Real Estate and Parking Areas	\$ 360,096	\$	\$	\$ 360,096
Land Improvements	118,736			118,736
Parking Meters	69,284			69,284
Equipment and Miscellaneous	49,039			49,039
	<u>597,155</u>	-	-	597,155
Less: Accumulated Depreciation	<u>237,059</u>			<u>237,059</u>
Net Property, Plant and Equipment	\$ <u>360,096</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>360,096</u>

(6) NET POSITION

The components of net position as of April 30 are as follows:

	<u>2016</u>	<u>2015</u>
Net Position:		
Net Investment in Capital Assets	\$ 360,096	\$ 360,096
Unrestricted	<u>27,356</u>	<u>44,913</u>
	<u>\$ 387,452</u>	<u>\$ 405,009</u>

**SUPPLEMENTARY INFORMATION**

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

APRIL 30, 2016

GENERAL COMMENTS AND RECOMMENDATIONS

NONE