

Report of Audit

on the

Financial Statements

of

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

for the

*Years Ended
April 30, 2012 and 2011*

Financial Report

of

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

For the Years Ended April 30, 2012 and 2011

Prepared By

The Parking Authority of the Borough of Point Pleasant Beach

Finance Department

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH
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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of net assets of the Parking Authority of Point Pleasant Beach as of April 30, 2012, and the related statements of revenues, expenses and changes in net assets and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Parking Authority of Point Pleasant Beach as of April 30, 2011 were audited by other auditors whose report dated August 10, 2011 expressed an unqualified opinion on those statements.

We conducted our audits in accordance with U.S. generally accepted auditing standards and 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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, 2012 and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued a report dated July 13, 2012 on our consideration of the Parking Authority of the Borough of Point Pleasant Beach internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplementary Schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

July 13 2012



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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 the financial statements of the Parking Authority of the Borough of Point Pleasant Beach for the year ended April 30, 2012, and have issued our report thereon dated July 13, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governing Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Parking Authority of the Borough of Point Pleasant Beach's internal control over financial reporting as a basis for designing our audit procedures 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 Parking Authority of the Borough of Point Pleasant Beach's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Parking Authority of the Borough of Point Pleasant Beach's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Parking Authority of the Borough of Point Pleasant Beach's financial statements will not be prevented, or detected and corrected on a timely basis.

SUPLEE, CLOONEY & COMPANY

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Parking Authority of the Borough of Point Pleasant Beach's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

This report is intended for the information of the Parking Authority of the Borough of Point Pleasant Beach and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

July 13, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

In this section of the annual report, management of the Parking Authority of the Borough of Point Pleasant Beach (the "Authority") presents a narrative discussion and analysis of the Authority's financial activities for the years ended April 30, 2012 and 2011. This section of the report should be read in conjunction with the Authority's audited financial statements and supplementary information for the years ended April 30, 2012 and 2011. The Authority's audited financial statements are presented in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

Audit Assurance

The unqualified opinion of our independent auditors, Suplee Clooney & Company is included in this report.

Financial Highlights

Total assets at year-end totaled \$478,442 largely comprised of cash and fixed assets. Liabilities total \$3,826 largely comprised of accounts payable. Working capital balances are adequate to meet the operational needs of the Authority.

Operating Revenues totaled \$-0- while Operating Expenses totaled \$87,886. Operating Expenses decreased \$41,112 from the prior year expenses.

Cash of \$52,886 decreased \$69,339 from the prior year.

Financial Analysis

The following comparative condensed financial statements and other selected information serve as key financial data and indicators for management, monitoring and planning.

Condensed Financial Statements

Condensed Statement of Net Assets

	April 30,		Variance	
	<u>2012</u>	<u>2011</u>	<u>Amount</u>	<u>%</u>
<u>Assets</u>				
Cash	\$ 52,886	\$ 122,225	\$ (69,339)	-56.7%
Due From Internal Revenue Service		\$ 43	\$ (43)	
Fixed Assets (Net)	<u>425,555</u>	<u>456,396</u>	<u>(30,841)</u>	<u>-6.8%</u>
Total Assets	<u>\$ 478,442</u>	<u>\$ 578,664</u>	<u>\$ (100,222)</u>	<u>-17.3%</u>
<u>Liabilities</u>				
Accounts Payable	\$ 3,826	\$ 15,957	\$ (12,131)	-76.0%
Payroll Taxes Payable		265	(265)	-100.0%
Due To Employee - Over-Deduction Of Payroll		62	(62)	-100.0%
Total Liabilities	<u>\$ 3,826</u>	<u>\$ 16,284</u>	<u>\$ (12,458)</u>	<u>-76.5%</u>
<u>Net Assets</u>				
Invested in Capital Assets	\$ 425,555	\$ 456,396	\$ (30,841)	-6.8%
Unreserved	<u>49,060</u>	<u>105,984</u>	<u>(56,924)</u>	<u>-53.7%</u>
Total Net Assets	<u>\$ 474,616</u>	<u>\$ 562,380</u>	<u>\$ (87,764)</u>	<u>-15.6%</u>
Total Liabilities and Net Assets	<u>\$ 478,442</u>	<u>\$ 578,664</u>	<u>\$ (100,222)</u>	<u>-17.3%</u>

Condensed Statement of Revenue, Expenses, and Changes in Net Assets

	April 30,		Variance	
	<u>2012</u>	<u>2011</u>	<u>Dollars</u>	<u>%</u>
Operating Revenues	\$ -	\$ -	\$ -	0.0%
Operating Expenses	<u>(87,885)</u>	<u>(128,997)</u>	<u>41,112</u>	<u>-31.9%</u>
Operating Loss	\$ (87,885)	\$ (128,997)	\$ (41,112)	31.9%
Non-Operating (Revenues) Expenses	<u>121</u>	<u>915</u>	<u>(794)</u>	<u>-86.8%</u>
Change in Net Assets	\$ (87,764)	\$ (128,082)	\$ (41,906)	32.7%
Net Assets, Beginning of Year	<u>562,380</u>	<u>690,462</u>	<u>(128,083)</u>	<u>-18.6%</u>
Net Assets, End of Year	<u>\$ 474,616</u>	<u>\$ 562,380</u>	<u>\$ (87,864)</u>	<u>-15.6%</u>

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 supplementary 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 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 Assets; a Statement of Revenues, Expenses and Changes to Net Assets; a Statement of Cash Flows; and notes to the financial statements.

The Statement of Net Assets 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 assets. Over time, increases and decreases in net assets is one indicator of whether the financial position of the Authority is improving or deteriorating.

While the Statement of Net Assets provides information about the nature and amount of resources and obligations at year-end, the Statement of Revenues, Expenses and Changes to Net Assets presents the results of the business activities over the course of the fiscal year and information as to how the net assets 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 NET ASSETS
APRIL 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash	\$ 52,886.21	\$ 122,224.93
Due From Internal Revenue Service		42.72
	<u>\$ 52,886.21</u>	<u>\$ 122,267.65</u>
Fixed Assets	\$ 597,155.00	\$ 611,917.00
Accumulated Depreciation	171,599.60	155,520.60
	<u>\$ 425,555.40</u>	<u>\$ 456,396.40</u>
<u>TOTAL ASSETS</u>	<u>\$ 478,441.61</u>	<u>\$ 578,664.05</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts Payable	\$ 3,825.96	\$ 15,957.33
Payroll Taxes Payable		265.27
Due To Employee - Over-deduction of Payroll Taxes		61.65
		<u>16,284.25</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 3,825.96</u>	<u>\$ 16,284.25</u>
Net Assets:		
Invested in Capital Assets	\$ 425,555.40	\$ 456,396.40
Unrestricted	49,060.25	105,983.40
	<u>474,615.65</u>	<u>562,379.80</u>
<u>NET ASSETS</u>	<u>\$ 474,615.65</u>	<u>\$ 562,379.80</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 478,441.61</u>	<u>\$ 578,664.05</u>

See Accompanying Notes to Financial Statements

THE PARKING AUTHORITY OF THE
BOROUGH OF POINT PLEASANT BEACH

STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS FOR THE YEARS ENDED
APRIL 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues:		
Metered Fees	\$ -	\$ -
<u>Total Operating Revenues</u>	<u>\$ -</u>	<u>\$ -</u>
Operating Expenses:		
Personal Services	\$ 5,340.00	\$ 5,340.00
Administrative Expenses	12,869.02	25,198.77
Operating and Maintenance Expenses	38,835.55	58,092.55
Depreciation Expense	<u>30,840.94</u>	<u>40,366.00</u>
<u>Total Operating Expenses</u>	<u>\$ 87,885.51</u>	<u>\$ 128,997.32</u>
Net Operating Loss	\$ (87,885.51)	\$ (128,997.32)
Non-Operating Revenue (Expense):		
Interest Income	\$ 121.36	\$ 257.78
Miscellaneous Income	<u>121.36</u>	<u>657.00</u>
<u>Net Decrease in Net Assets</u>	<u>\$ (87,764.15)</u>	<u>\$ (128,082.54)</u>
Net Assets, May 1	<u>562,379.80</u>	<u>690,462.34</u>
Net Assets, April 30	<u>\$ 474,615.65</u>	<u>\$ 562,379.80</u>

See Accompanying Notes to Financial Statements

THE PARKING AUTHORITY OF THE
BOROUGH OF POINT PLEASANT BEACH

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>Cash Flows from Operating Activities:</u>		
Payments to Vendors/ Suppliers	\$ (64,162.80)	\$ (79,873.90)
Payments to Employees	(5,340.00)	(5,340.00)
Miscellaneous	42.72	
	<u>(69,460.08)</u>	<u>(85,213.90)</u>
<u>Net Cash Provided by (Used in) Operating Activities</u>		
<u>Cash Flows from Investing Activities:</u>		
Other Income		257.78
Interest Received	121.36	657.00
	<u>121.36</u>	<u>914.78</u>
<u>Net Cash Provided By Investing Activities</u>	\$ <u>121.36</u>	\$ <u>914.78</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (69,338.72)	\$ (84,299.12)
Cash and Cash Equivalents - Beginning of Year	<u>122,224.93</u>	<u>206,524.05</u>
Cash and Cash Equivalents - End of Year	<u>\$ 52,886.21</u>	<u>\$ 122,224.93</u>
Reconciliation of Operating Income to Net Cash		
Provided by (Used in) Operating Activities:		
Operating Loss	\$ (87,885.51)	\$ (128,997.32)
Add Expenses Not Using Working Capital:		
Depreciation	30,840.94	40,366.00
Add (Deduct) Changes in Non-Cash Working Capital:		
Miscellaneous Income	42.72	
Licenses Fee Receivable		1,650.00
Accounts Payable	(12,131.37)	1,663.28
Payroll Taxes Payable	(265.27)	85.27
Due From Internal Revenue Service		(42.72)
Due To Employee - Over-Deduction Of Payroll Taxes	<u>(61.59)</u>	<u>61.59</u>
Net Cash Provided by (Used in) Operating Activities	\$ <u>(69,460.08)</u>	\$ <u>(85,213.90)</u>

See Accompanying Notes to Financial Statements

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2012 AND 2011

(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.

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 Authority's reports are based on all applicable GASB pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and interpretations, Generally Accepted Accounting Principles, Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2012 AND 2011

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Depreciation is determined on a straight-line basis, for all plant and equipment. Depreciation is provided for over the following estimated useful lives;

Parking Meters	10 years
Parking Area Improvements	5 years
Equipment	5 years

Details of property, plant and equipment as of April 30, 2012 and 2011 are as follows:

	April 30, <u>2012</u>	April 30, <u>2011</u>
Real Estate & Parking Areas	\$360,096.00	\$360,096.00
Land Improvements	118,736.00	133,498.00
Parking Meters	69,284.00	69,284.00
Equipment & Miscellaneous	<u>49,039.00</u>	<u>49,039.00</u>
	597,155.00	611,917.00
Less: Accumulated Depreciation	<u>171,599.60</u>	<u>155,520.60</u>
Net Property, Plant and Equipment	<u>\$425,555.40</u>	<u>\$456,396.40</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 assets.

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2012 AND 2011

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(3) BUDGETARY PROCEDURES

The Authority follows these procedures in establishing the Operating Fund budget:

The annual budget for each fiscal year of the Authority is introduced by resolution passed by not less than a majority of the governing body. Copies are submitted to the Director of the Division of Local Government Services Director prior to the beginning of the Authority's fiscal year for approval prior to its adoption.

The budget must comply with the terms and provisions of any security agreements, and is to be in such form and detail as to items of revenue, expenses and other contents as required by law or by rules and regulations of the Local Finance Board.

No authority budget can be finally adopted until the Director has approved the budget.

Public hearings are conducted to obtain citizen comments on the proposed budget.

Operating expense appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

The level at which expenditures cannot exceed the budget is at the total budget level.

The budget may be increased after adoption when an item of revenue has been made available after the adoption date.

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2012 AND 2011

(4) CASH AND CASH EQUIVALENTS:

The components of cash and cash equivalents as of April 30, 2012 and 2011 are summarized as follows:

	<u>2012</u>	<u>2011</u>
Cash	<u>\$52,886.21</u>	<u>\$122,224.93</u>

The cash on deposit of the Authority is fully insured by Federal Deposit Insurance Corporation. Balances above the federal depository insurance amount are insured by the State of New Jersey Government Unit Deposit Protection Act.

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 requirement of statute. As of April 30, 2012, 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.

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, 2012:

	Balance <u>May 1, 2011</u>	Additions	Deletions	Balance <u>April 30, 2012</u>
Real Estate & Parking Areas	\$ 360,096.00	\$ -	\$ -	\$ 360,096.00
Land Improvements	133,498.00	-	14,762.00	118,736.00
Parking Meters	69,284.00	-	-	69,284.00
Equipment & Miscellaneous	49,039.00	-	-	49,039.00
	<u>\$ 611,917.00</u>	<u>\$ -</u>	<u>\$ 14,762.00</u>	<u>\$ 597,155.00</u>
Less: Accumulated Depreciation	155,520.60	30,840.94	14,762.00	171,599.60
Net Fixed Assets	<u>\$ 456,396.40</u>	<u>\$ (30,840.94)</u>	<u>\$ -</u>	<u>\$ 425,555.40</u>

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2012 AND 2011

(6) NET ASSETS

The components of net assets follow:

	<u>2012</u>	<u>2011</u>
Net Assets:		
Invested In Capital Assets	\$425,555.40	\$456,396.40
Unrestricted	<u>49,060.25</u>	<u>105,983.46</u>
	<u>\$474,615.65</u>	<u>\$562,379.86</u>

(7) AGREEMENT WITH THE BOROUGH OF POINT PLEASANT BEACH

On May 16, 2006, the Authority and the Borough of Point Pleasant Beach entered into an agreement effective January 1, 2006, for a five year period ending December 31, 2010, to provide off-street and on-street parking facilities in the Borough and the maintenance of same by the Authority, where by the gross receipts from meters, parking boxes and other toll devices will be divided. At the time this agreement was entered into, the parties to the agreement believed that it was mutually beneficial for the Authority and the Borough to work together harmoniously and cooperatively and to each perform distinct duties concerning the provision of off-street and on-street parking facilities and the maintenance and improvements of the same.

The five year agreement between the parties expired on December 31, 2010. Through the date of this report, the Authority has sought to negotiate a new agreement with the Borough of Point Pleasant Beach for the division of gross receipts.

(8) RELATED PARTY TRANSACTIONS

The Authority has a financial relationship with the Borough of Point Pleasant Beach, New Jersey by way of a agreement which provides for the management of off-street and on-street parking within the Borough of Point Pleasant Beach.

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2012 AND 2011

(9) SUBSEQUENT EVENTS

The Authority has evaluated subsequent events occurring after the financial statement date through July 13, 2012, 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.

(10) LITIGATION, CLAIMS AND CONTINGENT LIABILITIES

In the ordinary conduct of its business, the Authority may be a party to litigation. At April 30, 2012, 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 financial position of the Authority.

SUPPLEMENTARY INFORMATION

THE PARKING AUTHORITY OF THE
BOROUGH OF NORTH PLAINFIELD

SCHEDULE OF OPERATING REVENUES AND COSTS
FUNDED BY OPERATING REVENUES COMPARED TO
BUDGET FOR THE PERIOD ENDED APRIL 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE
PERIOD ENDED APRIL 30, 2011

	<u>2012 BUDGET</u>	<u>2012 ACTUAL</u>	<u>2011 ACTUAL</u>
<u>REVENUE</u>			
Surplus	\$ 110,000.00	\$	\$
Interest on Deposits	<u>100.00</u>	<u> </u>	<u> </u>
<u>TOTAL REVENUE</u>	<u>\$ 110,100.00</u>	<u>\$ -</u>	<u>\$ -</u>
<u>EXPENSES</u>			
<u>Personal Services:</u>			
Secretarial Services		\$ 5,340.00	\$ 5,340.00
<u>Administrative Expenses:</u>			
Advertisements & Postage		150.51	59.45
Audit Services		-	10,296.00
Engineer Services		5,579.08	3,210.94
Insurance		2,245.90	2,245.90
Legal Services		4,333.52	3,166.00
Accounting Services			5,506.25
Payroll Tax Expenses		560.01	714.23
<u>Operating and Maintenance Expenses:</u>			
Electric		10,625.51	12,436.91
Maintenance Of Buildings & Grounds		18,294.00	15,540.00
Meter Supplies & Repairs		420.00	630.00
Snow Removal			16,050.00
Other Expenses		<u>9,496.04</u>	<u>13,435.64</u>
<u>TOTAL EXPENSES</u>	<u>\$ 110,100.00</u>	<u>\$ 57,044.57</u>	<u>\$ 88,631.32</u>

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

APRIL 30, 2012

GENERAL COMMENTS AND RECOMMENDATIONS

NONE