

Financial Report

of

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

For the Years Ended April 30, 2018 and 2017

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Parking Authority of the Borough of Point Pleasant Beach as of and for the years ended April 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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, 2018 and 2017, 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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 1, 2018 on our consideration of the Parking Authority of the Borough of Point Pleasant Beach internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Parking Authority of the Borough of Point Pleasant Beach internal control over financial reporting and compliance.

August 1, 2018

A handwritten signature in black ink that reads "Suplee, Clooney & Company". The signature is written in a cursive, flowing style with a long, sweeping tail on the final word.



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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, 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 year ended April 30, 2018 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 August 1, 2018.

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.

SUPLEE, CLOONEY & COMPANY

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 Parking Authority of the Borough of Point Pleasant Beach's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

August 1, 2018



MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

Unaudited

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, 2018 and 2017. 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, 2018 and 2017. The Authority's audited financial statements are presented in conformity with U.S. generally accepted accounting principles.

Audit Assurance

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

Financial Highlights

Total assets at year-end totaled \$367,460 largely comprised of cash and fixed assets. Liabilities total \$-0-. Working capital balances are adequate to meet the operational needs of the Authority.

Operating Revenues totaled \$30,475 while Operating Expenses totaled \$55,900. Operating Expenses increased \$8,253 or 17% from the prior year expenses.

Cash of \$6,922 decreased \$25,825 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.

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

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.

Condensed Financial Statements

Condensed Statement of Net Position

	April 30,		Variance		April 30,
	<u>2018</u>	<u>2017</u>	<u>Amount</u>	<u>%</u>	<u>2016</u>
<u>Assets</u>					
Cash	\$ 6,922	\$ 32,747	\$ (25,825)	-78.9%	\$ 25,775
Other Assets	445		445		2,149
Fixed Assets (Net)	360,096	360,096			360,096
<u>Total Assets</u>	<u>\$ 367,463</u>	<u>\$ 392,843</u>	<u>\$ (25,380)</u>	<u>-6.5%</u>	<u>\$ 388,020</u>
<u>Liabilities</u>					
Accounts Payable and Accrued Expenses	\$ - 0 -	\$ - 0 -	\$ -		\$ 568
<u>Total Liabilities</u>					<u>568</u>
<u>Net Position</u>					
Net Investment in Capital Assets	360,096	360,096			360,096
Unrestricted	7,367	32,747	(25,380)	-77.5%	27,356
<u>Total Net Position</u>	<u>367,463</u>	<u>392,843</u>	<u>(25,380)</u>	<u>-6.5%</u>	<u>387,452</u>
<u>Total Liabilities and Net Position</u>	<u>\$ 367,463</u>	<u>\$ 392,843</u>	<u>\$ (25,380)</u>	<u>-6.5%</u>	<u>\$ 388,020</u>

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

	April 30,		Variance		April 30,
	<u>2018</u>	<u>2017</u>	<u>Dollars</u>	<u>%</u>	<u>2016</u>
Operating Revenues	\$ 30,475	\$ 52,986	\$ (22,511)	-42.5%	\$ 53,000
Operating Expenses	(55,864)	(47,610)	(8,254)	17.3%	(70,558)
Operating Profit (Loss)	(25,389)	5,376	(14,257)	-265.2%	(17,558)
Non-Operating (Revenues) Expenses	9	15	(6)	-40%	1
Change in Net Position	(25,380)	5,391	(14,263)	-264.6%	(17,557)
Net Position, Beginning of Year	392,843	387,452	5,391	1.4%	405,009
Net Position, End of Year	<u>\$ 367,463</u>	<u>\$ 392,843</u>	<u>\$ (27,288)</u>	<u>-6.9%</u>	<u>\$ 387,452</u>

BASIC FINANCIAL STATEMENTS

THE PARKING AUTHORITY OF THE
BOROUGH OF POINT PLEASANT BEACH

STATEMENTS OF NET POSITION
APRIL 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash	\$ 6,922	\$ 32,747
Other Assets	445	
	7,367	32,747
Fixed Assets	597,155	597,155
Accumulated Depreciation	237,059	237,059
	360,096	360,096
<u>TOTAL ASSETS</u>	\$ 367,463	\$ 392,843
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Accounts Payable	\$ -	\$ -
<u>TOTAL LIABILITIES</u>		
Net Position:		
Net Investment in Capital Assets	360,096	360,096
Unrestricted	7,367	32,747
<u>NET POSITION</u>	367,463	392,843
<u>TOTAL LIABILITIES AND NET POSITION</u>	\$ 367,463	\$ 392,843

The accompanying Notes are an integral part of these 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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
Metered Fees	\$ 30,000	\$ 50,000
Rent	475	2,986
	<hr/>	<hr/>
<u>Total Operating Revenues</u>	<u>30,475</u>	<u>52,986</u>
Operating Expenses:		
Personnel Services	5,340	5,340
Administrative Expenses	9,687	11,954
Operating and Maintenance Expenses	40,837	30,316
	<hr/>	<hr/>
<u>Total Operating Expenses</u>	<u>55,864</u>	<u>47,610</u>
Net Operating Profit (Loss)	(25,389)	5,376
Non-Operating Revenue (Expense):		
Interest Income	9	15
	<hr/>	<hr/>
	<u>9</u>	<u>15</u>
<u>Net Increase (Decrease) in Net Position</u>	<u>(25,380)</u>	<u>5,391</u>
Net Position, May 1	<hr/> 392,843	<hr/> 387,452
Net Position, April 30	<u>\$ 367,463</u>	<u>\$ 392,843</u>

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

THE PARKING AUTHORITY OF THE
BOROUGH OF POINT PLEASANT BEACH

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>Cash Flows from Operating Activities:</u>		
Metered Fees	\$ 30,000	\$ 50,000
Rent	475	5,135
Payments to Vendors/ Suppliers	\$ (50,969)	(42,838)
Payments to Employees	(5,340)	(5,340)
	<hr/>	<hr/>
<u>Net Cash Provided by (Used in) Operating Activities</u>	<u>(25,834)</u>	<u>6,957</u>
 <u>Cash Flows from Investing Activities:</u>		
Interest Received	<hr/> 9	<hr/> 15
	<hr/>	<hr/>
<u>Net Cash Provided by Investing Activities</u>	<u>9</u>	<u>15</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(25,825)	6,972
Cash and Cash Equivalents - Beginning of Year	<hr/> 32,747	<hr/> 25,775
Cash and Cash Equivalents - End of Year	<u>\$ 6,922</u>	<u>\$ 32,747</u>
 Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Operating Profit (Loss)	\$ (25,389)	\$ 5,376
 Add (Deduct) Changes in Non-Cash Working Capital:		
Other Assets	(445)	2,149
Accounts Payable and Accrued Expenses	<hr/> (568)	<hr/> (568)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (25,834)</u>	<u>\$ 6,957</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, 2018 AND 2017

(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, 2018 AND 2017

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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

Net Position

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

- 1) Net Investment in Capital Assets - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted - when constraints placed on net position are either a) externally imposed by creditors (such as the bond resolution), grantors, or laws or regulations of other governments or b) imposed by law.
- 3) Unrestricted - any other net position that does not meet the definition of "restricted" or "invested in capital assets."

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

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018 AND 2017

(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>2018</u>	<u>2017</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	<u>49,039</u>	<u>49,039</u>
	597,155	597,155
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, 2018 AND 2017

(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.

(4) CASH AND CASH EQUIVALENTS

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

	<u>2018</u>	<u>2017</u>
Cash	<u>\$6,922</u>	<u>\$32,747</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, 2018, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balances was exposed to custodial credit risk.

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018 AND 2017

(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, 2018:

	<u>Balance</u> <u>May 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Apr 30, 2018</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>-</u>	<u>-</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>-</u>	\$ <u>-</u>	\$ <u>360,096</u>

(6) NET POSITION

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

	<u>2018</u>	<u>2017</u>
Net Position:		
Net Investment in Capital Assets	\$ 360,096	\$ 360,096
Unrestricted	<u>7,367</u>	<u>32,747</u>
	<u>\$ 367,463</u>	<u>\$ 392,843</u>

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018 AND 2017

(7) RELATED PARTY TRANSACTIONS

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

(8) 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.

(9) FINANCIAL DEPENDENCY

The Authority's largest source of operating revenue is Metered Fees from the Borough of Point Pleasant Beach, New Jersey. The Authority is economically dependent on these fees to carry on its operations.

(10) SUBSEQUENT EVENTS

The Authority has evaluated subsequent events occurring after the financial statement date through August 1, 2018 which is the date the financial statements were available to be issued. Based on this evaluation, the Authority has determined to disclose the proposed Government Combination between the Authority and the Borough of Point Pleasant Beach, New Jersey.

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018 AND 2017

(11) LITIGATION, CLAIMS AND CONTINGENT LIABILITIES

In the ordinary conduct of its business, the Authority may be a party to litigation. At April 30, 2018, in the opinion of management there were no matters pending or threatened which would have a material adverse effect on financial position of the Authority.

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SUPPLEMENTARY INFORMATION

THE PARKING AUTHORITY OF THE
BOROUGH OF POINT PLEASANT BEACH

SCHEDULE OF OPERATING REVENUES AND COSTS
FUNDED BY OPERATING REVENUES COMPARED TO BUDGET
FOR THE PERIOD ENDED APRIL 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE PERIOD ENDED APRIL 30, 2017

	<u>2018 BUDGET</u>	<u>2018 ACTUAL</u>	<u>2017 ACTUAL</u>
<u>REVENUE</u>			
Surplus			
Metered Fees	50,000	\$ 30,000	\$ 50,000
Rent		475	\$ 2,986
Interest on Deposits	100	9	15
	<hr/>	<hr/>	<hr/>
<u>TOTAL REVENUE</u>	50,100	30,484	53,001
<u>EXPENSES</u>			
<u>Personnel Services:</u>			
Secretarial Services	5,600	5,340	5,340
<u>Administrative Expenses:</u>			
Advertisements and Postage	100	127	165
Audit Services	5,000	5,200	5,200
Engineer Services	4,000	1,318	3,134
Insurance	900	410	410
Legal Services	2,500	2,066	2,627
Payroll Tax Expenses		567	418
<u>Operating and Maintenance Expenses:</u>			
Electric	7,500	7,382	8,753
Maintenance of Buildings and Grounds	24,500	8,237	14,290
Snow Removal		24,965	7,273
Other Expenses		253	
	<hr/>	<hr/>	<hr/>
<u>TOTAL EXPENSES</u>	\$ 50,100	\$ 55,864	\$ 47,610

THE PARKING AUTHORITY OF THE BOROUGH OF POINT PLEASANT BEACH

APRIL 30, 2018

GENERAL COMMENTS AND RECOMMENDATIONS

NONE

SYNOPSIS OF THE AUDIT REPORT OF
 THE PARKING AUTHORITY OF THE
 BOROUGH OF POINT PLEASANT BEACH
 FOR THE YEARS ENDED APRIL 30, 2018 AND 2017
AS REQUIRED BY N.J.S. 40A:5A-16

STATEMENTS OF NET POSITION

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash	\$ 6,922	\$ 32,747
Accounts Receivable	445	
	<hr/>	<hr/>
	7,367	32,747
	<hr/>	<hr/>
Fixed Assets	597,155	597,155
Accumulated Depreciation	237,059	237,059
	<hr/>	<hr/>
	360,096	360,096
	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 367,463</u>	<u>\$ 392,843</u>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Accounts Payable	\$ -	\$ -
	<hr/>	<hr/>
<u>TOTAL LIABILITIES</u>	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	360,096	360,096
Unrestricted	7,367	32,747
	<hr/>	<hr/>
<u>NET POSITION</u>	<u>367,463</u>	<u>392,843</u>
	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>\$ 367,463</u>	<u>\$ 392,843</u>

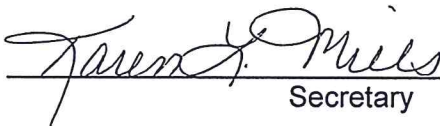
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED APRIL 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues:		
Metered Fees	\$ 30,000	\$ 50,000
Other	475	2,986
	30,475	52,986
<u>Total Operating Revenues</u>	<u>30,475</u>	<u>52,986</u>
Operating Expenses:		
Personnel Services	5,340	5,340
Administrative Expenses	9,687	11,954
Operating and Maintenance Expenses	40,837	30,316
	55,864	47,610
<u>Total Operating Expenses</u>	<u>55,864</u>	<u>47,610</u>
Net Operating Profit (Loss)	(25,389)	5,376
Non-Operating Revenue (Expense):		
Interest Income	9	15
	9	15
<u>Net Increase (Decrease) in Net Position</u>	<u>(25,380)</u>	<u>5,391</u>
Net Position, May 1	392,843	387,452
Net Position, April 30	\$ 367,463	\$ 392,843

FINDINGS AND RECOMMENDATIONS

NONE

The above summary or synopsis was prepared from the report of audit of The Parking Authority of The Borough of Point Pleasant Beach for the years ended April 30, 2018 and 2017. This report of audit, submitted by Suplee, Clooney & Company, Certified Public Accountants, is on file at the Secretary's Office and may be inspected by any interested person.


Secretary