

**PARKING AUTHORITY OF THE CITY OF TRENTON**  
(A Component Unit of The City of Trenton,  
State of New Jersey)

Financial Statements  
and  
Supplementary Information

June 30, 2013

**PARKING AUTHORITY OF THE CITY OF TRENTON**

(A Component Unit of The City of Trenton, State of New Jersey)

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June 30, 2013

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## **INDEPENDENT AUDITORS' REPORT**

To the Commissioners of  
the Parking Authority of the City of Trenton  
(A Component Unit of The City of Trenton, State of New Jersey)

We have audited the accompanying financial statements of the business-type activities of the Parking Authority of the City of Trenton (the "Authority") (a Component Unit of the City of Trenton, State of New Jersey) as of and for the years ended June 30, 2013 and 2012, and the related notes to 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.

### **Auditors' 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 auditors' 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

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## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **Auditors' Responsibility (Continued)**

expressing an opinion on the effectiveness of the Authority'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of and for the years ended June 30, 2013 and 2012, and the changes in its 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 on pages six through nine 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.

#### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information such as the schedule of operating revenues, expenses and costs funded by operating revenues compared to budget, is presented for the purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information except for the portion marked "unaudited," has been subjected to the auditing procedures applied in the audits 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, except for the portion marked "unaudited," the schedule of operating revenues, expenses and costs funded by operating revenues compared to budget is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### *Supplementary Information (Continued)*

The schedule of operating revenues and expenses by garage and roster of officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2013, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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* in considering the Authority's internal control over financial reporting and compliance.

*Mercadien, P.C.*  
*Certified Public Accountants*

**MERCADIEN, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

October 24, 2013





**INDEPENDENT AUDITORS' 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**

To the Commissioners of  
The Parking Authority of the City of Trenton  
(A Component Unit of The City of Trenton, State of 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 business-type activities of the Authority as of and for the years ended June 30, 2013 and 2012, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 24, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Authority's internal control over financial reporting (internal control) 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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.

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**INDEPENDENT AUDITORS' 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  
(CONTINUED)**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mercadien, P.C.*  
*Certified Public Accountants*

**MERCADIEN, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS**

October 24, 2013



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
(A Component Unit of the City of Trenton, State of New Jersey)

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

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**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Authority is a self-supporting entity and follows enterprise fund accounting. The enterprise fund concept is similar to the manner in which private business enterprises are financed and operated. The Authority presents its basic financial statements on the accrual basis of accounting. The statements offer short and long-term financial information about the activities and operations of the Authority. The intent is that the costs of providing access to parking facilities on a continuing basis are financed primarily through parking revenue. The Authority has established certain restricted "funds and accounts," as directed by internal resolution and bond indentures. In an effort to ensure compliance with the Authority's by-laws and to safeguard its assets, internal controls have been developed and implemented by management. These internal controls include policies, procedures, approved organizational structures and approved budgets for capital and operating expenditures. Visit the Authority's website at [www.tpanj.com](http://www.tpanj.com) for more information regarding the Authority's parking activity and management contact information.

**Financial Highlights**

Cash and cash equivalents as of June 30, 2013, were \$3,447,892, an increase of 4.89%, from the balance as of June 30, 2012.

Total liabilities as of June 30, 2013, were \$32,826,910, an increase of 1.64%, from the balance as of June 30, 2012. The Authority repaid \$361,383 in debt during the fiscal year ended June 30, 2013.

Total revenues were below budget by \$195,002 primarily due to the closure and impairment of the Broad and Front Street garage. This impairment resulted in a decrease in net position of \$3,147,245.

**Financial Analysis of the Authority**

The Authority's total net position was approximately \$0.4 million as of June 30, 2013. In fiscal year 2013, total assets decreased approximately 7% to \$33.3 million, and total liabilities increased approximately 2% to \$32.8 million. Total net position as of June 30, 2012, was approximately \$3.6 million. Total assets that year decreased approximately 4% to \$35.9 million, and total liabilities decreased approximately 2% to \$32.3 million. Changes in assets, liabilities and net position between June 30, 2013, 2012 and 2011, are summarized as follows:



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)**

				Percentage Change 2013-2012
<b>Financial Analysis of the Authority (Continued)</b>				
Current Assets	June 30, 2013	June 30, 2012	June 30, 2011	
Capital assets, net	\$ 6,576,992	\$ 6,413,954	\$ 7,654,822	3
Other assets	24,623,361	28,637,919	29,018,713	(14)
Total Assets	2,061,857	827,455	835,955	149
	<u>33,262,210</u>	<u>35,879,328</u>	<u>37,509,490</u>	(7)
Long-term debt	31,267,253	30,778,263	31,778,006	2
Other liabilities	1,559,657	1,518,520	1,583,701	3
Total Liabilities	<u>32,826,910</u>	<u>32,296,783</u>	<u>33,361,707</u>	2
Net Position				
Restricted for				
Debt Service	3,593,387	3,320,084	3,793,018	8
Renewal and Replacement	939,301	1,068,508	1,500,172	(12)
Other	77,228	77,228	142,513	-
(Deficit) Unrestricted	<u>(4,174,616)</u>	<u>(883,275)</u>	<u>(1,287,920)</u>	373
Total Net Position	<u>\$ 435,300</u>	<u>\$ 3,582,545</u>	<u>\$ 4,147,783</u>	(88)

**Operating Activities**

The Authority operates three parking garages in the City of Trenton: Warren Street, Lafayette Yard and Liberty Commons. They also operate a surface lot, which is located on Merchant Street. User fees are generated from monthly passes and daily parkers. Rates are set by the Authority's Board of Commissioners.

In July 2012, the Authority closed its Broad and Front garage and relocated all parkers to its other garages. As of June 30, 2013, the garage was impaired and the remaining value of the building and improvements was written down completely and a loss due to impairment was recognized in the amount of \$3,503,307.

The Authority's total parking revenue for fiscal year 2013 was \$3.516 million, a slight increase over fiscal year 2012. The Authority's total operating expenses for fiscal year 2013 were \$2.50 million, a decrease of approximately 3% from fiscal year 2012. The Authority's operating income for fiscal year 2013 was \$1.07 million, an increase of approximately 12% over fiscal year 2012. The Authority's total parking revenue for fiscal year 2012 was \$3.508 million, a decrease of approximately 6% from fiscal year 2011. The Authority's total operating expenses for fiscal year 2012 were \$2.58 million, an increase of 4% from fiscal year 2011. The Authority's operating income for fiscal year 2012 was \$0.96 million, a decrease of approximately 26% from fiscal year 2011. The following table summarizes the changes in revenue, expenses and net position between the fiscal years of 2013, 2012 and 2011.

**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)**

	Year Ended			Percentage Change 2013-2012
	June 30, 2013	June 30, 2012	June 30, 2011	
<b>Operating Activities (Continued)</b>				
Operating Revenues:				
Parking Revenue	\$ 3,515,902	\$ 3,508,353	\$ 3,747,628	-
Other Revenue	67,541	59,007	37,223	14
Authorization of Bond Premiums	(19,045)	(36,504)	(16,321)	(48)
Total Operating Revenues	3,564,398	3,530,856	3,768,530	1
Non-Operating Revenues				
Interest Income	81,055	81,281	81,314	-
Total Revenues	3,645,453	3,612,137	3,849,844	1
Operating Expenses:				
Payroll and Fringe Benefits	661,253	843,640	764,956	(22)
Depreciation and Amortization	921,846	884,764	869,257	4
Other Operating Expenses	912,436	847,204	839,619	8
Total Operating Expenses	2,495,535	2,575,608	2,473,832	(3)
Non-Operating Expenses				
Interest Expense	793,856	1,601,767	1,645,425	(50)
Loss on asset impairment	3,503,307	-	-	100
Total Expenses	6,792,698	4,177,375	4,119,257	63
Change in Net Position	(3,147,245)	(565,238)	(269,413)	457
Net Position, Beginning of Year	3,582,545	4,147,783	4,417,196	(14)
Net Position, End of Year	\$ 435,300	\$ 3,582,545	\$ 4,147,783	(88)



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)**

**Capital Assets and Debt Administration**

At June 30, 2013, the Authority had a total of \$30,215,692 invested in property and equipment relating primarily to its parking facilities. The total represents a 17% decrease from last year. The majority of the decrease was due to a write down related to the impairment of the Broad and Front garage. The following table summarizes the changes in capital assets, net of depreciation, between the fiscal years 2013, 2012 and 2011.

	June 30, 2013	June 30, 2012	June 30, 2011	Percentage Change 2013-2012
Land	\$ 1,788,122	\$ 1,788,122	\$ 1,788,122	-
Buildings	26,460,016	30,441,405	30,441,405	(13)
Improvements	1,834,879	4,016,572	3,639,835	(54)
Furniture and Fixtures	116,519	98,428	15,136	18
Automotive Equipment	16,156	33,656	33,656	(52)
Less: Accumulated Depreciation	30,215,692	36,378,183	35,918,154	(17)
Total Capital Assets, Net	<u>\$ (5,592,331)</u>	<u>(7,740,264)</u>	<u>(6,899,441)</u>	(28)
	<u>\$ 24,623,361</u>	<u>\$ 28,637,919</u>	<u>\$ 29,018,713</u>	(14)

More detailed information about the Authority's capital assets is presented in Note E of the financial statements.

The following table summarizes the changes in capital debt between the fiscal year 2013, 2012 and 2011:

	June 30, 2013	June 30, 2012	June 30, 2011	Percentage Change 2013-2012
Bonds Payable	<u>\$ 32,473,261</u>	<u>\$ 31,785,550</u>	<u>\$ 32,748,644</u>	2

In March 2013, the Authority issued \$19,295,000 in Series 2013A and \$9,030,000 in Series 2013B Parking Revenue Refunding Bonds which refunded Series 2001 bonds in the amount of \$18,840,000 and advance-refunded Series 2003 bonds in the amount of \$8,460,000.

More detailed information about the Authority's bonds payable is presented in Note F of the financial statements.

**PARKING AUTHORITY OF THE CITY OF TRENTON**  
(A Component Unit of the City of Trenton, State of New Jersey)

STATEMENT OF NET POSITION

	June 30,	
	2013	2012*
<b>ASSETS</b>		
Current Unrestricted Assets		
Cash and cash equivalents	\$ 493,761	\$ 477,032
Investments	1,297,419	1,285,427
Accounts receivable, net of allowance for doubtful accounts of \$253,283 in 2013 and \$138,050 in 2012	103,573	118,296
Accrued interest receivable	23,016	17,737
Prepaid expenses	49,307	49,642
Total Current Unrestricted Assets	<u>1,967,076</u>	<u>1,948,134</u>
Restricted Assets		
Cash and cash equivalents		
Current debt service account	1,057,184	426,213
Reserve account	880,418	1,238,252
Renewal and replacement account	939,301	1,068,508
Rebate fund	<u>77,228</u>	<u>77,228</u>
Investments in debt securities - reserve account	<u>1,655,785</u>	<u>1,655,619</u>
Total Restricted Assets	<u>4,609,916</u>	<u>4,465,820</u>
Property and Equipment	24,623,361	28,637,919
Construction Advances	13,923	70,784
Bond Issuance Costs	692,173	756,671
Deferred Loss on Refunding of Bonds	<u>1,355,761</u>	<u>-</u>
Total Assets	<u>\$ 33,262,210</u>	<u>\$ 35,879,328</u>



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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**STATEMENT OF NET POSITION (CONTINUED)**

	<u>June 30,</u>	
	<u>2013</u>	<u>2012*</u>
<b>LIABILITIES AND NET POSITION</b>		
Current Liabilities Payable from Unrestricted Assets		
Accounts payable	\$ 5,810	\$ 45,628
Accrued liabilities	53,522	49,696
Deferred revenue	<u>4,446</u>	<u>5,559</u>
Total Current Liabilities Payable from Unrestricted Assets	<u>63,778</u>	<u>100,883</u>
Current Liabilities Payable from Restricted Assets		
Bonds payable - current portion	1,206,008	1,007,287
Garage debt - current portion	-	16,552
Accrued interest payable on bonds	<u>289,871</u>	<u>393,798</u>
Total Current Liabilities Payable from Restricted Assets	<u>1,495,879</u>	<u>1,417,637</u>
Long-Term Portion of Bonds Payable	<u>31,267,253</u>	<u>30,778,263</u>
Total Liabilities	<u>32,826,910</u>	<u>32,296,783</u>
Net Position		
Restricted for:		
Debt Service	3,593,387	3,320,084
Renewal and Replacement	939,301	1,068,508
Other	77,228	77,228
(Deficit) Unrestricted	<u>(4,174,616)</u>	<u>(883,275)</u>
Total Net Position	<u>435,300</u>	<u>3,582,545</u>
Total Liabilities and Net Position	<u>\$ 33,262,210</u>	<u>\$ 35,879,328</u>

\*Some amounts have been adjusted to conform with current year presentation.

**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<u>Year Ended June 30,</u>	
	<u>2013</u>	<u>2012*</u>
Revenues		
Parking revenues	\$ 3,515,902	\$ 3,508,353
Rental income	30,200	26,567
Interest income	37,341	32,440
Amortization of bond premiums	<u>(19,045)</u>	<u>(36,504)</u>
Total Revenues	<u>3,564,398</u>	<u>3,530,856</u>
Operating Expenses		
General and administrative	1,573,689	1,690,844
Depreciation and amortization	<u>921,846</u>	<u>884,764</u>
Total Operating Expenses	<u>2,495,535</u>	<u>2,575,608</u>
Operating Income	<u>1,068,863</u>	<u>955,248</u>
Non-Operating Revenues (Expenses)		
Interest income	81,055	81,281
Interest expense	(793,856)	(1,601,767)
Loss on asset impairment	<u>(3,503,307)</u>	<u>-</u>
Total Non-Operating Expenses	<u>(4,216,108)</u>	<u>(1,520,486)</u>
Net Loss	(3,147,245)	(565,238)
Net Position, Beginning of Year	<u>3,582,545</u>	<u>4,147,783</u>
Net Position, End of Year	<u>\$ 435,300</u>	<u>\$ 3,582,545</u>

\*Some amounts have been adjusted to conform with current year presentation.



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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**STATEMENT OF CASH FLOWS**

	Year Ended June 30,	
	2013	2012*
<b>Cash Flows from Operating Activities</b>		
Parking revenue	\$ 3,529,512	\$ 3,546,777
Rental income	30,200	26,567
Investment return	15,040	(1,811)
General and administrative expenses	<u>(1,609,347)</u>	<u>(1,764,081)</u>
Net Cash Provided by Operating Activities	1,965,405	1,807,452
<b>Cash Flows from Investing Activities</b>		
Non-operating interest income	81,055	81,496
Purchase of investments, net	<u>(19,364)</u>	<u>-</u>
Net Cash Provided by Investing Activities	61,691	81,496
<b>Cash Flows from Capital and Related Financing Activities</b>		
Repayment of borrowings	(361,383)	(987,291)
Purchases of property and equipment	(351,668)	(460,029)
Non-operating interest expense	(897,783)	(1,613,520)
Construction advances	56,860	(27,898)
Transfer to Escrow Account	<u>(312,463)</u>	<u>-</u>
Net Cash Used in Financing Activities	<u>(1,866,437)</u>	<u>(3,088,738)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	160,659	(1,199,790)
Cash and Cash Equivalents, Beginning of Year	<u>3,287,233</u>	<u>4,487,023</u>
Cash and Cash Equivalents, End of Year	\$ 3,447,892	\$ 3,287,233
Cash and Cash Equivalents, Unrestricted	\$ 493,761	\$ 477,032
Cash and Cash Equivalents, Restricted	<u>2,954,131</u>	<u>2,810,201</u>
	\$ 3,447,892	\$ 3,287,233
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating income	\$ 1,068,863	\$ 955,248
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	862,919	840,823
Amortization	60,949	43,941
Bad debt expense	130,933	70,800
Changes in current assets and liabilities		
Accounts receivable	(116,210)	(27,665)
Prepaid expenses and deposits	335	(4,524)
Accrued interest receivable	(5,279)	(330)
Accounts payable	(39,818)	(74,188)
Accrued liabilities	3,826	5,476
Deferred revenue	(1,113)	(4,711)
Investments	-	2,582
Net Cash Provided by Operating Activities	<u>\$ 1,965,405</u>	<u>\$ 1,807,452</u>

\*Some amounts have been adjusted to conform with current year presentation.

See notes to financial statements.



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
(A Component Unit of the City of Trenton, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

---

**A. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business**

Parking Authority of the City of Trenton (the "Authority") was created to construct and operate parking facilities to serve the municipality of Trenton, New Jersey. The Authority collects its revenues from users of the facilities. The Authority is a component unit of the City of Trenton, New Jersey (the "City"), since it is financially accountable to the City.

**Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America applicable to governmental proprietary-type funds. Revenues are recognized when earned, and expenses are recognized when incurred.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB") and other entities that promulgate accounting principles. Per GASB Statement 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, priority is established as to which source of accounting principles to utilize in determining proper accounting treatment. The hierarchy is as follows: GASB Statements and Interpretations; GASB Technical Bulletins; American Institute of Certified Public Accountants ("AICPA") Industry Audit and Accounting Guides and AICPA Statements of Position, if applicable, and cleared by GASB; AICPA Practice Bulletins, if applicable, and cleared by GASB; Implementation Guides published by the Financial Accounting Standards Board ("FASB"); AICPA pronouncements that are not specially applicable to state and governmental entities; FASB Statements and Interpretations; and Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee of Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**Operating Revenues and Expenses**

The Authority's operating revenues consist of parking revenues, rental income and interest earned on unrestricted cash and investments. Operating expenses consist of costs related to parking service. All other revenues and expenses are reported as non-operating revenues and expenses.

**Cash Equivalents**

For the purpose of the statements of cash flows, cash equivalents are all highly liquid securities with original maturities of three months or less.

**Accounts Receivable, Net of Allowance for Doubtful Accounts**

The Authority evaluates all accounts receivable on an annual basis. An allowance for doubtful accounts is set up by charging net income. Amounts are charged against the allowance for doubtful accounts when management believes that collectibility of some receivables is uncertain.



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
 (A Component Unit of the City of Trenton, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

**A. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment and Depreciation**

Property and equipment is stated at cost and is depreciated for financial reporting purposes on a straight-line basis over the estimated useful lives of the assets: 25-50 years for buildings, 10-30 years for improvements, 5-15 years for furniture and fixtures, and 5 years for automotive equipment. Repairs and maintenance expenditures which do not extend the useful lives of the related assets are expensed as incurred.

**Bond Issuance Costs**

Bond issuance costs are being amortized on the straight-line method over the lives of the respective bonds. Amortization charged to operations for the years ended June 30, 2013 and 2012, was \$36,234 and \$36,398, respectively.

**Income Taxes**

As a public body, the Authority is exempt from both federal and state income taxes under existing statute.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Unemployment Trust Fund**

The State Unemployment Compensation Fund is reimbursed out of current operating income as needed for benefits paid to former employees.

**Restricted Accounts**

In accordance with the bond resolutions and trust agreements, the Authority has established various funds:

<u>Account</u>	<u>Amount</u>	<u>Use for Which Restricted</u>
Current debt service account	Amounts needed for accrued bond interest and principal due in the next succeeding fiscal year, as if such principal amounts accrued evenly throughout the year.	Interest and principal payments due on October 1 and April 1.

**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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NOTES TO FINANCIAL STATEMENTS

**A. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

<u>Account</u>	<u>Amount</u>	<u>Use for Which Restricted</u>
Reserve account	Amounts needed for maximum annual debt service.	Interest and principal payments not funded by current debt service accounts.
Renewal and replacement account	Withdrawals. Deposits by resolution only.	Authorized draws for costs and unusual or extraordinary maintenance or repairs, renewal and replacement of equipment, the acquisition of capital additions or improvements.
Rebate fund	Withdrawals only.	Required draws for rebatable arbitrage.

**Other Post Employment Benefits ("OPEB") Other than Pensions**

On July 1, 2007, the Authority implemented GASB Number 45, which covers accounting and financial reporting requirements for government employees which provide post employment benefits other than pensions. Since the Authority participates in a multiple-employer cost-sharing plan ("Public Employees' Retirement System" ("PERS")), the Authority's portion of this liability and cost is calculated and recorded at the State of New Jersey level and included in the state's Comprehensive Annual Financial Report. The Authority records OPEB expense based on billings from the State PERS. Required financial statement disclosure requirements are included in Note K of these audited financial statements.

**Net Position**

**Restricted**

Amounts are restricted for debt service, renewal and replacement and other charges as required per bond resolution.

**Unrestricted**

The unrestricted net position represents resources available for current operating expenses net of capital assets and related debt.

	<u>2013</u>	<u>2012</u>
Invested in capital assets, net of related debt	\$ (6,077,914)	\$ (2,730,526)
Unrestricted net position	1,903,298	1,847,251
(Deficit) Unrestricted	<u>\$ (4,174,616)</u>	<u>\$ (883,275)</u>

**Rounding**

Some schedules in the financial statements may have dollar differences due to rounding adjustments.



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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NOTES TO FINANCIAL STATEMENTS

**B. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents and investments include amounts on deposit, petty cash, change funds and short-term investments with original maturities of three months or less.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

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

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

As of June 30, 2013 and 2012, the Authority's bank balances were exposed to custodial credit risk as follows:

	<u>June 30,</u>	
	<u>2013</u>	<u>2012</u>
Insured and Collateralized	\$ 824,878	\$ 849,878
Uninsured and Collateralized	4,549,231	4,293,774
Uninsured and Uncollateralized	1,047,419	1,035,426
Total	<u>\$ 6,421,528</u>	<u>\$ 6,179,079</u>

**Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities in the possession of an outside party. The Authority's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation ("FDIC"). The Authority approves and designates the authorized depository institution based on an evaluation of solicited responses and certifications provided by financial institutions.

Concentration of Credit Risk – This is the risk associated with the amount of investments the Authority has with any one issuer that exceeds five percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and the New Jersey Cash Management Fund are excluded from this requirement. None of the investments held by the Authority are exposed to concentration of credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Authority does not have an investment policy regarding Credit Risk, however, the Authority had no investments that were subject to credit risks as of June 30, 2013.



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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NOTES TO FINANCIAL STATEMENTS

**B. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority has a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations. However, its practice is to hold investments to maturity.

**C. INVESTMENTS**

Investments consist of treasury obligations and taxable bonds. These investments are held by the Authority's custodial agent in an account for the Authority and are included in Restricted Assets on the statement of net position. Unrestricted investments are held by the Authority's investment advisors and are carried at fair value.

*Fair Value Measurements*

The Authority follows the Fair Value Measurements Topic of the FASB Accounting Standards Codification, which provides a framework for measuring fair value under accounting principles generally accepted in the United States of America.

As defined in the Fair Value Measurements Topic of the FASB Accounting Standards Codification, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Authority uses the stock market index approach. Based on this approach, the Authority often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Authority utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Authority is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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NOTES TO FINANCIAL STATEMENTS

**C. INVESTMENTS (CONTINUED)**

*Investments*

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

*Fair Value on a Recurring Basis*

The table below presents the balances of investments measured at fair value on the statement of net position as of June 30, 2013 and 2012:

	June 30, 2013			
	Total	Level 1	Level 2	Level 3
Available for sale securities	\$ 2,953,204	\$ 2,953,204	\$ -	\$ -
Total	\$ 2,953,204	\$ 2,953,204	\$ -	\$ -
		June 30, 2012		
	Total	Level 1	Level 2	Level 3
Available for sale securities	\$ 2,941,046	\$ 2,941,046	\$ -	\$ -
Total	\$ 2,941,046	\$ 2,941,046	\$ -	\$ -

**D. CONCENTRATION OF RISK**

Revenues collected from the State of New Jersey were 39% and 45% of total parking revenues for the years ended June 30, 2013 and 2012, respectively. Any additional substantial decrease in these revenues could have a material effect on the operations of the Authority.

**E. PROPERTY AND EQUIPMENT**

Property and equipment for the years ended June 30, 2013 and 2012, consist of the following:

	June 30,	Additions	Deletions	June 30,
	2012			2013
Land	\$ 1,788,122	\$ -	\$ -	\$ 1,788,122
Buildings	30,441,405	-	3,981,389	26,460,016
Improvements	4,016,572	333,577	2,515,270	1,834,879
Furniture and fixtures	98,428	18,091	-	116,519
Automotive equipment	33,656	-	17,500	16,156
Subtotal	36,378,183	351,668	6,514,159	30,215,692
Less accumulated depreciation	7,740,264	862,919	3,010,852	5,592,331
Total property and equipment	\$ 28,637,919	\$ (511,251)	\$ 3,503,307	\$ 24,623,361

**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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NOTES TO FINANCIAL STATEMENTS

**E. PROPERTY AND EQUIPMENT (CONTINUED)**

	June 30, 2011	Additions	Deletions	June 30, 2012
Land	\$ 1,788,122	-	-	\$ 1,788,122
Buildings	30,441,405	-	-	30,441,405
Improvements	3,639,835	376,737	-	4,016,572
Furniture and fixtures	15,136	83,292	-	98,428
Automotive equipment	33,656	-	-	33,656
Subtotal	35,918,154	460,029	-	36,378,183
Less accumulated depreciation	6,899,441	840,823	-	7,740,264
Total property and equipment	<u>\$ 29,018,713</u>	<u>\$ (380,794)</u>	<u>-</u>	<u>\$ 28,637,919</u>

Depreciation expense charged to operations was \$862,919 and \$840,823 for the years ended June 30, 2013 and 2012, respectively.

In July 2012, the Authority closed its Broad and Front garage and relocated all parkers to other garages. As of June 30, 2013, the garage was impaired and the remaining value of the building and improvements was written down completely and a loss due to impairment was recognized in the amount of \$3,503,307.

**F. BONDS PAYABLE**

The bonds are payable as to principal and interest from the fees, rentals or other charges derived by the Authority from the operation of its parking system and the full faith, credit and taxing power of the City of Trenton, New Jersey. The City guarantees the payment of the bonds. Additionally, the bonds have been insured to guarantee payment of principal and interest.

The bonds mature annually from April 1, 2005 through April 1, 2034.

Bond resolutions have been adopted by the Authority for the purpose of acquiring, constructing and making improvements to the parking facilities in the City. The following is a summary of revenue bonds outstanding:

Series	Issue Date	Interest Rates	Amount of Original Issue
Parking Revenue (Series 2006)	3/7/06	5.26%- 5.50%	\$ 4,520,000
Parking Revenue (Series 2013A)	3/7/13	1.50%- 4.00%	19,295,000
Parking Revenue (Series 2013B)	3/7/13	1.50%- 4.00%	9,030,000
Total			<u>\$ 32,845,000</u>



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
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NOTES TO FINANCIAL STATEMENTS

**F. BONDS PAYABLE (CONTINUED)**

Series	June 30,	Additions	Deletions	June 30,
	2012			2013
Parking Revenue Refunding (Series 2001)	\$18,840,000	\$ -	\$18,840,000	\$ -
Parking Revenue (Series 2003)	8,955,839	-	8,704,831	251,008
Parking Revenue (Series 2006)	4,150,000	-	100,000	4,050,000
Parking Revenue Refunding (Series 2013)	-	28,325,000	-	28,325,000
Subtotal	31,945,839	28,325,000	27,644,831	32,626,008
Less deferred loss on defeasance (2006 Refunding)	160,290	-	7,543	152,747
Total	31,785,549	28,325,000	27,637,288	32,473,261
Less current portion Bonds payable, net of current portion	1,007,287	1,206,008	1,007,287	1,206,008
	<u>\$30,778,262</u>	<u>\$ 27,118,992</u>	<u>\$26,630,001</u>	<u>\$ 31,267,253</u>
	June 30,			June 30,
Series	2011	Additions	Deletions	2012
Parking Revenue Refunding (Series 2001)	\$ 19,485,000	\$ -	\$ 645,000	\$ 18,840,000
Parking Revenue (Series 2003)	9,186,477	-	230,638	8,955,839
Parking Revenue (Series 2006)	4,245,000	-	95,000	4,150,000
Subtotal	32,916,477	-	970,638	31,945,839
Less deferred loss on defeasance (2006 Refunding)	167,833	-	7,543	160,290
Total	32,748,644	-	963,095	31,785,549
Less current portion Bonds payable, net of current portion	970,638	1,007,287	970,638	1,007,287
	<u>\$ 31,778,006</u>	<u>\$ (1,007,287)</u>	<u>\$ 7,543</u>	<u>\$ 30,778,262</u>

Total maturities of bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,206,008	\$ 1,129,592	\$ 2,335,600
2015	1,355,000	1,081,222	2,436,222
2016	1,380,000	1,050,947	2,430,947
2017	1,420,000	1,009,933	2,429,933
2018	1,470,000	958,466	2,428,466
2019 - 2023	8,200,000	3,932,093	12,132,093
2024 - 2028	9,740,000	2,432,522	12,172,522
2029 - 2033	6,900,000	776,908	7,676,908
2034	955,000	20,063	975,063
Total	<u>\$ 32,626,008</u>	<u>\$ 12,391,746</u>	<u>\$ 45,017,754</u>



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
(A Component Unit of the City of Trenton, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

**F. BONDS PAYABLE (CONTINUED)**

**Refunding Bond Issues**

In March 2006, the Authority issued \$4,520,000 in Parking Revenue Refunding Bonds to advance-refund the callable portion, \$4,075,000, of the \$14,035,000 of outstanding Series 2003 Parking Revenue Bonds of the Authority used to construct the Liberty Commons facility. The net proceeds of \$4,169,516 (after payment of \$350,484 in underwriting fees, insurance and other issuance costs, as well as a \$347,225 deposit to the Bond Reserve Fund) were used to purchase state and local government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all scheduled interest and principal payments on the Series 2003 Parking Revenue Bonds to and including October 1, 2033. The portion of the bonds maturing on or after October 1, 2017, is subject to redemption on or after October 1, 2016, and the bonds maturing on October 1, 2026 and October 1, 2033, are subject to mandatory sinking fund redemption. The advance-refunding met with the requirement of an in-substance debt defeasance, \$4,075,000 of the Series 2003 Parking Revenue Bonds were removed from the Authority's financial statements. In addition, the trust account assets are not included in the Authority's financial statements.

As a result of the advance-refunding, the Authority increased its total debt service requirement by \$1,579,430, which resulted in an economic loss (difference between present value of the debt service payments on the old and new debt) of \$683,060. In addition, the Authority recorded a deferred loss on defeasance, principally representing the difference between the carrying value of the refunded bonds and the re-acquisition price, of \$208,060. This loss on defeasance is reflected as a reduction in bonds payable and is being amortized on a straight-line basis over the life of the new debt. Amortization expense for the years ended June 30, 2013 and 2012, was \$7,543.

In March 2013, the Authority issued \$19,295,000 in Series 2013A and \$9,030,000 in Series 2013B Parking Revenue Refunding Bonds which refunded Series 2001 bonds in the amount of \$18,840,000 and advance-refunded Series 2003 bonds in the amount of \$8,460,000. The net proceeds of \$28,204,066 (after payment of \$493,652 in underwriting fees, insurance and other issuance costs) were used to purchase state and local government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all scheduled interest and principal payments on the Series 2001 Parking Revenue Refunding Bonds and 2003 Parking Revenue Bonds up to and including April 1, 2030 and October 1, 2033, respectively. The portion of Series 2013A Bonds maturing on or after April 1, 2017, is subject to redemption on or after April 1, 2016, and the portion of Series 2013B Bonds maturing on or after October 1, 2023, is subject to redemption on or after October 1, 2022.

As a result of the advance-refunding, the Authority decreased its total debt service requirement by \$1,204,601, which resulted in an economic gain (difference between present value of the debt service payments on the old and new debt) of \$849,942. In addition, the Authority recorded a deferred loss on defeasance, principally representing the difference between the carrying value of the refunded bonds and the re-acquisition price, of \$1,370,908. This loss on defeasance is being amortized on a straight-line basis over the life of the new debt. Amortization expense for the year ended June 30, 2013, was \$15,147.



**PARKING AUTHORITY OF THE CITY OF TRENTON**  
(A Component Unit of the City of Trenton, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

**F. BONDS PAYABLE (CONTINUED)**

**Refunding Bond Issues (Continued)**

Refunded bonds outstanding at June 30, 2013, are comprised of the following:

<u>2006 Refunding</u>	<u>Issue</u>	<u>Principal Amount</u> <u>Outstanding</u> <u>June 30, 2013</u>
Parking Revenue (Series 2003)		\$ 3,560,000
2013 Refunding		
Parking Revenue (Series 2001)		18,170,000
2013 Refunding		
Parking Revenue (Series 2003)		<u>8,460,000</u>
		<u>\$ 30,190,000</u>

**G. DEBT**

Debt consists of garage debt with fluctuating payments due at varying intervals plus interest at approximately 4.7%. Amounts are payable semi-annually through July 2012.

	June 30, 2012	Additions	Deletions	June 30, 2013
Garage debt	\$ 16,552	-	\$ 16,552	\$ -
Less current portion	16,552	-	16,552	-
Debt, net of current portion	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
	June 30, 2011	Additions	Deletions	June 30, 2012
Garage debt	\$ 33,205	-	\$ 16,653	\$ 16,552
Less current portion	33,205	-	16,653	16,552
Debt, net of current portion	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>

**H. COMMITMENTS AND CONTINGENCIES**

The Authority's employees have agreed to be contracted with a local union. The effects of a labor or contract problem of any kind have not been determined and have not been reflected in these financial statements.

**I. RELATED PARTY**

A commissioner of the Authority is a member of the board of directors of Lafayette Yard Community Development Corporation (the "Corporation"). The Authority substantially funded the Corporation for \$7,370,359, all of which was reserved. This receivable and reserve has been fully written off due to the bankruptcy filing of the Corporation.

**PARKING AUTHORITY OF THE CITY OF TRENTON**  
(A Component Unit of the City of Trenton, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

**J. PENSION PLAN**

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The Authority participates in the PERS of New Jersey, which is part of the Division of Pensions in the Department of the Treasury, State of New Jersey. The plan is funded annually based on the projected benefit method with aggregate-level normal cost and frozen initial unfunded accrued liability. The plan, which covers public employees throughout the state, does not maintain separate records for each reporting unit, and accordingly, the actuarial data for employees of the Authority who are members of the plan is not available.

**K. OTHER POST EMPLOYMENT BENEFITS ("OPEB") OTHER THAN PENSIONS**

The Authority participates in a cost sharing multiple-employer defined benefit PERS, which is administered by the State of New Jersey. PERS provides continued health care benefits to employees retiring after twenty-five years of services. Benefits, contributions, funding and the manner of administration are determined by the State Legislature. The Division of Pensions charges the Authority for its contribution. Three employees were receiving benefits as of June 30, 2013, 2012 and 2011, respectively. The total cost for these post-retirement benefits, included in fringe benefits, were \$22,060, \$23,305 and \$30,068, respectively.

Please refer to the State website, [www.state.nj.us](http://www.state.nj.us) for more information regarding the plan. The PERS report may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.



**SUPPLEMENTARY INFORMATION**

**PARKING AUTHORITY OF THE CITY OF TRENTON**  
(A Component Unit of the City of Trenton, State of New Jersey)

**SCHEDULE OF OPERATING REVENUES, EXPENSES AND COSTS FUNDED BY OPERATING REVENUES COMPARED TO BUDGET**

	Year Ended			
	June 30, 2013		June 30, 2012	
	(Unaudited) Budget	Audited Actual	(Unaudited) Actual*	Audited Actual*
<b>Revenues</b>				
Parking revenues	\$ 3,700,000	\$ 3,515,902	\$ 3,508,353	
Rental income	24,400	30,200	26,567	
Investment return, net	35,000	18,296	(4,064)	
<b>Total revenues</b>	<u>\$ 3,759,400</u>	<u>\$ 3,564,398</u>	<u>\$ 3,530,856</u>	
<b>Expenses</b>				
Payroll	\$ 428,000	\$ 473,552	\$ 606,770	
Heat, light and water	135,000	129,571	172,739	
Facilities maintenance	137,500	234,392	158,962	
Parking tickets	4,000	3,686	6,260	
Laundry and uniforms	2,500	122	1,561	
Insurance	135,000	162,609	160,961	
Telephone	24,000	27,804	27,945	
Office expenses	24,500	27,514	25,416	
Fringe benefits	202,000	187,701	236,870	
Professional fees	81,500	81,939	85,271	
Consulting Fees	129,400	90,395	120,325	
Travel, meetings and workshops	11,400	14,732	13,090	
Miscellaneous expenses	8,200	8,739	3,874	
Bad debt expense	-	130,933	70,800	
<b>Total expenses</b>	<u>1,323,000</u>	<u>1,573,689</u>	<u>1,690,844</u>	
Interest expense - bonds	1,566,713	793,856	1,601,139	
Interest expense - garage debt	-	-	628	
Other costs funded by operating revenues				
Principal maturity	344,831	361,383	987,291	
Capital outlays	229,000	351,668	460,029	
Unreserved retained earnings	295,856	483,802	(1,209,075)	
<b>Total costs funded by operating revenues</b>	<u>\$ 3,759,400</u>	<u>\$ 3,564,398</u>	<u>\$ 3,530,856</u>	

\*Some numbers have been adjusted to conform with current year presentation.



**PARKING AUTHORITY OF THE CITY OF TRENTON, NEW JERSEY**  
**SCHEDULE OF OPERATING REVENUES AND EXPENSES BY GARAGE**

Year Ended June 30, 2013

	Broad & Front	Lafayette	Liberty Commons	Merchant	Warren & Hanover	Total
<b>Revenues</b>						
Parking revenues	\$ 110,741	\$ 1,345,332	\$ 846,510	\$ 385,133	\$ 828,186	\$ 3,515,902
Rental income	-	-	-	-	30,200	30,200
Investment return, net	3,692	3,727	3,576	3,650	3,650	18,296
Total revenues	<u>114,434</u>	<u>1,349,059</u>	<u>850,086</u>	<u>388,783</u>	<u>862,036</u>	<u>3,564,398</u>
<b>Operating Expenses</b>						
Payroll	21,246	160,171	98,921	90,823	102,392	473,552
Heat, light and water	25,611	43,897	7,218	5,540	47,304	129,571
Facilities maintenance	7,266	63,288	91,645	23,420	42,964	234,392
Parking tickets	-	1,638	1,638	-	410	3,686
Laundry and uniforms	-	8	8	8	98	122
Insurance	27,666	35,343	39,895	3,564	56,142	162,609
Telephone	1,762	9,398	5,928	3,101	7,615	27,804
Office expense	53	9,451	9,398	4,240	4,372	27,514
Fringe benefits	7,490	59,793	39,489	36,293	44,636	187,701
Professional fees	995	18,532	15,401	15,401	31,611	81,939
Consulting fees	1,212	24,517	21,042	16,109	27,515	90,395
Travel, meetings and workshops	1,343	1,735	1,735	1,735	8,184	14,732
Miscellaneous expense	290	654	654	654	6,486	8,739
Bad debt expense	78,533	-	47,500	-	4,900	130,933
Depreciation and amortization	274,381	266,524	267,471	9,002	104,469	921,846
Total Operating Expenses	<u>447,847</u>	<u>694,950</u>	<u>647,942</u>	<u>209,889</u>	<u>489,098</u>	<u>2,495,535</u>
<b>Non-Operating Revenues (Expenses)</b>						
Bond interest income	16,471	34,144	10,069	10,185	10,185	81,055
Interest expense	(225,007)	(191,961)	(255,304)	(34,057)	(87,526)	(793,856)
Loss on asset impairment	(3,503,307)	-	-	-	-	(3,503,307)
Total Non-Operating Expenses	<u>(3,711,843)</u>	<u>(157,817)</u>	<u>(245,234)</u>	<u>(23,872)</u>	<u>(77,341)</u>	<u>(4,216,108)</u>
<b>Net (Loss) Income</b>	<u>\$ (3,770,876)</u>	<u>\$ 762,815</u>	<u>\$ 224,381</u>	<u>\$ 164,023</u>	<u>\$ 400,066</u>	<u>\$ (3,147,245)</u>

**PARKING AUTHORITY OF THE CITY OF TRENTON**  
(A Component Unit of the City of Trenton, State of New Jersey)

**ROSTER OF OFFICIALS**

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<u>AUTHORITY COMMISSIONERS</u>	<u>POSITION</u>
Harry Reyes	Chairman
Andrew Worek	Vice Chairman
Joyce Kersey	Commissioner
Melody P. Freeman	Commissioner
Scott Rice	Commissioner
Anne LaBate	Commissioner
Duncan Harrison	Commissioner

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**OTHER OFFICIAL**

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Walter Smith	Chief Operating Officer
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