

Summary of Audit Report on The Parking Authority of the
City of Trenton, New Jersey for the Fiscal Year
June 30, 2018, as Required by N.J.S.A. 40A:5A-16

STATEMENTS OF NET POSITION

	June 30,	
	2018	2017
ASSETS		
Current unrestricted assets		
Cash and cash equivalents	\$ 188,850	\$ 220,571
Investments	1,327,895	1,314,306
Accounts receivable, net of allowance for doubtful accounts of \$20,815 in 2018 and \$34,125 in 2017	55,744	51,325
Accrued interest receivable	5,814	23,991
Prepaid expenses	47,038	41,235
Total current unrestricted assets	1,625,341	1,651,428
Restricted assets		
Cash and cash equivalents		
Current debt service account	1,836,622	1,769,408
Reserve account	1,295,563	1,212,817
Renewal and replacement account	221,943	332,241
Subtotal	3,354,128	3,314,466
Investments in debt securities	1,479,073	1,481,020
Total restricted assets	4,833,201	4,795,486
Non-current assets		
Property and equipment, net	22,217,603	22,733,340
Total assets	\$28,676,145	\$29,180,254
DEFERRED OUTFLOWS OF RESOURCES		
Pension contribution	\$ 148,636	\$ 263,502
OPEB	200	-
Loss on refunding of bonds	1,104,142	1,186,335
Total deferred outflows of resources	\$ 1,252,978	\$ 1,449,837

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STATEMENTS OF NET POSITION (CONTINUED)

	June 30,	
	2018	2017
LIABILITIES AND NET POSITION		
Current liabilities payable from unrestricted assets		
Accounts payable	\$ 22,663	\$ 21,369
Accrued liabilities	420,290	415,953
Unearned revenue	804	1,217
Total current liabilities payable from unrestricted assets	443,757	438,539
Current liabilities payable from restricted assets		
Bonds payable - current portion	1,555,000	1,505,000
Accrued interest payable on bonds	213,621	223,529
Total current liabilities payable from restricted assets	1,768,621	1,728,529
Total current liabilities	2,212,378	2,167,068
Non-current liabilities		
Net pension liability	538,066	890,295
Net OPEB liability	1,167,579	1,601,229
Long-term portion of bonds payable	24,380,000	25,935,000
Unamortized bond premium	830,773	893,473
Total non-current liabilities	26,916,418	29,319,997
Total liabilities	\$29,128,796	\$31,487,065
 DEFERRED INFLOWS OF RESOURCES		
Pension	\$ 391,348	\$ 217,285
OPEB	444,120	-
Total deferred inflows of resources	\$ 835,468	\$ 217,285
 Net Position		
Restricted for:		
Debt service	\$ 4,611,258	\$ 4,463,245
Renewal and replacement	221,943	332,241
Deficit	(4,868,342)	(5,869,745)
Total Net Position	\$ (35,141)	\$ (1,074,259)

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STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

	<u>Years Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Operating revenues		
Parking revenues	\$ 3,935,532	\$ 3,768,496
Rental income	<u>26,500</u>	<u>28,184</u>
Total operating revenues	3,962,032	3,796,680
Operating expenses		
General and administrative	<u>1,517,190</u>	<u>1,484,497</u>
Operating income before depreciation and amortization	2,444,842	2,312,184
Depreciation and amortization	<u>619,420</u>	<u>617,522</u>
Operating income	<u>1,825,422</u>	<u>1,694,662</u>
Non-operating revenues (expenses)		
Interest income	63,847	77,492
Interest expense	(880,508)	(945,254)
Bond issuance costs	-	(413,041)
Investment return	30,357	4,028
Contingent expenses	<u>-</u>	<u>-</u>
Total non-operating expenses	<u>(786,304)</u>	<u>(1,276,775)</u>
Net income	1,039,118	417,886
Net position, beginning of year, as restated	<u>(1,074,259)</u>	<u>109,084</u>
Net position, end of year, as previously reported	(35,141)	526,970
GASB 75 Adjustment	<u>-</u>	<u>(1,601,229)</u>
Net position, end of year, as restated	<u>\$ (35,141)</u>	<u>\$ (1,074,259)</u>

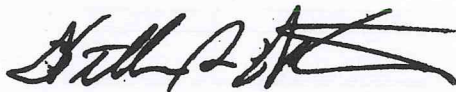
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Ended June 30, 2018, as Required by N.J.S.A. 40A:5A-16

It is recommended that:

1. We recommend that the Authority establish written internal control policies and procedures to utilize sequentially numbered purchase requisitions and/or purchase orders. We also recommend the authority establish a written capitalization policy and that accounts receivable balances are reviewed on a monthly basis, and adjusted accordingly.

A corrective action plan, which outlines the actions the Parking Authority of the City of Trenton will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection with The Parking Authority of the City of Trenton within 45 days of notice.

The above summary was prepared from the report of the audit of the Parking Authority of the City of Trenton, New Jersey for the fiscal year ended June 30, 2018. This report of audit, submitted by Mercadien, P.C., Certified Public Accountants, is on file with The Parking Authority of the City of Trenton, New Jersey, 110-116 North Warren Street, Trenton, New Jersey 08608 and may be inspected by any interested person.



William A. Watson, Chairman of the Board of Commissioners