

Summary of Audit Report on The Parking Authority of the
City of Trenton, State of New Jersey for the Fiscal Year
June 30, 2020, as Required by N.J.S.A. 40A:5A-16

STATEMENTS OF NET POSITION

| | June 30, | |
|---|--------------|--------------|
| | 2020 | 2019 |
| ASSETS | | |
| Current unrestricted assets | | |
| Cash and cash equivalents | \$ 342,335 | \$ 468,954 |
| Investments | 1,389,685 | 1,356,735 |
| Accounts receivable, net of allowance for doubtful accounts of \$63,212 in 2020 and \$38,747 in 2019 | 133,892 | 140,633 |
| Prepaid expenses | 46,983 | 47,129 |
| Total current unrestricted assets | 1,912,895 | 2,013,451 |
| Restricted assets | | |
| Cash and cash equivalents | | |
| Current debt service account | 1,215,369 | 1,653,409 |
| Reserve account | 1,482,053 | 1,392,458 |
| Renewal and replacement account | 39,303 | 203,649 |
| Subtotal | 2,736,725 | 3,249,516 |
| Investments in debt securities | 1,484,436 | 1,476,922 |
| Total restricted assets | 4,221,161 | 4,726,438 |
| Non-current assets | | |
| Property and equipment, net | 21,162,123 | 21,703,389 |
| Construction in process | 825,187 | - |
| Total assets | \$28,121,366 | \$28,443,278 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension contribution | \$ 58,362 | \$ 89,735 |
| OPEB | 13,329 | 15,399 |
| Loss on refunding of bonds | 939,756 | 1,021,949 |
| Total deferred outflows of resources | \$ 1,011,447 | \$ 1,127,083 |

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STATEMENTS OF NET POSITION (CONTINUED)

| | June 30, | |
|--|--------------|--------------|
| | 2020 | 2019 |
| LIABILITIES AND NET POSITION | | |
| Current liabilities payable from unrestricted assets | | |
| Accounts payable | \$ 111,054 | \$ 15,864 |
| Accrued liabilities | 539,173 | 452,099 |
| Total current liabilities payable from unrestricted assets | 650,227 | 467,963 |
| Current liabilities payable from restricted assets | | |
| Bonds payable - current portion | 1,640,000 | 1,605,000 |
| Accrued interest payable on bonds | 186,705 | 200,264 |
| Total current liabilities payable from restricted assets | 1,826,705 | 1,805,264 |
| Total current liabilities | 2,476,932 | 2,273,227 |
| Non-current liabilities | | |
| Net pension liability | 336,064 | 371,609 |
| Net OPEB liability | 605,645 | 907,724 |
| Long-term portion of bonds payable | 21,135,000 | 22,775,000 |
| Unamortized bond premium | 696,702 | 768,073 |
| Total non-current liabilities | 22,773,411 | 24,822,406 |
| Total liabilities | \$25,250,343 | \$27,095,633 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension | \$ 301,778 | \$ 400,856 |
| OPEB | 881,242 | 684,408 |
| Total deferred inflows of resources | \$ 1,183,020 | \$ 1,085,264 |
| Net Position | | |
| Restricted for: | | |
| Debt service | \$ 4,181,858 | \$ 4,522,789 |
| Renewal and replacement | 39,303 | 203,649 |
| Deficit | (1,521,711) | (3,336,974) |
| Total Net Position | \$ 2,699,450 | \$ 1,389,464 |

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STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

| | <u>Years Ended June 30,</u> | |
|---|-----------------------------|---------------------|
| | <u>2020</u> | <u>2019</u> |
| Operating revenues | | |
| Parking revenues | \$ 3,600,631 | \$ 3,980,002 |
| Rental income | <u>23,500</u> | <u>25,667</u> |
| Total operating revenues | 3,624,131 | 4,005,669 |
| Operating expenses | | |
| General and administrative | <u>1,294,134</u> | <u>1,273,153</u> |
| Operating income before depreciation and amortization | 2,329,997 | 2,732,516 |
| Depreciation and amortization | <u>627,754</u> | <u>625,408</u> |
| Operating income | <u>1,702,243</u> | <u>2,107,108</u> |
| Non-operating revenues (expenses) | | |
| Interest income | 83,967 | 126,877 |
| Interest expense | (783,599) | (836,379) |
| Miscellaneous income | 229,425 | - |
| Investment return | <u>77,950</u> | <u>26,999</u> |
| Total non-operating expenses | <u>(392,257)</u> | <u>(682,503)</u> |
| Changes in net position | 1,309,986 | 1,424,605 |
| Net position, beginning of year | <u>1,389,464</u> | <u>(35,141)</u> |
| Net position, end of year | <u>\$ 2,699,450</u> | <u>\$ 1,389,464</u> |

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Ended June 30, 2020, 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.
2. We recommend that the policies and procedures over the financial reporting process be consistently followed in order to timely complete and file the annual financial statements.

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, State of New Jersey for the fiscal year ended June 30, 2020. This report of audit, submitted by Mercadien, P.C., Certified Public Accountants, is on file with The Parking Authority of the City of Trenton, State of 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