

Parking Authority of the City of East Orange
Notes to the Financial Statements
December 31, 2011

NOTE A – General Statement and Summary of Significant Accounting Policies

GENERAL STATEMENT

The Parking Authority of the City of East Orange is a public body politic and corporate organized and existing under an act of the New Jersey Legislature N.J.S. 40:11A-1, et seg. It was created by virtue of "Ordinance #14-70, creating the Parking Authority of the City of East Orange" adopted by the Council of the City of East Orange on March 10, 1970. The Parking Authority was organized under date of May 25, 1970, and consists of five members appointed by the City Council of the City of East Orange.

The Parking Authority was created to develop, operate and maintain parking facilities within the City of East Orange. As a public body, under existing statute, the parking Authority is exempt from federal, state and local taxes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - Revenue is generally realized on the cash basis while expenditures are accrued. Accounting policies, in general, conform to the applicable accounting principles as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Collection of Revenue - Parking meter collections from on street meters and parking lots are collected, brought to the depository to be counted and deposited into the Parking Authority's account by the Parking Authority of the City of East Orange. Parking permit fees are collected by the City of East Orange and deposited to the Parking Authority's account. Parking lot space rental fees are collected by the Parking Authority of the City of East Orange and deposited to the Parking Authority's account.

Inventories - Materials and supplies are expensed as purchased and are neither inventoried nor included on the balance sheet.

Depreciation - Depreciation is not recorded as an operating expense of the Parking Authority.

Pension Plans and Benefits - Employees who are eligible for a pension plan and benefits are enrolled in the Public Employees' Retirement System administered by the Division of Pensions, Treasury Department of the State of New Jersey. The Division annually charges authorities and other participating governmental units for their respective

Parking Authority of the City of East Orange
Notes to the Financial Statements
(continued)
December 31, 2011

contributions to the plan based upon actuarial methods. These provisions are not available for part-time employees. Authority employees are also covered by the Federal Insurance Contribution Act.

SUPPLEMENTAL EXHIBITS

Parking Authority of the City of East Orange
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2011

Condition: In the prior period the company operated with limited funds and a thin profit margin. The company successfully sold land in 2006 to raise additional capital funds.

Recommendation: The company should develop a capital expenditure plan to utilize these additional funds to increase sales and profit margin.

Parking Authority of the City of East Orange
Statement of Revenues, Expenses, and Changes in Net Assets
Budget vs. Actual
Year Ended December 31, 2011

	<u>2011 Budget</u>	<u>2011 Actual</u>
OPERATING REVENUES		
Parking Meters	\$ 114,000	\$ 91,361
Permits	98,500	71,815
Fines/Penalties		-
Space Rental	85,550	92,632
Towing	-	365
Interest Income	1,000	139
City Grants and Donations	-	-
Misc Income	-	11,288
Refund	-	-
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TOTAL OPERATING REVENUES	\$ 299,050	\$ 267,600
OPERATING EXPENSES		
Salaries and Wages	65,250	45,831
Administrator	62,750	61,320
Field Expenses	85,250	71,122
Administration Expenses	85,800	93,714
	<u> </u>	<u> </u>
TOTAL OPERATING EXPENSES	299,050	271,987
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(4,387)
OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u><u>\$ -</u></u>	<u><u>\$ (4,387)</u></u>

* See accompanying notes to financial statements

PARKING AUTHORITY OF THE CITY OF EAST ORANGE

ROSTER OF OFFICIALS FOR THE YEAR 2011

The following officials were in office during the period under audit:

BOARD OF COMMISSIONERS

Mr. Clarence McKnight	Chairman
Ms. Taahira Muhammad-Dozier	Vice-Chairwoman
Mr. Michael Harris	Treasurer
Mr. Jerome Omar Robinson	Commissioner
Ms. Frances Scott	Commissioner

OTHER

Ms. Tasha Jackson	Senior Administrator
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PARKING AUTHORITY OF THE CITY OF EAST ORANGE

PAYROLL COSTS BY DEPARTMENT for YEAR 2011:

Administrator - \$ 61,320.00

P.E.O.
(officer's) - \$ 45,830.87

IMPROVEMENTS AND CONSTRUCTION COSTS for YEAR 2011:

New meters/pay stations - \$ 1,906.00

PARKING AUTHORITY OF THE CITY OF EAST ORANGE

RECOMMENDATIONS

Our review of the Parking Authority's financial records indicated that:

- **The company should adopt a capital expenditure plan to utilize the funds from the sale of land**
- **Budgeted numbers should be reviewed monthly**
- **The monthly meeting reports should be reconciled to Peachtree reports**