

**VILLAGE OF SUFFERN PARKING AUTHORITY**  
**FINANCIAL STATEMENTS**  
**May 31, 2012 and 2011**

# VILLAGE OF SUFFERN PARKING AUTHORITY

## FINANCIAL STATEMENTS MAY 31, 2012 AND 2011

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LAWRENCE BROWN, CPA  
JAMES MATTEOTTI, EA

ELIZABETH M. MATTEOTTI, CPA

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Village of Suffern Parking Authority  
Suffern, NY

We have audited the accompanying balance sheet of the Village of Suffern Parking Authority as of May 31, 2012, and the related statements of revenue, expenditures and changes in fund balance, and statement of cash flows for the year then ended. These financial statements are the responsibility of the Village of Suffern Parking Authority's management. Our responsibility is to express an opinion 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 *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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the 2012 financial statements referred to above present fairly, in all material respects, the financial position of the Village of Suffern Parking Authority as of May 31, 2012, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Management's Discussion and Analysis on pages 2 through 5 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Lawrence Brown & Co.*

New City, NY

January 24, 2013

## **VILLAGE OF SUFFERN PARKING AUTHORITY**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Village of Suffern Parking Authority, hereafter referred to as the "Authority," is pleased to present its Financial Statements for the year ended May 31, 2012, developed in compliance with Statement of Governmental Accounting Standard No. 34, *Basic Financial Statements - and Management Discussion and Analysis - For State and Local Governments* (hereafter "GASB 34"), and related standards. Readers should use the information in this discussion and analysis in conjunction with the Authority's financial statements and supplemental information presented herein.

#### **RESPONSIBILITY AND CONTROLS**

The Authority has prepared and is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on the recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit balance.

The Authority's system of internal accounting controls is evaluated on an ongoing basis by the Authority's internal staff. Independent external auditors also consider certain elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Authority's operations are conducted according to management's intentions and to a high standard of business ethics. In management's opinion, the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America.

#### **AUDIT ASSURANCE**

The unqualified (i.e., clean) opinion of our independent external auditors, Lawrence Brown & Co., CPAs, is included on page 1 of this report.

This section presents management's discussion and analysis of the Authority's financial condition and activities for the year ended May 31, 2012. This information should be read in conjunction with the financial statements.

## **FINANCIAL HIGHLIGHTS**

The sluggish economy continued to influence the Authority's revenue stream during fiscal year 2012. Although operating revenues were up about 1%, low utilization of a new leased parking lot caused the lease to be terminated with the concomitant write down of previously funded lot improvements, having a negative impact on net earnings.

## **REQUIRED FINANCIAL STATEMENTS**

The financial statements of the Authority report information about the Authority's use of accounting methods which are similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The balance sheet includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenue and expenses are accounted for in the statement of revenues, expenditures, and changes in fund balance. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its various parking lot and meter fees.

The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash accounts resulting from operating, investing, and financing activities, and the change in cash during the reporting period.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided by 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.

## FINANCIAL ANALYSIS

The following condensed financial statements and other selected information provide key financial data and indicators for management, monitoring, and planning.

### Condensed Balance Sheets

	May 31,			
	<u>2012</u>	<u>2011</u>	<u>\$ Change</u>	<u>% Change</u>
Current assets	\$ 128,813	\$ 179,961	\$ (51,148)	-28.4%
Property and equipment, net	<u>229,451</u>	<u>303,986</u>	<u>(74,535)</u>	-24.5%
Total assets	<u><u>358,264</u></u>	<u><u>483,947</u></u>	<u><u>(125,683)</u></u>	-26.0%
Current liabilities	51,255	113,921	(62,666)	-55.0%
Long-term liabilities	<u>-</u>	<u>1,234</u>	<u>(1,234)</u>	-100.0%
Total liabilities	51,255	115,155	(63,900)	-55.5%
Fund balance	<u>307,009</u>	<u>368,792</u>	<u>(61,783)</u>	-16.8%
Total liabilities and fund balance	<u><u>\$ 358,264</u></u>	<u><u>\$ 483,947</u></u>	<u><u>\$ (125,683)</u></u>	-26.0%

### Condensed Statements of Revenue, Expenses, and Changes in Fund Balance

Operating revenue	\$ 182,961	\$ 180,576	2,385	1.3%
Non-operating revenue	<u>45,412</u>	<u>148,426</u>	<u>(103,014)</u>	-69.4%
Total revenue	<u>228,373</u>	<u>329,002</u>	<u>(100,629)</u>	-30.6%
Depreciation expense	34,077	49,054	(14,977)	-30.5%
Other operating expense	202,099	274,610	(72,511)	-26.4%
Non-operating expense	<u>53,980</u>	<u>82,462</u>	<u>(28,482)</u>	-34.5%
Total expense	<u>290,156</u>	<u>406,126</u>	<u>(115,970)</u>	-28.6%
Change in fund balance	<u>(61,783)</u>	<u>(77,124)</u>	<u>15,341</u>	-19.9%
Opening fund balance	<u>368,792</u>	<u>445,916</u>	<u>(77,124)</u>	-17.3%
Closing fund balance	<u><u>\$ 307,009</u></u>	<u><u>\$ 368,792</u></u>	<u><u>(61,783)</u></u>	-16.8%

## **GENERAL TRENDS AND FINANCIAL CONDITION**

Operating revenues were up 1.3% for the year while non-operating revenues were down 69.4%. This was due to the lease termination for the Lafayette Theater parking lot (Lot T). However, the write down of costs related to T Lot improvements, which were previously funded by the County of Rockland, caused a reduction in the fund balance of \$61,783.

## **PRINCIPAL OFFICIALS**

The Authority's Board of Directors, is as follows:

William Schoenleber, Chairman, term expires: 12/31/15

Tom DeBrock, term expires: 12/31/16

Anthony Frankild, term expires: 12/31/15

Neil Wanamaker, term expires: 12/31/15

Scott Shedler, term expires: 12/31/14

# VILLAGE OF SUFFERN PARKING AUTHORITY

## BALANCE SHEETS

(With Comparative Totals as at May 31, 2011)

	AS AT MAY 31	
	2012	2011
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 102,428	\$ 93,684
Reimbursements Receivable	26,385	86,277
<b>Total Current Assets</b>	128,813	179,961
<b>Property and Equipment, Net</b>	229,451	303,986
<b>Total Assets</b>	<u>\$ 358,264</u>	<u>\$ 483,947</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Current Liabilities</b>		
Sales Tax and Other Accounts Payable	\$ 3,102	\$ 60,074
Deferred Revenue	41,677	44,590
Due to Related Parties	6,476	9,257
<b>Total Current Liabilities</b>	51,255	113,921
<b>Long Term Liabilities</b>		
Vehicle Loan Payable	-	1,234
<b>Total Long Term Liabilities</b>	-	1,234
<b>Fund Balance</b>	307,009	368,792
<b>Total Liabilities and Fund Balance</b>	<u>\$ 358,264</u>	<u>\$ 483,947</u>

*See accompanying notes to financial statements.*



**VILLAGE OF SUFFERN PARKING AUTHORITY**

**STATEMENTS OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

(With Comparative Totals for the Year Ended  
May 31, 2011)

	YEAR ENDED MAY 31	
	2012	2011
<b>Revenue</b>		
Parking Fees	\$ 182,961	\$ 180,576
Rental and Lease Income	18,740	121,249
Reimbursed Expenses	26,385	26,858
Interest Income	287	319
<b>Total Revenue</b>	<u>228,373</u>	<u>329,002</u>
<b>Expenditures</b>		
Staff Compensation, Benefits, and Related Taxes	108,526	124,034
Repairs and Maintenance	47,964	38,773
Office Expense and Miscellaneous	7,062	5,787
Interest Expense	-	334
Lease Expenses	53,980	82,462
Return of Unused Grant Funds	-	36,314
Taxes	8,041	6,106
Utilities	9,769	12,164
Professional Fees	17,974	32,583
Telephone	1,241	2,826
Depreciation Expense	34,077	49,054
Website Expense	1,522	15,689
<b>Total Expenditures</b>	<u>290,156</u>	<u>406,126</u>
<b>Net Increase/(Decrease) in Fund Balance</b>	(61,783)	(77,124)
<b>Fund Balance - Beginning of Year</b>	<u>368,792</u>	<u>445,916</u>
<b>Fund Balance - End of Year</b>	<u>\$ 307,009</u>	<u>\$ 368,792</u>

*See accompanying notes to financial statements.*

# VILLAGE OF SUFFERN PARKING AUTHORITY

## STATEMENTS OF CASH FLOWS

(With Comparative Totals for the Year Ended  
May 31, 2011)

	YEAR ENDED MAY 31	
	2012	2011
<b>Cash Flows From Operating Activities</b>		
Increase/(Decrease) in Fund Balance	\$ (61,783)	\$ (77,124)
<i>Adjustments to Reconcile Change in Fund Balance to Net Cash Used in Operating Activities:</i>		
Depreciation	34,077	49,054
Increase/(Decrease) in:		
Reimbursements Receivable	60,000	(86,277)
Due to Related Parties	(2,889)	(99)
Deferred Revenue	(2,912)	(5,134)
Sales Tax and Other Accounts Payable	(56,973)	56,904
Net Cash Provided From Operating Activities	<u>(30,480)</u>	<u>(62,676)</u>
<b>Cash Flows From Investing Activities</b>		
Fixed Assets	<u>40,458</u>	<u>(50,659)</u>
Net Cash Used in Investing Activities	<u>40,458</u>	<u>(50,659)</u>
<b>Cash Flows From Financing Activities</b>		
Vehicle Loan Payable	(1,234)	(4,634)
Other Financing Cash Flows	-	(2,000)
Net Cash Used in Financing Activities	<u>(1,234)</u>	<u>(6,634)</u>
<b>Net Increase/(Decrease) in Cash</b>	8,744	(119,969)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>93,684</u>	<u>213,653</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 102,428</u>	<u>\$ 93,684</u>

See accompanying notes to financial statements.

# VILLAGE OF SUFFERN PARKING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

May 31, 2012 and 2011

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### **Note 1 – Summary of Significant Accounting Policies**

**Organization** - The New York State Legislature organized the Village of Suffern Parking Authority as a public agency.

**Basis of Accounting** - The accompanying financial statements have been prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has implemented GASB Statement No. 34, *Basic Financial Statements, Management Discussion and Analysis, for State and Local Governments*. This standard provides for significant changes in terminology, inclusion of a management discussion and analysis as supplementary information, and other changes. All activities of the Authority are accounted for within a single proprietary (enterprise) fund.

**Cash and Cash Equivalents** - The Authority considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**Property and Equipment** - Purchases of property and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives (3-40 years). Routine maintenance and repairs are expensed as incurred.

**Use of Estimates in Financial Statements** - Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

**Deferred Revenue** - The Authority recognizes revenue from parking fees as earned in the time period in which the parking space is provided. All payments received prior to the time period in which the parking space is provided are accounted for as deferred revenue.

**Subsequent Events** - In preparing the financial statements and notes thereto, the Authority considered subsequent events through January 24, 2013, the date the financial statement were issued.

# VILLAGE OF SUFFERN PARKING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS May 31, 2012 and 2011

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### *Note 2 – Property and Equipment*

Property and equipment at May 31, 2012 and 2011, consisted of the following:

	<u>2012</u>	<u>2011</u>
Vehicle	\$ 21,890	\$ 21,890
Parking Lot Improvements	143,166	183,624
Parking Lot Security System	302,477	302,477
Office Renovations and Equipment	27,535	27,535
	<u>495,068</u>	<u>535,526</u>
Accumulated Depreciation	<u>(265,617)</u>	<u>(231,540)</u>
	<u>\$ 229,451</u>	<u>\$ 303,986</u>

### *Note 3 – Related Party Transactions*

The Authority has loans payable to related parties totaling \$0 as of May 31, 2012 and \$2,073 as of May 31, 2011. This amount represents expenses paid by the related party on behalf of the Authority. There are no repayment terms associated with these transactions.

### *Note 4 – Concentration of Credit Risk*

The Authority maintains accounts with a financial institution. The balances never exceed the maximum coverage provided by the Federal Deposit Insurance Corporation on insured depositor accounts during the year.

### *Note 5 – Grant From New York State Metropolitan Transportation Authority*

The Authority secured a grant from the New York State Metropolitan Transportation Authority (MTA) for the acquisition and installation of a Parking lot security system for the commuter parking lots. \$302,477 was expended for security system acquisition and installation costs. During 2011, \$36,314 of unused funding was returned to the MTA.

# VILLAGE OF SUFFERN PARKING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

May 31, 2012 and 2011

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### **Note 6 – Lease Commitments**

The Authority occupies an office and operates a parking lot under leases which are classified as operating leases and expire at various dates to 2037. The leases provide for payment of certain expenses and contain renewal, rent escalation and sublease clauses.

Rental expense relating to the Authority's operating leases amounted to \$54,225 in 2012 and \$56,676 in 2011.

Future minimum lease payments at May 31, 2012, are as follows:

May 31, 2013	\$ 38,645
May 31, 2014	38,438
May 31, 2015	38,280
May 31, 2016	38,373
May 31, 2017	38,465
Thereafter to 2037	<u>424,881</u>
Total minimum lease payments	<u>\$ 617,082</u>

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Village of Suffern Parking Authority  
Suffern, NY

We have audited the financial statements of the Village of Suffern Parking Authority (Authority) as of and for the year ended May 31, 2012, and have issued our report thereon dated January 24, 2013. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including Investment Guidelines for Public Authorities, 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by Authority employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than those specified parties.

*Lawrence Brown & Co.*

New City, NY  
January 24, 2013