

BLOOMFIELD PARKING AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF BLOOMFIELD)
REPORT OF AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

BLOOMFIELD PARKING AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Honorable Chairman and Members of the Board
Bloomfield Parking Authority
Bloomfield, New Jersey

We have audited the accompanying basic financial statements of the Bloomfield Parking Authority, a component unit of the Township of Bloomfield, as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

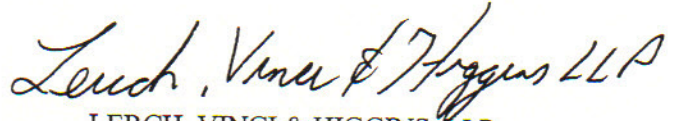
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bloomfield Parking Authority's internal control over financial reporting. Accordingly, we express no such opinion. 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 that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bloomfield Parking Authority as of December 31, 2009 and 2008, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

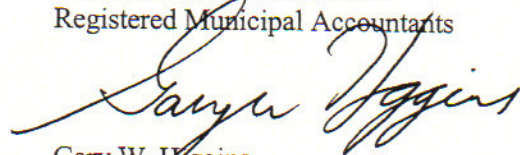
In accordance with Government Auditing Standards, we have also issued our report dated April 22, 2010 on our consideration of the Bloomfield Parking Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Bloomfield Parking Authority. The supplementary schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Bloomfield Parking Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Gary W. Higgins
Registered Municipal Accountant
RMA Number CR000405

Fair Lawn, New Jersey
April 22, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

BLOOMFIELD PARKING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2009

This section of the Bloomfield Parking Authority's (the "Authority") annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended December 31, 2009. Please read it in conjunction with the Authority's financial statements and accompanying notes.

The Authority was created by municipal ordinance adopted on August 4, 2003 by the Township of Bloomfield. The principal purpose of the Authority is to provide a means of addressing the current and future parking demands of the Township. The Authority began actual parking operations on July 1, 2004.

Financial Highlights

- The Authority generated operating revenues of \$797,211 which was comprised of \$565,844 of parking fees and permits, \$201,903 of parking fines, and \$29,464 of grants and other revenue.
- Operating expenses amounted to \$823,521 which included \$266,793 of administrative and executive expenses, \$546,776 for parking operations and \$9,952 for depreciation. Parking operation expenses of \$546,776 included payments to the Township for services pursuant to the intra-local agreement of \$22,510, the amortization of \$316,667 of the prepaid leases on the Farrand Street Parking Lot and other multiple municipal lots and miscellaneous expenses of \$207,599.

OVERVIEW OF FINANCIAL STATEMENTS

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Authority follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Enterprise Fund statements offer short- and long-term financial information about the activities and operations of the Authority. These statements are presented in the manner prescribed by the Government Accounting Standards Board ("GASB").

BLOOMFIELD PARKING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2009

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Assets – The following table summarizes the Agency's Net Assets as of December 31, 2009, 2008 and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Current and Other Assets	\$ 2,165,728	\$ 2,678,306	\$ 2,980,834
Capital Assets	<u>1,013,699</u>	<u>862,091</u>	<u>652,814</u>
Total Assets	<u>3,179,427</u>	<u>3,540,397</u>	<u>3,633,648</u>
Other Liabilities	<u>4,110,151</u>	<u>4,407,239</u>	<u>4,421,032</u>
Total Liabilities	<u>4,110,151</u>	<u>4,407,239</u>	<u>4,421,032</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	87,001	47,027	21,347
Unrestricted	<u>(1,017,725)</u>	<u>(913,869)</u>	<u>(808,731)</u>
Total Net Assets	<u>\$ (930,724)</u>	<u>\$ (866,842)</u>	<u>\$ (787,384)</u>

BLOOMFIELD PARKING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2009

OPERATING ACTIVITIES

The following table summarizes the revenues, expenses and changes in net assets for the fiscal years ended December 31, 2009, 2008 and 2007.

	<u>2009</u>	<u>2008</u>	<u>2007</u>
OPERATING REVENUES			
Parking Fees and Permits	\$ 565,844	\$ 640,599	\$ 630,012
Parking Fines	201,903	205,719	206,055
Grants	25,000	-	27,064
Other	<u>4,464</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	<u>797,211</u>	<u>846,318</u>	<u>863,131</u>
OPERATING EXPENSES			
Administrative and Executive	266,793	231,217	256,593
Cost of Providing Services	546,776	554,816	491,845
Depreciation	<u>9,952</u>	<u>10,047</u>	<u>6,473</u>
Total Operating Expenses	<u>823,521</u>	<u>796,080</u>	<u>754,911</u>
OPERATING INCOME (LOSS)	<u>(26,310)</u>	<u>50,238</u>	<u>108,220</u>
NONOPERATING REVENUES (EXPENSES)			
Capital Grants	49,210		
Investment Earnings	6,563	15,689	15,422
Interest Expense	(82,073)	(142,376)	(149,862)
Debt Issuance Costs	<u>(11,272)</u>	<u>(3,009)</u>	<u>(12,530)</u>
Total Nonoperating Revenues (Expenses)	<u>(37,572)</u>	<u>(129,696)</u>	<u>(146,970)</u>
CHANGE IN NET ASSETS	(63,882)	(79,458)	(38,750)
Total Net Assets, Beginning of Year	<u>(866,842)</u>	<u>(787,384)</u>	<u>(748,634)</u>
Total Net Assets, End of Year	<u>\$ (930,724)</u>	<u>\$ (866,842)</u>	<u>\$ (787,384)</u>

BLOOMFIELD PARKING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2009

DEBT ADMINISTRATION/CAPITAL ASSETS

Capital Assets as of December 31, 2009, 2008 and 2007 were as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Capital Assets:</u>			
Property and Equipment	\$ 68,810	\$ 68,094	\$ 32,367
Construction in Progress	<u>975,908</u>	<u>815,064</u>	<u>631,467</u>
Total Capital Assets	1,044,718	883,158	663,834
Less:			
Accumulated Depreciation	<u>(31,019)</u>	<u>(21,067)</u>	<u>(11,020)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>\$ 1,013,699</u>	<u>\$ 862,091</u>	<u>\$ 652,814</u>

Additional information on the Authority's capital assets can be found in the Notes to the Basic Financial Statements.

Capital Debt

The Authority had the following outstanding debt as of December 31, 2009, 2008 and 2007.

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Short-Term Debt			
Project Notes Payable	<u>\$4,000,000</u>	<u>\$4,375,000</u>	<u>\$4,375,000</u>

Additional information on the Authority's capital debt can be found in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The adopted calendar year 2010 budget was approved by the Division of Local Government Services in December of 2009. The following is anticipated to be undertaken during calendar year 2010:

- Continued adherence to the adopted five year plan to reconfigure and improve existing facilities, upgrade and replace meter equipment, stricter controls on collection and inventory procedures.
- Purchase and installation of multi space meter machines in parking facilities as per the recommendations of the parking consultant.
- In the planning stages as part of continued efforts to construct a parking garage in a desired location in the redevelopment area of the Township of Bloomfield.
- Continued replacement and improvements to signage in the municipal parking facilities for clearer and more efficient enforcement.
- Purchase of municipal parking lots from the Township of Bloomfield in lieu of leasing.

BLOOMFIELD PARKING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2009

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Township of Bloomfield, New Jersey citizens with a general overview of the Authority's finances to demonstrate the Authority's accountability for the revenues it receives. If you have questions about this report or need additional financial information, contact the office of the Executive Director at 230 Broad Street, Bloomfield, New Jersey 07003.

BASIC FINANCIAL STATEMENTS

BLOOMFIELD PARKING AUTHORITY
COMPARATIVE STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Unrestricted Current Assets:		
Cash and Cash Equivalents	\$ 673,322	\$ 635,889
Prepaid Items	320,552	320,767
Intergovernmental Receivable	34,105	105,258
Security Deposits	<u>4,100</u>	<u>4,100</u>
Total Unrestricted Current Assets	<u>1,032,079</u>	<u>1,066,014</u>
Restricted Current Assets:		
Construction Fund		
Cash and Cash Equivalents	<u>16,519</u>	<u>185,304</u>
Total Restricted Current Assets	<u>16,519</u>	<u>185,304</u>
Total Current Assets	<u>1,048,598</u>	<u>1,251,318</u>
Noncurrent Assets		
Prepaid Items	<u>1,108,332</u>	<u>1,424,999</u>
Deferred Charges		
Debt Issuance Costs - Net	<u>8,798</u>	<u>1,989</u>
Capital Assets		
Property and Equipment	68,810	68,094
Accumulated Depreciation - Property and Equipment	(31,019)	(21,067)
Construction in Progress	<u>975,908</u>	<u>815,064</u>
Total Capital Assets (net of accumulated depreciation)	<u>1,013,699</u>	<u>862,091</u>
Total Noncurrent Assets	<u>2,130,829</u>	<u>2,289,079</u>
Total Assets	<u>3,179,427</u>	<u>3,540,397</u>

See Accompanying Notes to the Basic Financial Statements

BLOOMFIELD PARKING AUTHORITY
COMPARATIVE STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets		
Other Liabilities	\$ 3,232	\$ 3,155
Compensated Absences Payable	6,097	3,881
Accounts Payable	<u>-</u>	<u>2,740</u>
Total Current Liabilities Payable from Unrestricted Assets	<u>9,329</u>	<u>9,776</u>
Current Liabilities Payable from Restricted Assets		
Project Note Payable	4,000,000	4,375,000
Contracts Payable	-	7,007
Accrued Interest Payable	<u>100,822</u>	<u>15,456</u>
Total Current Liabilities Payable from Restricted Assets	<u>4,100,822</u>	<u>4,397,463</u>
Total Current Liabilities	<u>4,110,151</u>	<u>4,407,239</u>
NET ASSETS		
Investment in Capital Assets, Net of Related Debt	87,001	47,027
Unrestricted	<u>(1,017,725)</u>	<u>(913,869)</u>
Total Net Assets	<u>\$ (930,724)</u>	<u>\$ (866,842)</u>

See Accompanying Notes to the Basic Financial Statements

BLOOMFIELD PARKING AUTHORITY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
OPERATING REVENUES		
Parking Fees and Permits	\$ 565,844	\$ 640,599
Parking Fines	201,903	205,719
Grants	25,000	
Other	<u>4,464</u>	<u>-</u>
Total Operating Revenues	<u>797,211</u>	<u>846,318</u>
OPERATING EXPENSES		
Administrative and Executive	266,793	231,217
Cost of Providing Services	546,776	554,816
Depreciation	<u>9,952</u>	<u>10,047</u>
Total Operating Expenses	<u>823,521</u>	<u>796,080</u>
OPERATING INCOME (LOSS)	<u>(26,310)</u>	<u>50,238</u>
NON-OPERATING REVENUES (EXPENSES)		
Capital Grants	49,210	
Investment Earnings	6,563	15,689
Interest Expense	(82,073)	(142,376)
Debt Issuance Costs	<u>(11,272)</u>	<u>(3,009)</u>
Total Non-Operating Revenues (Expenses)	<u>(37,572)</u>	<u>(129,696)</u>
CHANGE IN NET ASSETS	(63,882)	(79,458)
Total Net Assets, Beginning of Year	<u>(866,842)</u>	<u>(787,384)</u>
Total Net Assets, End of Year	<u>\$ (930,724)</u>	<u>\$ (866,842)</u>

See Accompanying Notes to the Basic Financial Statements

BLOOMFIELD PARKING AUTHORITY
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Receipts from State of New Jersey	\$ 25,000	
Receipts from Parking Fees, Permits and Fines	838,900	\$ 803,465
Payments for Employees Salaries and Benefits	(215,737)	(209,305)
Payments to Suppliers	(281,397)	(262,146)
Receipts from Other Activities	<u>4,464</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>371,230</u>	<u>332,014</u>
Cash flows from Capital and Related Financing Activities		
Capital Grants	49,210	
Principal Paid on Project Note	(375,000)	
Interest Paid on Project Note	(122,500)	(245,000)
Acquisition and Construction of Capital Assets	(37,385)	(129,589)
Payment of Debt Issuance Costs	<u>(23,787)</u>	<u>-</u>
Net Cash Used for Capital and Related Financing Activities	<u>(509,462)</u>	<u>(374,589)</u>
Cash Flows from Investing Activities		
Interest Received	<u>6,880</u>	<u>19,234</u>
Net Cash Provided by Investing Activities	<u>6,880</u>	<u>19,234</u>
Net Decrease in Cash and Cash Equivalents	(131,352)	(23,341)
Cash and Cash Equivalents, Beginning of Year	<u>821,193</u>	<u>844,534</u>
Cash and Cash Equivalents, End of Year	<u>\$ 689,841</u>	<u>\$ 821,193</u>
Analysis of Balance at December,		
Unrestricted	\$ 673,322	\$ 635,889
Restricted	<u>16,519</u>	<u>185,304</u>
	<u>\$ 689,841</u>	<u>\$ 821,193</u>
Noncash Investing, Capital and Financing Activities		
Purchase of Capital Assets on Account		\$ 7,007

BLOOMFIELD PARKING AUTHORITY
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by Operating Activities:		
Operating Income (Loss)	\$ (26,310)	\$ 50,238
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation	9,952	10,047
(Increase)/Decrease in Intergovernmental Receivable	71,153	(42,853)
(Increase)/Decrease in Prepaid Items	316,882	316,667
Increase/(Decrease) in Compensated Absences Payable	2,216	(2,291)
Increase/(Decrease) in Other Liabilities	77	(1,120)
Increase/(Decrease) in Accounts Payable	(2,740)	1,326
Total Adjustments	397,540	281,776
Net Cash Provided by Operating Activities	\$ 371,230	\$ 332,014

NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Parking Authority of the Township of Bloomfield (the "Authority") is a public body corporate and politic of the State of New Jersey. The Authority was created by a municipal ordinance adopted on August 4, 2003 by the Township of Bloomfield (the "Township") pursuant to the provisions of the Parking Authorities Law (the "Act") (N.J.S.A. 40:11A-1 et. seq.)

The Township created the Authority for the principal purpose to provide a means of addressing the current and future parking demands of the Township including the preparation of a comprehensive and coordinated plan for the development, financing, construction, operation and/or management of parking resources and certain specific parking facilities located within the Township. The Authority began actual parking operations on July 1, 2004.

The Authority is governed by a Board of Commissioners (the "Board") consisting of five members each of whom is appointed by the Township's governing body. The Commissioners, who receive no compensation, who are first appointed, shall be designated to serve terms of one, two, three, four and five years, respectively from the date of their appointment, but thereafter Commissioners shall be appointed for a term of five years. All vacancies shall be filled for the unexpired term.

The Authority has broad powers under the Act, including, among others, the following: to retain, operate, manage and administer its property; to enforce applicable ordinances, laws and regulations as to parking of vehicles in the Township; to acquire, lease or otherwise hold and use parking projects and land; to provide for bonds and secure their payment and rights of holders thereof; to charge and collect fees and service charges for the use of its facilities and to revise such fees and service charges to ensure that the revenues of the Authority will at all times be adequate to pay all operating and maintenance expenses, including reserves and to pay the principal of and the interest on any bonds, notes or loans, and to maintain such reserves or sinking funds therefore as may be required by the terms of any contract of the Authority; and to make and enforce rules and regulations for the management of its business and affairs.

The Bloomfield Parking Authority includes in its financial statements the primary government and those component units for which the primary government is financially accountable or for which the nature and significant of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization's board, and (1) the Authority is able to significantly influence the programs or services performed or provided by the organization; or (2) the Authority is legally entitled to or can otherwise access the organization's resources; the Authority is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization, or the Authority is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the Authority has no component units. The Authority would be includable as a component unit of the Township of Bloomfield on the basis of such criteria.

BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Authority are organized on the basis of funds, in accordance with the 2004A Project Note Resolution, as amended and supplemented (see Note 1C), each of which is considered a separate accounting entity. The accounts are accounted for with a separate set of self-balancing accounting records that comprise its assets, liabilities, net assets, revenues and expenses. Government resources are allocated and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various activities are grouped into one generic fund type and one broad fund category, as follows:

Proprietary Fund Types

Enterprise Fund - The Enterprise Fund is used to account for governmental operations which are financed and operated in a manner similar to private enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to its users on a continuing basis be financed or recovered primarily through user charges.

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with these operations are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Authority has elected not to follow FASB guidance issued subsequent to December 1, 1989.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are parking fees and parking fines. Operating expenses include the cost of operations and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Assets, Liabilities and Net Assets

1. Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, cash in banks, certificates of deposit and all short-term investments with original maturities of three months or less from the date of purchase. Investments are reported at market value. See Note 3 for specific disclosures on cash and investments.

**BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Net Assets (Continued)

2. *Inventory*

The costs of inventories are deemed immaterial and are recognized as expenses when purchased. The Authority does not record inventory on its statement of net assets.

3. *Restricted Assets*

Under the original Project Note Resolution dated April 6, 2004, the following accounts of the Construction Fund are required to be created and held by the Authority's Trustee with respect to the construction of the Project described below:

- A) Project Account (Restricted)
- B) Debt Service Account (Restricted)
- C) Rebate Account (Restricted)

Each of the above accounts are held by a trustee.

The accounts required by the Trustee are described herein.

Project Account - To account for all financial resources received by the Authority for the payment of costs related to the Project which includes the following: (a) the acquisition of a parking system from the Township; (b) certain start up costs of the Authority; (c) the design and the construction of an approximately 900 space parking deck; (d) the funding of capitalized interest and; (e) the costs associated with the issuance of the notes. All moneys that are on deposit in the Project Account are pledged pending their application to secure the payment of the principal and the interest on the Project notes.

Debt Service Fund - To account for the accumulation of resources for the payment of principal and interest due during the current fiscal year on the Project Notes.

Rebate Account - To account for monies subject to rebate to the United States Government pursuant to the provisions of the Internal Revenue Code of 1986.

4. *Accounts Receivable*

All receivables are reported at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

5. *Capital Assets*

All capital assets acquired or constructed by the Authority are reported as expenses in the account that finances the acquisition of the assets and are capitalized in the operating account. Capital assets are defined by the Authority as assets with an individual cost of \$500 and an estimated useful life of at least two years. Such capital assets are valued at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Net Assets (Continued)

5. *Capital Assets* (Continued)

Construction costs are charged to construction in progress until such time as they are completed and certified by the Authority's consulting engineers, at which time they are transferred to their respective asset category and are then depreciated over their useful lives. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the Authority during 2009 and 2008 was \$207,866 and \$228,616. Of these amounts, \$125,793 and \$86,240 were included as part of the costs of capital assets under construction for those years. Interest earned in the amounts of \$317 and \$5,877 were offset against the capitalized interest expense.

All capital assets are depreciated on the straight-line method based on their asset class and estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Property and Equipment	5-10

6. *Deferred Charges*

Debt Issuance Costs

In connection with the Authority's issuance of debt, the Authority incurred certain professional and printing costs. These expenses are deferred and amortized over the life of the debt.

7. *Prepaid Items*

Certain payments to vendors and/or the Township effect costs applicable to future accounting periods and are recorded as prepaid items in the basic financial statements

8. *Net Assets*

Restricted net assets are limited to outside third-party restrictions either by law or by other organizations or persons external to the Authority. Unrestricted net assets represent the net assets neither restricted nor invested in capital assets, net of related debt.

9. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Authority to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Accounting

The Authority annually prepares an operating budget. The budget is prepared in accordance with the Budget Manual for Local Public Authorities as promulgated by the Division of Local Government Services, which differs in certain respects from accounting principles generally accepted in the United States of America. The budgets serve as a plan for expenses and the proposed means for financing them. Unexpended appropriations lapse at year end.

BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Accounting (Continued)

The annual budget is approved at least sixty days prior to the beginning of the fiscal year. The budgets must be approved by the Board and submitted to the Division of Local Government Services, Bureau of Authority regulation for approval prior to adoption. Budget adoptions and amendments are recorded in the Authority's minutes.

Six Year Capital budgets are also prepared. Included within the budget are individual projects along with their estimated cost, completion date and source of funding.

The encumbrance method of accounting is utilized by the Authority for budgetary purposes. Under this method purchase orders, contracts and other commitments for expenditures of resources are recorded to reserve a portion of the applicable budget appropriation.

In accordance with accounting principles generally accepted in the United States of America, outstanding encumbrances at year-end for which goods or services are received, are classified to expenses and accounts payable. All other encumbrances in the annual budgeted funds are reversed at year-end and are either cancelled or are included as reappropriations of fund equity for the subsequent year. Encumbrances at year-end in funds that are budgeted on a project basis automatically carry forward along with their related appropriations and are not subject to annual cancellations and reappropriations.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits - The Authority's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank, for the temporary period ended December 31, 2013. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2009 and 2008, the book value of the Authority's deposits were \$689,815 and \$709,218 and bank balances of the Authority's cash and deposits amounted to \$741,008 and \$764,908.

The Authority's deposits which are displayed on the balance sheet as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balances at December 31,</u>	
	<u>2009</u>	<u>2008</u>
Insured		
Unrestricted	\$724,515	\$691,579
Restricted	<u>16,493</u>	<u>73,329</u>
	<u>\$741,008</u>	<u>\$764,908</u>

BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

Investments

New Jersey statutes permit the Authority to purchase the following types of investments:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligations that a federal agency or a federal instrumentality has issued, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.
- d. Bonds or other obligations of the Authority or bonds or other obligations of school districts, which are within the Authority's jurisdiction.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local Government investment pools.
- g. Agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1(8a-8e).

As of December 31, 2009 and 2008, the Authority had the following investments:

<u>2009</u>	<u>Reported Amount</u>	<u>Fair Value</u>
U.S. Government Security Mutual Funds:		
Restricted	\$ <u>26</u>	\$ <u>26</u>
Investments Reported as "Cash and Cash Equivalents"	\$ <u>26</u>	\$ <u>26</u>
 <u>2008</u>	 <u>Reported Amount</u>	 <u>Fair Value</u>
U.S. Government Security Mutual Funds:		
Restricted	\$ <u>111,975</u>	\$ <u>111,975</u>
Investments Reported as "Cash and Cash Equivalents"	\$ <u>111,975</u>	\$ <u>111,975</u>

BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4 CAPITAL ASSETS

Capital asset activity for the period ended December 31, 2009 and 2008 were as follows:

	Balance January 1, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2009</u>
Capital assets, not being depreciated:				
Construction in Progress	\$ 815,064	\$ 160,844	-	\$ 975,908
Total capital assets, not being depreciated	<u>815,064</u>	<u>160,844</u>	<u>-</u>	<u>975,908</u>
Capital assets, being depreciated:				
Property and Equipment	<u>68,094</u>	<u>716</u>	<u>-</u>	<u>68,810</u>
Total capital assets being depreciated	<u>68,094</u>	<u>716</u>	<u>-</u>	<u>68,810</u>
Less accumulated depreciation for:				
Property and Equipment	<u>(21,067)</u>	<u>(9,952)</u>	<u>-</u>	<u>(31,019)</u>
Total accumulated depreciation	<u>(21,067)</u>	<u>(9,952)</u>	<u>-</u>	<u>(31,019)</u>
Total capital assets, being depreciated, net	<u>47,027</u>	<u>(9,236)</u>	<u>-</u>	<u>37,791</u>
Total capital assets, net	<u>\$ 862,091</u>	<u>\$ 151,608</u>	<u>\$ -</u>	<u>\$ 1,013,699</u>
	Balance January 1, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2008</u>
Capital assets, not being depreciated:				
Construction in Progress	\$ 631,467	\$ 183,597	-	\$ 815,064
Total capital assets, not being depreciated	<u>631,467</u>	<u>183,597</u>	<u>-</u>	<u>815,064</u>
Capital assets, being depreciated:				
Property and Equipment	<u>32,367</u>	<u>35,727</u>	<u>-</u>	<u>68,094</u>
Total capital assets being depreciated	<u>32,367</u>	<u>35,727</u>	<u>-</u>	<u>68,094</u>
Less accumulated depreciation for:				
Property and Equipment	<u>(11,020)</u>	<u>(10,047)</u>	<u>-</u>	<u>(21,067)</u>
Total accumulated depreciation	<u>(11,020)</u>	<u>(10,047)</u>	<u>-</u>	<u>(21,067)</u>
Total capital assets, being depreciated, net	<u>21,347</u>	<u>25,680</u>	<u>-</u>	<u>47,027</u>
Total capital assets, net	<u>\$ 652,814</u>	<u>\$ 209,277</u>	<u>\$ -</u>	<u>\$ 862,091</u>

BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 5 SHORT-TERM DEBT

Project Note Payable – On May 15, 2007, the Authority issued \$4,375,000 parking Project Notes to interim finance the “Project” as defined as follows: (a) the acquisition of a parking system from the Township including various parking lots, meters and related equipment; (b) certain startup costs of the Authority; (c) the design and the construction of an approximately 900 space parking deck near the Bloomfield Train Station, including preliminary costs related thereto; (d) the funding of capitalized interest and (e) the payment of certain costs associated with the issuance of the Notes, and in the future, bonds of the Authority to refinance such Note. The note issued on May 15, 2007 and maturing on May 15, 2009 pays interest semi annually on May 15 and November 15 commencing on November 15, 2007. The Notes bears interest at 5.60% per annum and matures on May 15, 2009.

On May 15, 2009, the Authority issued \$4,000,000 parking Project Notes to interim finance the “Project” as defined as follows: (a) the acquisition of a parking system from the Township including various parking lots, meters and related equipment; (b) certain startup costs of the Authority; (c) the design and the construction of an approximately 900 space parking deck near the Bloomfield Train Station, including preliminary costs related thereto; (d) the funding of capitalized interest and (e) the payment of certain costs associated with the issuance of the Notes, and in the future, bonds of the Authority to refinance such Note. The note issued on May 15, 2009 and maturing on May 15, 2010 pays interest annually on May 15. The Notes bear interest at 4% per annum and matures on May 15, 2010. The balance of the project notes at December 31, 2009 and 2008 are as follows:

	Balance, January 1, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31 <u>2009</u>
Project Note Payable	<u>\$4,375,000</u>	<u>\$4,000,000</u>	<u>\$4,375,000</u>	<u>\$4,000,000</u>
	Balance, January 1, <u>2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31 <u>2008</u>
Project Note Payable	<u>\$4,375,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,375,000</u>

NOTE 6 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement system (retirement system) covering substantially all state and local government employees which includes those Authority employees who are eligible for pension coverage.

Public Employees’ Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement healthcare coverage.

BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 6 EMPLOYEE RETIREMENT SYSTEMS (Continued)

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Authority employees who are eligible for pension coverage.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PERS is funded directly by the retirement system and is considered in the annual actuarial calculation of the required contribution for the system.

According to state law, all obligations of the retirement system will be assumed by the State of New Jersey should the retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the retirement system and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pension.

Basis of Accounting

The financial statements of the retirement system are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement system. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement system.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 6 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Significant Legislation

P.L. 2009, c. 19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2008, c. 89, effective November 1, 2008, increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of PERS to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS is 72.6 percent with an unfunded actuarial accrued liability of \$34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded system is 69.6 percent and \$23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 77.2 percent and \$11.4 billion.

The funded status and funding progress of the retirement system is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement system in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement system; and (2) 5.45 percent for projected salary increases for the retirement system.

**BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 6 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the retirement system requires employee contributions based on 5.5% for PERS.

Annual Pension Cost (APC)

The Authority has paid \$4,671, \$-0- and \$-0- for the normal cost of pension contributions for the calendar years 2009, 2008 and 2007, respectively.

NOTE 7 ACCRUED COMPENSATION ABSENCES

Under the existing policies of the Authority, employees are allowed to accumulate (with certain restrictions) unused sick leave and vacation benefits over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon retirement, termination in good standing or by extended absence immediately preceding retirement. These amounts, including the salary related payments, are accrued as a liability at December 31, 2009 and 2008.

NOTE 8 TOWNSHIP OF BLOOMFIELD DEBT GUARANTY

On March 15, 2004 the Township of Bloomfield adopted an ordinance to provide an unconditional guaranty in an amount not to exceed \$20,000,000. The Guaranty provides for the payment of the principal of and interest on bonds and/or notes issued by the Authority for the purpose of the Project as defined in Note 5 above.

NOTE 9 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to general liability, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has obtained insurance coverage to guard against these events which will provide minimum exposure to the Authority should they occur.

NOTE 10 INTRA-LOCAL AGREEMENT WITH TOWNSHIP OF BLOOMFIELD

The Authority has entered into an agreement with the Township in order to affect the various purposes for which the Authority was created. Pursuant to the intra-local agreement the Authority will lease certain employees from the Township and receive certain services. The Authority discontinued leasing employees from the Township in December 2006. In addition to the leased employees the Authority is obligated beginning in 2005 to pay the Township the sum of (i) \$20,000 (the "Annual Township Services Rate") and (ii) 50% of the Authority's Net Revenues for the preceding Fiscal Year (the "Annual Township Profit Share" and, together with the Annual Township Services Rate, the "Annual Township Services Payment"); provided, however, that the Annual Township Services Rate shall be increased by 3% each Fiscal Year. The amounts paid in 2009 and 2008 were \$22,510 and \$21,856, respectively.

**BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 INTRA-LOCAL AGREEMENT WITH TOWNSHIP OF BLOOMFIELD (Continued)

The yearly employee estimate and Annual Township Services Payment for each fiscal year shall be payable to the Township in equal quarterly installments on March 1, June 1, September 1, and December 1 of each fiscal year.

NOTE 11 INTERLOCAL LEASE AGREEMENTS

The Authority entered into several leases for certain real property owned by the Township to develop, improve, construct, maintain, expand and/or operate its parking projects.

The Multiple Municipal Parking Lot lease agreement includes various parcels of Township property currently utilized for parking. The lease commenced on July 1, 2004 and shall renew automatically on the first day of each succeeding calendar month for a sum of one dollar (\$1.00) and other good and valuable consideration. This lease was amended during 2005 with the term to commence on July 1, 2005 and extends to July 1, 2014 unless extended or sooner terminated. The lease amount is \$1,500,000 and was payable in a lump sum on or prior to December 31, 2005. As of December 31, 2009 and 2008, \$749,999 and \$916,666 of the lump sum payment are reported as prepaid items.

The lease known as the Farrand Street Parking Lot lease agreement includes the lease of two parcels of land on which the Authority intends to develop, construct, maintain, improve, expand and/or operate a structural parking garage. The term of the lease shall commence July 1, 2004 and extend to July 1, 2014 unless extended or sooner terminated. The lease amount is \$1,500,000 and was payable in a lump sum on or prior to December 31, 2004. As of December 31, 2009 and 2008, \$675,000 and \$825,000 of the lump sum payment are reported as prepaid items.

NOTE 12 OPERATING LEASES

Effective July 15, 2007, the Authority entered into a lease at a new location for its administrative offices. The term of the lease was for twenty-four months commencing July 15, 2007 and ending July 14, 2009 at a monthly cost of \$1,942.50. During 2009, this lease agreement was renewed and extended for a twenty-four month period beginning July 15, 2009 through July 14, 2011. As of December 31, 2009 and 2008, the Authority has prepaid this lease for two months totaling \$3,885 and \$4,100, respectively. Also, the cost of said lease was \$24,312 and \$25,200 for the years ended December 31, 2009 and 2008, respectively.

NOTE 13 SUBSEQUENT EVENTS

In July 2005, the Bloomfield Parking Authority and the Township of Bloomfield entered into an Amended and Restated Multiple Municipal Parking Lot Lease Agreement and an Amended and Restated Ferrand Street Parking Lot Lease Agreement, pursuant to which the Authority leased parking facilities, located at Block 127, Lots 40, 43 and 44, Block 153, Lots 13.01, 14, 15 and 37, Block 225, Lots 1 and 9, a portion of Block 245, Lot 4, a portion of Block 301, Lot 1, Block 311, Lot 13 and Block 571, Lot 19. Pursuant to such lease agreements, the Parking Authority made an up-front, lump sum payment in the amount of \$3,000,000 for a lease term of ten (10) years, with an option to renew for an additional ten (10) year term.

BLOOMFIELD PARKING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 13 SUBSEQUENT EVENTS (Continued)

On November 9, 2009, the Mayor and Council of the Township adopted an ordinance authorizing the conveyance of the above-referenced properties, as well as the properties located at Block 227, Lots 1, 12 and 35 and Block 228, Lot 17 to the Parking Authority for nominal amounts, and Block 227, Lot 26, for \$500,000. By deed dated February 12, 2010, the Parking Authority acquired title to the properties located at Block 127, Lots 40, 43 and 44, Block 153, Lots 13.01, 14 and 37, Block 227, Lots 1, 12 and 35, Block 228, Lot 1, Block 311, Lot 13 and Block 571, Lot 19 for the sum of \$12.00. The Parking Authority expects to acquire title to the remaining properties before December 31, 2010.

On February 2, 2010, the Authority issued an additional \$4,000,000 parking project note (the "Note") at an interest rate of 1%. The Note matures on February 2, 2011. The proceeds of the Note will be used to acquire certain properties currently owned by private parties and one property owned by the Township of Bloomfield. These acquisitions are being made in conjunction with the Authority's intention to construct a 700-space parking garage in an area of the Township directly across the street from the Bloomfield Train Station.

NOTE 14 DEFICIT NET ASSETS

As of December 31, 2009 and 2008, the Authority's unrestricted net assets were in a deficit of \$1,017,725 and \$913,869, respectively. These deficits at December 31, 2009 and 2008 are the result of the cumulative amortization of parking lot leases with the Township of Bloomfield charged to budget operations in the amounts of \$1,575,001 and \$1,258,334, net of note pay downs of \$375,000 and \$0 respectively. The Township of Bloomfield was paid a lump sum payment of \$3,000,000 for a lease term of ten (10) years from the project notes proceeds. As the Authority reduces the outstanding debt pertaining to the payment of the leases through budget appropriations, it will realize revenue to reduce the cumulative deficit. These deficits at December 31, 2009 and 2008 do not indicate that the Authority is facing financial difficulties and is a permitted practice under accounting principles generally accepted in the United States of America.

SUPPLEMENTARY SCHEDULES

BLOOMFIELD PARKING AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009
BUDGETARY BASIS

(With comparative actual amounts for the fiscal year ended December 31, 2008)

	2009 Modified <u>Budget</u>	2009 <u>Actual</u>	Variance <u>Excess (Deficit)</u>	2008 <u>Actual</u>
OPERATING REVENUES				
Parking Fees and Permits	\$ 606,950	\$ 565,844	\$ (41,106)	\$ 640,599
Parking Fines	195,743	201,903	6,160	205,719
Grants		25,000	25,000	
Other	-	4,464	4,464	-
Total Operating Revenues	<u>802,693</u>	<u>797,211</u>	<u>(5,482)</u>	<u>846,318</u>
NON-OPERATING REVENUES				
Capital Grants		49,210	49,210	
Interest on Investments	<u>12,435</u>	<u>6,563</u>	<u>(5,872)</u>	<u>15,689</u>
Total Non-Operating Revenues	<u>12,435</u>	<u>55,773</u>	<u>43,338</u>	<u>15,689</u>
Total Revenues	<u>815,128</u>	<u>852,984</u>	<u>37,856</u>	<u>862,007</u>
OPERATING APPROPRIATIONS				
Administration				
Salaries and Wages/Fringe Benefits	115,694	107,923	7,771	116,112
Other Expenses	<u>305,284</u>	<u>158,870</u>	<u>146,414</u>	<u>115,105</u>
Total Administration	<u>420,978</u>	<u>266,793</u>	<u>154,185</u>	<u>231,217</u>
Cost of Providing Services				
Salaries and Wages/Fringe Benefits	130,733	107,814	22,919	89,782
Other Expenses	<u>263,417</u>	<u>438,962</u>	<u>(175,545)</u>	<u>465,034</u>
Total Cost of Providing Services	<u>394,150</u>	<u>546,776</u>	<u>(152,626)</u>	<u>554,816</u>
Interest Expense	-	<u>82,073</u>	<u>(82,073)</u>	<u>142,376</u>
Total Operating Appropriations	<u>815,128</u>	<u>895,642</u>	<u>(80,514)</u>	<u>928,409</u>
Budgetary Income (Loss)	-	<u>(42,658)</u>	<u>(42,658)</u>	<u>(66,402)</u>
Reconciliation to GAAP Basis:				
Less:				
Depreciation Expense		(9,952)	(9,952)	(10,047)
Amortization Expense - Debt Issuance Costs	-	<u>(11,272)</u>	<u>(11,272)</u>	<u>(3,009)</u>
	-	<u>(21,224)</u>	<u>(21,224)</u>	<u>(13,056)</u>
Change in Net Assets	\$ -	\$ <u>(63,882)</u>	\$ <u>(63,882)</u>	\$ <u>(79,458)</u>

GOVERNMENT AUDITING STANDARDS

LERCH, VINCI & HIGGINS, LLP

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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

Honorable Chairman and Members of the Board
Bloomfield Parking Authority
Bloomfield, New Jersey

We have audited the basic financial statements of the Bloomfield Parking Authority as of and for the year ended December 31, 2009, and have issued our report thereon dated April 22, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bloomfield Parking Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

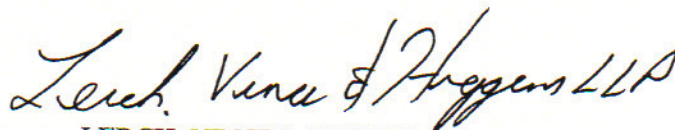
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

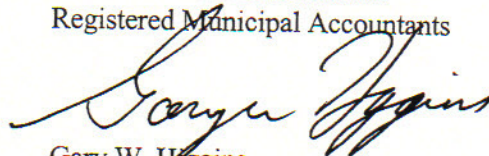
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bloomfield Parking Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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.

This report is intended solely for the information and use of the Bloomfield Parking Authority board members, management, New Jersey State Department of Community Affairs and is not intended to be and should not be used by anyone other than these specified parties.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Gary W. Higgins
Registered Municipal Accountant
RMA Number CR000405

Fair Lawn, New Jersey
April 22, 2010

ROSTER OF OFFICIALS
AND
GENERAL COMMENTS AND RECOMMENDATIONS

ROSTER OF OFFICIALS

AT DECEMBER 31, 2009

<u>Name</u>	<u>Title</u>
John A. Generazio	Commissioner (Chairman)
Thomas O. Johnston, Esq.	Commissioner (Vice Chairman)
Russ Moserowitz	Commissioner (Secretary)
Joseph Catalano	Commissioner (Treasurer)
Oscar McKee	Commissioner
Karan Hochman	Executive Director

GENERAL COMMENTS AND RECOMMENDATIONS

General Comments and Recommendations

Finding – The audit of payroll indicated that certain employee payroll information pertaining to pension reporting was not in agreement with amounts reported to the State of New Jersey. It is recommended that all employee payroll information be in agreement with amounts reported to the State of New Jersey Division of Pensions and Benefits.

Appreciation

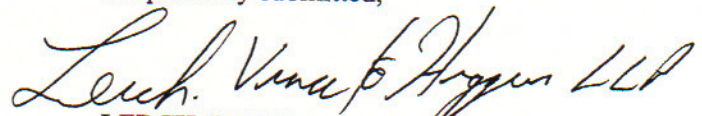
We desire to express our appreciation of the assistance of the Executive Director and Board of Commissioners, during the course of the audit.

* * * * *

A review was performed on all prior year recommendations and corrective action was taken on all items.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Respectfully submitted,



LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Registered Municipal Accountants