

ALLENTOWN PARKING AUTHORITY
FINANCIAL REPORT
December 31, 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Allentown Parking Authority
Allentown, Pennsylvania

We have audited the accompanying financial statements of the Allentown Parking Authority (a component unit of the City of Allentown) as of December 31, 2007 and 2006, 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. 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 the 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 Allentown Parking Authority as of December 31, 2007 and 2006, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and pension data on pages 2 through 9 and page 34 are not a required part of the basic financial statements but are 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 supplementary information. However, we did not audit the information and express no opinion on it.

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

Allentown, Pennsylvania
May 13, 2008

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**ALLENTOWN PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Year Ended December 31, 2007

Introduction

This section of the Allentown Parking Authority's audit presents Management's Discussion and Analysis of the Authority's financial performance during the fiscal year ended December 31, 2007. Readers are encouraged to consider information presented here in conjunction with the following audited financial statements and notes.

Financial Highlights

- Total operating revenue increased \$397,285 or 7.8% compared to 2006.
- Total operating expense increased \$586,315 or 17.7% compared to 2006.
- Depreciation and amortization expenses increased \$327,718 or 45.3% compared to 2006.
- Net operating income decreased \$189,030 or 10.4% compared to 2006.
- Capital assets of the Authority increased \$21,376,937 or 86.7% compared to 2006.
- Total assets of the Authority increased \$13,809,950 or 37.8% compared to 2006.
- Total outstanding liabilities of the Authority increased \$11,365,926 or 46.8% compared to 2006.
- Deferred revenue increased \$9,121,372 or 610.7% compared to 2006.
- The fund balance (difference between assets and liabilities) of the Authority increased \$2,444,024 or 19.9% compared to 2006.

Overview of the Financial Statements

The Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the audited financial statements, notes to the financial statements and supplementary information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance.

Required Financial Statements

The financial statements of the Authority report information about the use of full accrual accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The financial statements include a balance sheet; a statement of revenues; expenses and changes in net assets; a statement of cash flows; notes to the financial statements; and both required and other supplementary information.

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 the Authority's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure and assessing the liquidity and financial flexibility of the Authority.

**ALLENTOWN PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Year Ended December 31, 2007

While the balance sheet provides financial information regarding the nature and amount of resources and obligations at year-end, the statement of revenues, expenses and changes in net assets presents the results of the business activities over the course of the past year and can be used to determine whether the Authority has successfully recovered its costs through parking fines and parking fees.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, non-financing, financing and investing activities. In simpler terms, the primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the fiscal year.

Finally, the notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the financial 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. Supplementary information comparing budget to actual revenue and expenses is provided.

Summary of Organization and Business

The Authority began operating as a Municipal Parking Authority on January 1, 1985 for the benefit of the City of Allentown. The Authority manages, supervises and administers both on-street and off-street operations within the confines of the City.

The on-street operation of the Authority includes the enforcement of both City and State parking regulations by the issuance and processing of parking tickets and by the towing, booting and impounding of vehicles. In addition to the enforcement activities, the Authority administers a residential permit program, which allows residents to park in their respective neighborhood without having to "feed" a meter or move their vehicle due to time parking restrictions. The final composition of the on-street operation includes the maintenance and regulation, as well as the collection of monies, from approximately 1,500 parking meters located on the City streets.

The ownership and operation of five parking garages in downtown Allentown comprises the majority of the off-street department. These five garages total approximately 2,700 parking spaces. In addition, the Authority owns and operates 30 surface parking lots and one parking ramp, which total another 1,530 parking spaces.

The Authority receives no financial support from the City and has no taxing power. All revenues are derived from the collections of parking fines, meter revenue and user fees from the parking garages and lots. The Authority, since its inception, has been self-supporting and has never requested any outside operating financial funding. The Authority has actually returned monies back to the City in the form of collected police and fire tickets and in other in-kind or cash contributions. To date, these monies total over \$1.5 million.

Financial Analysis

The following comparative financial statements and other selected information serve as the key financial data and indicators for management, monitoring and planning. The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Assets report information about the Authority's fiscal year activities, which can then be used to determine whether the Authority is better or worse off as a result of these activities.

**ALLENTOWN PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Year Ended December 31, 2007

Net Assets

**Condensed Statements of net Assets
(Balance Sheet)**

	2007	2006	\$ Change	% Change
Current and other assets	\$ 3,861,765	\$ 2,710,683	\$ 1,151,082	42.5%
Restricted assets	96,527	8,801,483	(8,704,956)	-98.9%
Capital assets and deferred charges	46,393,830	25,030,006	21,363,824	85.4%
Total assets	50,352,122	36,542,172	13,809,950	37.8%
Current liabilities	4,211,576	2,324,048	1,887,528	81.2%
Restricted liabilities	-	1,873,860	(1,873,860)	-100.0%
Long-term debt	20,806,236	18,575,350	2,230,886	12.0%
Deferred Revenue	10,615,003	1,493,631	9,121,372	610.7%
Total liabilities	35,632,815	24,266,889	11,365,926	46.8%
Invested in capital assets, net of related debt	21,903,413	11,449,815	10,453,598	91.3%
Unrestricted	(7,184,106)	825,468	(8,009,574)	-970.3%
Total net assets	\$14,719,307	\$ 12,275,283	\$ 2,444,024	19.9%

Referencing the above table, the increase of capital assets in combination with the decrease of restricted assets is a direct result of the building and operation of both the Allentown Transportation Center and the Allentown Government Area Parking Garage. Additional current liabilities of \$1,887,528 are reflective of over \$1.8 million of unpaid construction invoices at the end of 2007. Long-term debt increase is a combination of additional debt incurred in the amount of \$3.5 million and bond principal payments during the year. Long term parking agreements with two large tenants at both the Allentown Transportation Center and the Allentown Government Area Parking Garage attribute to the large increase in deferred revenue. One tenant prepaid for twenty years and the other for five years. Overall the Authority increased total net assets (assets available to finance both capital and day-to-day operations) for the year by \$2,444,024.

**Condensed Statements of Revenues, Expenses
And Changes in Net Assets**

	2007	2006	\$ Change	% Change
Revenues:				
Operating revenues	\$ 5,521,995	\$ 5,124,710	\$ 397,285	7.8%
Non-operating revenues	659,030	708,892	(49,862)	-7.0%
Gain on disposal of asset	-	45,899	(45,899)	-100.0%
Capital grant revenues	876,000	3,550,125	(2,674,125)	-75.3%
Total revenues	7,057,025	9,429,626	(2,372,601)	-25.2%

**ALLENTOWN PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Year Ended December 31, 2007

	2007	2006	\$ Change	% Change
Expenses:				
Depreciation expense	1,050,879	723,161	327,718	45.3%
Other operating expense	2,849,927	2,591,330	258,597	10.0%
Non-operating expense	549,321	345,566	203,755	59.0%
Loss on disposal of asset	66,205	-	66,205	N/A
Contributions to City	96,669	8,436	88,233	1045.9%
Total expenses	4,613,001	3,668,493	944,508	25.7%
Change in net assets	2,444,024	5,761,133	(3,317,109)	-57.6%
Beginning net assets	12,275,283	6,514,150	5,761,133	88.4%
Ending net assets	\$ 14,719,307	\$ 12,275,283	\$ 2,444,024	19.9%

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets provide answers as to the nature and source of the changes in the Balance Sheet. The above table reconciles total revenue of \$7,057,025 less total expenses of \$4,613,001 as the difference or positive change of \$2,444,024 in net assets for the year. The following narrative will explain the individual accounts that affect these changes.

Revenues:

For 2007, total revenues decreased by \$2,372,601 to \$7,057,025 as compared to \$9,429,626 in 2006. The obvious difference was the reduction in capital grant income of \$2,674,125. The capital grants received in 2006 and in 2007 were used to off-set the construction costs of APA's two new parking structures. This revenue will be non-recurring. Non-operating revenue decreased \$49,862 as a result of less earnings from restricted investments set aside for the payment of garage construction costs. Actual operating revenue increased \$397,285 or a 7.8% change. On-street operations accounted for \$202,612 of this increase, while the off-street operations increased \$194,673.

On-street revenue includes the revenue collected from parking meters, payments for parking tickets and parking permits. Parking meter revenue collected in 2007 totaled \$819,752, which was \$63,349 less than that collected in 2006. Various factors contributed to this reduction with the largest being the construction activity occurring in the metered zones. Related parking ticket revenue increased \$268,511 or 9.7%. The addition of the booting process to our collection process in August added \$42,555 to this increase. Comparatively, in 2007 a total of 117,558 valid tickets were written versus 104,371 in 2006. This unusual increase is to be considered a "one time only" event based upon changes implemented in 2007 in the way we enforce parking. These various changes include 1.) City-wide enforcement; 2.) a full year of street cleaning; 3.) no tolerance policy for double parking; and 4.) enforcement of wrong direction parking.

Off-street revenue is basically comprised of three categories. Transient revenue, which is generated from customers that pay a daily rate to park; contract revenue from customers that pay a monthly fee to park (usually employees of downtown businesses); and Holiday Inn Hotel parking, which includes parking paid by hotel guests or by the hotel directly at our Walnut at Ninth Parking Garage. Contract revenue from our parking garages and lots increased \$180,832 from 2006. The opening and the income for parking at both the Allentown Transportation Center and the Allentown Government Area Parking Garage contributed

**ALLENTOWN PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Year Ended December 31, 2007

\$177,188 of this increase. Transient revenue at all of the Authority's lots and facilities increased by \$29,115 as a result of both the acquisition and operation of the State Lot located at 6th and Linden Streets and the acceptance of transient parking at the Hess's parking garage. Hotel parking revenue decreased by \$19,155.

Non-operating revenue is comprised of interest earnings, investment earnings and realty rental income. Total non-operating revenue totaled \$659,030 for the year or \$49,862 less than 2006. Invested balances of funds for 2007 were exhausted as construction of the two garages were completed leaving fewer funds for investment. In addition, investment rates declined for the year as the Federal Reserve cut rates.

Expenses:

Total expenses increased to \$4,613,001 in 2007, which is a \$944,508 increase from 2006. The following narrative explains the effect that the various expenses had on the operation of the Authority in 2007.

Operating Expenses

The direct costs associated with the overall administration and operation of the Authority is included in "operating expenses." Three expense categories that comprise operating expenses are personnel wages and benefits, services and charges and materials and supplies. These expenses totaled \$2,849,927 or \$258,597 (10.0%) more than 2006.

Personnel costs make up 72.6% of the direct costs associated with operating expenses. These costs increased by an amount equaling \$74,928 or 3.8% as compared to 2006. Salaries and wages increased \$2,232 or less than 0.2% for the year. The Authority continued with excellent health care claim history as it received a dividend check in the amount of \$47,762, which was applied to reduce health care expenses in 2007. The number of full and part time employees for 2007 remained consistent with 2006, totaling forty-one and seven respectively.

Services and charges, the second largest component of operating expenses, increased \$176,242 (32.8%) to \$714,356. The increases in these expenses should be prefaced by the fact that APA's two new garages became operational during 2007, thus causing the majority of these expenses to increase. Additional expenses related to the new garages operations total \$101,298 and include; utilities - \$35,020; insurance - \$9,209; repairs and maintenance - \$16,666; parking displacement costs - \$17,080; real estate taxes - \$2,375; and miscellaneous items - \$20,948. Expenses, other than those related to the new garages, include increased snow removal costs in the amount of \$22,367 and additional professional fees of \$28,971, which are as a result of costs associated with additional financing for the completion of the new parking structures. Repairs and maintenance costs increased \$61,600 from 2006. Expenses attributable to this increase include; vehicle maintenance - \$7,751; radio and ticket writing equipment maintenance - \$6,524; improvements to various surface lots - \$18,874; Hess' Parking Garage maintenance - \$22,907; and Walnut at 9th Garage maintenance - \$3,153.

Materials and supplies, the third and smallest component of operating expenses increased \$7,429 (12.3%) to \$67,710 for 2007. These costs include increases in gasoline and office and operating supplies expenses of \$2,502 and \$12,315 respectively. Uniform expense decreased \$7,388.

**ALLENTOWN PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Year Ended December 31, 2007

Depreciation Expense

Depreciation expense reflects the annual costs associated with an assets reduction (wear and tear) in value. Expenses associated with depreciation increased \$327,718 (45.3%) to \$1,050,879 for 2007. The completion of construction and the operation of both the Allentown Transportation Center and the Allentown Government Area Parking Garage added a total capitalized cost of 29,501,485. Depreciation of these costs for the portion of time in 2007 that the garages were open totaled \$298,441. The remaining material increases were due to; new hard and software purchases for our parking ticket management system - \$8,894 and four vehicle purchases - \$6,153.

Non-operating Expense

This expense is comprised of interest expense and trustee fees on the APA's bond issues and loans. For 2007, non-operating expenses increased \$203,755 to \$549,321. Interest expense on two debt issuance incurred in 2007 totaled \$92,867. The remaining difference was due to interest costs on other debt being expensed after completion of the two new garages.

Contribution Expense

In 2007, the APA contributed \$96,669 to the City of Allentown, which represents an increase of \$88,233 over 2006. Various contributions were made during the year which included the final payment of \$21,694 for the needs assessment study for the Allentown Police Department, payment to the City in the amount of \$7,850 for paid parking tickets issued by the Allentown Police Department for double parking from August 1st to December 31, 2007, and \$67,125 for the City's share of year round street cleaning tickets.

Capital Assets

The operation of the Authority requires various capital assets to run both efficiently and effectively. The following table depicts the various asset classes that the Authority owns and utilizes.

	2007	2006	\$ Change	% Change
Land	\$ 8,672,942	\$ 4,576,111	\$ 4,096,831	89.5%
Lot Improvements	2,274,546	2,255,885	18,661	0.8%
Buildings and improvements	790,889	790,889	-	0.0%
Leasehold Improvements	1,533,947	1,533,947	-	0.0%
Parking garages and lots	38,714,761	9,268,777	29,445,984	317.7%
Vehicles and equipment	1,283,488	1,233,034	50,454	4.1%
Construction in progress	18,471	11,335,171	(11,316,700)	(99.8%)
Subtotal	<u>53,289,044</u>	<u>30,993,814</u>	<u>22,295,230</u>	<u>71.9%</u>
Less accumulated depreciation	7,244,598	6,326,305	918,293	14.5%
Net capital assets	<u>\$ 46,044,446</u>	<u>\$ 24,667,509</u>	<u>\$ 21,376,937</u>	<u>86.7%</u>

As of December 31, 2007, the Authority had invested \$46,044,446 in capital assets net of accumulated depreciation. This figure increased significantly from 2006 by \$21,376,937 as a result of the following transactions during the year.

**ALLENTOWN PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Year Ended December 31, 2007

- The completion and operation of the Allentown Transportation Center in July. Construction costs totaled \$13,956,317 with land acquisition costs of \$4,365,739.
- The completion and operation of the Allentown Government Area Parking Garage in October. Construction costs for this garage totaled \$15,545,168.
- The sale of our Hickory Lot to a developer which removed the value of \$217,984 from land and \$8,739 from lot improvements.
- The removal of equipment and lot improvements from our North East Lot for the development of the Allentown Transportation Center - \$63,338.
- The acquisition of the State Lot and the installation of two pay and display machines - \$30,476.
- The acquisition of 1.) a new system server - \$12,455; 2.) six RECON handheld ticket writers with cameo printers - \$23,229; 3.) \$33,074 for parking ticket management software upgrades and 4.) the purchase of three vehicles for enforcement and one for off-street - \$49,283.

Debt Administration

Total outstanding debt of the Authority as of December 31, 2007, totaled \$22,416,203, which is \$2,270,886 more than 2006. The factor attributable to this increase was the necessary issuance of an additional \$3.5 million in debt to complete the construction of the two new parking garages. This amount coupled with the scheduled principal repayments of \$1,269,114 during the year on APA's debt comprises this increase.

All bond issues of the Authority are secured by a pledge on the Authority's gross revenues. Additionally, each issue, except for the 2007 Series B bond, is secured by a City of Allentown guarantee with a further commitment of bond insurance through Ambac Assurance Corporation or Financial Security Assurance, Inc. All issues carry an Aaa and AAA rating from Moody's and Standard & Poor's respectively based upon their municipal bond insurance policy. The 2007 Series B bond \$3.5 million dollar debt is secured by a pledge on the Authority's gross revenues. This debt does not carry the City of Allentown guarantee nor does it have the further commitment of bond insurance.

In addition to restrictions placed on additional debt issuance by bond covenants, the Authority has instituted a financial policy that provides minimum net earnings ratio coverage. This policy, on an annual basis, requires that all pledged revenue from the Authority less operating expenses exceeds debt service by at least 20.0%. The following chart depicts the compliance of the Authority to this policy over the past two years.

Debt Coverage Ratio

	2007	2006	\$ Change	% Change
Gross revenue	\$ 6,181,025	\$ 5,879,501	\$ 301,524	5.1%
Total operating expenses (less depreciation)	2,849,927	2,591,330	258,597	10.0%
Net revenue	3,331,098	3,288,171	42,927	1.3%
Annual debt service	2,224,558	2,118,997	105,561	5.0%
Debt service coverage	1.50%	1.55%	\$ (62,634)	(3.2%)

**ALLENTOWN PARKING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

Year Ended December 31, 2007

Currently Known Facts, Decisions or Conditions

Subsequent to year-end, the Authority acquired earthquake coverage to provide for possible loss to buildings owned by the Authority. The policy coverage provides for a limit of \$5 million per building, an annual aggregate limit of \$25 million and a \$25,000 deductible. The estimate annual premium for this coverage is \$8,300.

The Authority Board of Directors declared excess parking on both the CATA and North lots located in the 100 block of N. Seventh Street and the 700 block of Turner Street in January, 2008 and advertised for proposals for other usage or development. A developer has been awarded the properties and proposes to build residential townhomes on the properties. The developer intends to pay market value of the land which is appraised at \$490,000. This would reduce the inventory of spaces in this area by approximately 160 spaces.

Contacting the Authority's Financial Management

This financial report is designed to provide our bondholders, patrons, creditors and other interested parties with a general overview of the Authority's finances and demonstrates the Authority's accountability for the funds it receives. If you have any questions about this report or require additional information, contact the Allentown Parking Authority's Executive Director or Deputy Director, 1005 W. Hamilton Street, Allentown, PA 18101.

ALLENTOWN PARKING AUTHORITY

BALANCE SHEETS
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,763,185	\$ 1,787,959
Certificates of deposit	577,387	488,000
Accounts receivable	219,749	139,119
Accrued interest receivable	4,542	5,063
Inventory	11,786	16,001
Prepaid expenses	<u>284,135</u>	<u>273,519</u>
 Total current assets	 <u>3,860,784</u>	 <u>2,709,661</u>
RESTRICTED ASSETS		
Cash and cash equivalents	96,527	3,769,089
Certificates of deposit	-	5,018,000
Accrued interest	<u>-</u>	<u>14,394</u>
 Total restricted assets	 <u>96,527</u>	 <u>8,801,483</u>
CAPITAL ASSETS, net of accumulated depreciation	<u>46,044,446</u>	<u>24,667,509</u>
DEFERRED CHARGES, net of accumulated amortization	<u>349,384</u>	<u>362,497</u>
OTHER ASSETS	<u>981</u>	<u>1,022</u>
 Total assets	 <u>\$ 50,352,122</u>	 <u>\$ 36,542,172</u>

See Notes to Financial Statements.

	<u>2007</u>	<u>2006</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Note payable, bank	\$ 340,853	\$ 340,853
Accounts payable	1,908,295	374,104
Accrued expenses	250,904	248,528
Bonds payable	1,269,114	1,229,114
Deferred revenue	362,494	45,416
Other current liabilities	<u>79,916</u>	<u>86,033</u>
Total current liabilities	<u>4,211,576</u>	<u>2,324,048</u>
RESTRICTED LIABILITIES		
Accounts payable	<u>-</u>	<u>1,873,860</u>
NONCURRENT LIABILITIES		
Bonds payable	20,806,236	18,575,350
Deferred revenue	<u>10,615,003</u>	<u>1,493,631</u>
Total noncurrent liabilities	<u>31,421,239</u>	<u>20,068,981</u>
Total liabilities	<u>35,632,815</u>	<u>24,266,889</u>
NET ASSETS		
Invested in capital assets, net of related debt	21,903,413	11,449,815
Unrestricted	<u>(7,184,106)</u>	<u>825,468</u>
Total net assets	<u>14,719,307</u>	<u>12,275,283</u>
Total liabilities and net assets	<u>\$ 50,352,122</u>	<u>\$ 36,542,172</u>

ALLENTOWN PARKING AUTHORITY

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS**

Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
OPERATING REVENUE		
On-street parking	\$ 3,907,723	\$ 3,705,111
Garages and lots	<u>1,614,272</u>	<u>1,419,599</u>
Total operating revenue	<u>5,521,995</u>	<u>5,124,710</u>
OPERATING EXPENSES		
Wages and benefits	2,067,863	1,992,935
Services and charges	714,356	538,114
Materials and supplies	67,708	60,281
Depreciation and amortization	<u>1,050,879</u>	<u>723,161</u>
Total operating expenses	<u>3,900,806</u>	<u>3,314,491</u>
Operating income	<u>1,621,189</u>	<u>1,810,219</u>
NONOPERATING REVENUE (EXPENSES)		
Interest income	625,653	677,018
Interest expense	(539,801)	(336,098)
Trustee fees	(9,520)	(9,468)
Realty income	33,377	31,874
Gain (loss) on disposal of assets	<u>(66,205)</u>	<u>45,899</u>
Total nonoperating revenue (expenses)	<u>43,504</u>	<u>409,225</u>
Income before contributions	1,664,693	2,219,444
CAPITAL CONTRIBUTIONS		
Capital contributions	876,000	3,550,125
Contributions to City of Allentown	<u>(96,669)</u>	<u>(8,436)</u>
Change in net assets	2,444,024	5,761,133
NET ASSETS, beginning of year	<u>12,275,283</u>	<u>6,514,150</u>
NET ASSETS, end of year	<u>\$ 14,719,307</u>	<u>\$ 12,275,283</u>

See Notes to Financial Statements.

ALLENTOWN PARKING AUTHORITY

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 14,899,107	\$ 6,667,852
Payments to employees	(2,134,468)	(2,069,131)
Payments to suppliers	<u>(762,869)</u>	<u>(585,929)</u>
Net cash provided by operating activities	<u>12,001,770</u>	<u>4,012,792</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions to City of Allentown	<u>(96,669)</u>	<u>(8,436)</u>
Net cash used in noncapital financing activities	<u>(96,669)</u>	<u>(8,436)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(23,031,842)	(10,047,505)
Proceeds from sale of capital assets	238,888	188,328
Capital contributions	876,000	3,552,866
Principal payments on bond payable	(7,270,000)	(1,265,000)
Principal payments on capital lease obligations	-	(7,079)
Proceeds from bonds payable	9,500,000	-
Financing costs	(10,976)	-
Interest paid	(499,793)	(276,510)
Trustee fees	<u>(7,273)</u>	<u>(9,718)</u>
Net cash used in capital and related financing activities	<u>(20,204,996)</u>	<u>(7,864,618)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of certificates of deposit	28,824,000	34,672,000
Purchase of certificates of deposit	(23,895,387)	(28,744,000)
Investment income	640,569	701,920
Realty income	<u>33,377</u>	<u>31,874</u>
Net cash provided by investing activities	<u>5,602,559</u>	<u>6,661,794</u>

See Notes to Financial Statements.

ALLENTOWN PARKING AUTHORITY

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Net increase (decrease) in cash and cash equivalents	(2,697,336)	2,801,532
CASH AND CASH EQUIVALENTS, beginning of year	<u>5,557,048</u>	<u>2,755,516</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,859,712</u>	<u>\$ 5,557,048</u>
 Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,621,189	\$ 1,810,219
Adjustments to reconcile operating income to net cash provided by operating activities		
Amortization	24,089	23,771
Depreciation	1,026,790	699,390
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(80,628)	(42,288)
Inventory	4,215	(4,183)
Prepaid expenses	(12,863)	(109,553)
Increase (decrease) in liabilities:		
Accounts payable	(16,651)	56,060
Accrued expenses	3,296	54,518
Deferred revenue	9,438,450	1,511,169
Other current liabilities	<u>(6,117)</u>	<u>13,689</u>
 Net cash provided by operating activities	 <u>\$ 12,001,770</u>	 <u>\$ 4,012,792</u>

See Notes to Financial Statements.

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Description of entity:

The Allentown Parking Authority (the Authority), a tax-exempt organization, was incorporated on November 30, 1984 by the City Council of the City of Allentown. The Authority is governed by a five member board appointed by the Mayor of the City of Allentown. The Authority is a component unit of the City of Allentown reporting entity. The Authority's purpose is to administer, supervise, and enforce an efficient system of off-street and on-street parking including the power and right:

- To conduct research and maintain data related to off-street and on-street parking programs;
- To enforce parking regulations by the distribution, issuance, and processing of parking tickets and by booting, towing and impounding of vehicles as provided by law;
- To acquire, locate, install and maintain parking meters and related supplies;
- To administer a program of residential permit parking as provided by law; and
- To collect, on behalf of the City of Allentown, all revenue, subject to certain return provisions, derived from on-street parking programs.

The accounting policies of the Allentown Parking Authority conform to generally accepted accounting principles as established by the Governmental Accounting Standards Board. The following is a summary of the significant policies:

Basis of presentation and accounting:

The Authority's financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net assets (i.e.,

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

total assets net of total liabilities) are segregated into "invested in capital assets, net of related liabilities" and "unrestricted" components.

Cash and cash equivalents:

For the purposes of the statement of cash flows, the Authority considers all highly liquid investments, including investments in external investment pools, with an original maturity of three months or less to be cash equivalents.

Investments, external investment pools, certificates of deposit:

The Authority invests its idle funds in various instruments, including external investment pools, which invest in government secured instruments, certificates of deposit with federally-insured financial institutions and money market funds. The investments are valued at fair value, except for those that have a remaining maturity at the time of purchase of one year or less, which are valued at amortized cost. The Authority's investment in external investment pools and money market funds are stated at fair value, which approximates cost and is classified as cash and cash equivalents on the balance sheet. The Authority's investment in certificates of deposit in federally-insured financial institutions are valued at cost because they are considered non-negotiable, non-participating contracts for which redemption terms do not consider market rates.

Restricted assets:

Cash and investments received from the issuance of long-term debt has been presented as restricted assets because the usage of such assets are limited to that set forth in the bond documents.

Inventory:

Inventory consists of parking meters and their related components and is stated at cost (first-in, first-out).

Property and equipment:

The Authority capitalizes all assets with an estimated useful life in excess of one year in excess of \$5,000. Property and equipment are stated at cost, net of accumulated depreciation. Donated or contributed assets are stated at the estimated fair market value as of the date of donation. The Authority depreciates assets using the straight-line method over the following estimated useful lives:

Land improvements	10-44 years
Parking garages and components	5-50 years
Equipment and vehicles	3-20 years

Normal maintenance and repairs are charged to operations as incurred. Renewals and betterments are capitalized and depreciated based upon the expected life of such improvements. Amortization of assets under capital lease has been included as part of depreciation expense.

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Deferred charges:

Bond issuance costs have been deferred and are amortized using the straight-line method over the term of the related debt.

Compensated absences:

Vacation pay for both salaried and union employees is based on length of service and accrues as of each employee's anniversary date. Sick pay for both salaried and union employees is based on 8 days per calendar year for the years ended December 31, 2007 and 2006. The compensation policy includes a buy back provision for unused sick days as of December 31 of any calendar year. Provisions for vacation and sick pay are recorded on the accrual basis.

Net assets:

Net assets are comprised of the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified into two components: invested in capital assets, net of related liabilities and unrestricted net assets. Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt, net of unspent bond proceeds, that is attributable to the acquisition, construction and improvement of those assets. Unrestricted consists of all other net assets not included in the above category.

Revenues and expenses:

Operating revenues and expenses consist of those revenues and expenses that result from the principal operations of the Authority. Operating revenues consist of primarily charges to users of parking facilities. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or ancillary activities.

Capital contributions:

Contributions, which include capital grants, are recognized in the Statement of Revenues, Expenses and Changes in Net Assets when earned.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications:

Certain accounts in the 2006 financial statements have been reclassified for comparative purposes to conform with the presentation in the 2007 financial statements.

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash and Investments

The deposit and investment activity of the Authority adheres to state statutes, prudent business practices and applicable trust indentures, which are more restrictive than existing state statutes.

Pennsylvania law stipulates the investment and deposit types the Authority may purchase as follows:

- (a) U.S. Treasury bills.
- (b) Short-term obligations of the U.S. government or its agencies.
- (c) Demand, savings and time deposits with institutions insured by Federal insurance or collateralized with securities as provided by law.
- (d) Obligations of the United States or any of its agencies, the Commonwealth of Pennsylvania or any of its agencies or any political subdivision of the Commonwealth of Pennsylvania or any of its agencies providing the obligations are backed by the full faith and credit of the political subdivisions.

There are no deposit or investment transactions during the years ended December 31, 2007 and 2006 that were in violation of state statutes or applicable trust indentures.

Custodial credit risk – deposits:

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2007, \$2,889,164 of the Authority's bank balance of \$3,869,051 was exposed to custodial credit risk while for the year ended December 31, 2006, \$6,423,643 of the Authority's bank balance of \$7,011,643 was exposed to custodial credit risk as follows:

	<u>2007</u>	<u>2006</u>
Uninsured and collateral held by pledging banks trust department not in the Authority's name	<u>\$ 2,889,164</u>	<u>\$ 6,423,643</u>

Deposits are included in the statement of net assets as cash and cash equivalents and certificates of deposit.

Amounts invested in external investment pools are not categorized because securities are not used as evidence of the investment.

External investment pools:

Pennsylvania Treasury Department INVEST Program (INVEST)

The Authority has an agreement with Pennsylvania Treasury Department to pool funds to enhance interest earnings. The INVEST program allows Pennsylvania municipalities to utilize the investment expertise of Treasury personnel to purchase investments with other local governmental units. Because of the large volume of money invested, the longer average investment maturity and low administrative charges, the State is able to provide a high rate of return. Funds deposited in the INVEST program require either one or ten day's notice for withdrawal. The INVEST pool is not SEC regulated. The investment policy of INVEST is guided

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

by Pennsylvania statute for respective shareholder participants. The policy is consistent with investment criteria for a "AAA" rating from the Standard and Poors and Fitch rating agencies. An oversight committee comprised of the State Treasurer, the State Secretary of the Budget and the State House of Representatives Majority and Minority Chairmen together with three independent third party investment experts provide investment advice and strategies to be utilized by the INVEST program. The fair value of the Authority's position in the INVEST pool is the same as the value of the pool shares. The Authority's investment in INVEST has been rated AAAM, the highest rating available, by Standard and Poor's, an independent investment rating company. The Authority's investment in INVEST has also been rated AAA/V1+, the highest rating available, by Fitch, an independent investment rating company.

Pennsylvania School District Liquid Asset Fund (PSDLAF)

The Authority invests in the Pennsylvania School District Liquid Asset Fund (PSDLAF), a customized cash management program created in 1982 by the Pennsylvania School Boards Association and the Pennsylvania Association of School Business Officials to provide a unique set of benefits and enhancements for investing public funds. The general objective of the Fund is to provide its investors current income while preserving capital in a manner compatible with the needs and requirements of public school and local government entities in Pennsylvania. The pool is not SEC regulated. The investment policy of PSDLAF is guided by Section 440.1 of the Pennsylvania School Code which governs the temporary investment of funds by School Entities. The fund is managed by a Board of Trustees, who oversees, reviews, and supervises the activities of all consultants and professional Advisers to the Fund. The Trustees also retain an Executive Director of the Fund who acts as a consultant to the Fund and performs such consulting and advisory services with respect to matters concerning the operations and activities of the Fund as may from time to time be reasonably requested by the Trustees. An independent investment company has been appointed by the Trustees to act as the Fund's Investment Adviser. The fair value of the Authority's position in the PSDLAF is the same as the value of the pool shares. The Authority's investment in PSDLAF has been rated AAAM, the highest rating available, by Standard and Poor's, an independent investment rating company.

As of December 31, 2007 and 2006, the carrying amounts of external investment pool assets were \$204,840 and \$6,232,220, respectively. The fair value of external investment pool assets approximate their carrying values as of December 31, 2007 and 2006. As required by the Governmental Accounting Standards Board, investments in external investment pools are uncategorized with regard to risk and are not included in the custodial credit risk table presented above.

Note 3. Capital Assets

Capital asset activity for the years ended December 31, 2007 and 2006 is as follows:

	Year Ended December 31, 2007			
	Balance			Balance
	Jan. 1, 2007	Additions	Deletions	Dec. 31, 2007
Non-depreciable assets:				
Land	\$ 4,576,111	\$ 4,368,815	\$ 271,984	\$ 8,672,942

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

	Year Ended December 31, 2007			
	Balance			Balance
	Jan. 1, 2007	Additions	Deletions	Dec. 31, 2007
Construction in progress	11,335,171	9,000	11,325,700	18,471
	<u>15,911,282</u>	<u>4,377,815</u>	<u>11,597,684</u>	<u>8,691,413</u>
Depreciable assets:				
Lot improvements	2,255,885	27,400	8,739	2,274,546
Building and building improvements	790,889	-	-	790,889
Leasehold Improvements	1,533,947	-	-	1,533,947
Parking garages and lots	9,268,777	29,509,322	63,338	38,714,761
Vehicles and Equipment	1,233,034	119,983	69,528	1,283,489
	<u>15,082,532</u>	<u>29,656,705</u>	<u>141,605</u>	<u>44,597,632</u>
	30,993,814	34,034,520	11,739,289	53,289,045
Less accumulated depreciation	<u>6,326,305</u>	<u>1,026,790</u>	<u>108,496</u>	<u>7,244,599</u>
	<u>\$ 24,667,509</u>	<u>\$33,007,730</u>	<u>\$11,630,793</u>	<u>\$46,044,446</u>

	Year Ended December 31, 2006			
	Balance			Balance
	Jan. 1, 2006	Additions	Deletions	Dec. 31, 2006
Non-depreciable assets:				
Land	\$ 4,711,072	\$ -	\$ 134,961	\$ 4,576,111
Construction in progress	701,746	10,680,375	46,950	11,335,171
	<u>5,412,818</u>	<u>10,680,375</u>	<u>181,911</u>	<u>15,911,282</u>
Depreciable assets:				
Lot improvements	1,997,622	260,256	1,993	2,255,885
Building and building improvements	790,889	-	-	790,889
Leasehold Improvements	1,533,947	-	-	1,533,947
Parking garages and lots	8,465,491	803,286	-	9,268,777
Vehicles and Equipment	1,137,541	121,360	25,867	1,233,034
	<u>13,925,490</u>	<u>1,184,902</u>	<u>27,860</u>	<u>15,082,532</u>
	19,338,308	11,865,277	209,771	30,993,814

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

	Year Ended December 31, 2006			
	Balance Jan. 1, 2006	Additions	Deletions	Balance Dec. 31, 2006
Less accumulated depreciation	5,647,305	699,390	20,390	6,326,305
	<u>\$ 13,691,003</u>	<u>\$ 11,165,887</u>	<u>\$ 189,381</u>	<u>\$ 24,667,509</u>

Depreciation expense for the years ended December 31, 2007 and 2006 was \$1,026,790 and \$699,390, respectively.

Note 4. Deferred Charges

Deferred charges activity for the years ended December 31, 2007 and 2006 consist of the following:

	Year Ended December 31, 2007			
	Balance Jan. 1, 2007	Additions	Retirements	Balance Dec. 31, 2007
Bond issuance costs:				
Guaranteed Parking Revenue Bond				
Series of 2003	\$ 38,489	\$ -	\$ -	\$ 38,489
Parking Revenue Bond				
Series of 2004	109,064	-	-	109,064
Parking Revenue Bond				
Series of 2005	260,756	-	-	260,756
Parking Revenue Bond				
Series of 2007	-	10,976	-	10,976
	<u>408,309</u>	<u>10,976</u>	<u>-</u>	<u>419,285</u>
Less accumulated amortization	<u>45,812</u>	<u>-</u>	<u>24,089</u>	<u>69,901</u>
	<u>\$ 362,497</u>	<u>\$ 10,976</u>	<u>\$ 24,089</u>	<u>\$ 349,384</u>

	Year Ended December 31, 2006			
	Balance Jan. 1, 2006	Additions	Retirements	Balance Dec. 31, 2006
Bond issuance costs:				
Guaranteed Parking Revenue Bond				
Series of 2003	\$ 38,489	\$ -	\$ -	\$ 38,489
Parking Revenue Bond				
Series of 2004	109,064	-	-	109,064
Parking Revenue Bond				
Series of 2005	260,756	-	-	260,756
	<u>408,309</u>	<u>-</u>	<u>-</u>	<u>408,309</u>
Less accumulated amortization	<u>22,041</u>	<u>-</u>	<u>23,771</u>	<u>45,812</u>

ALLENTOWN PARKING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2006			
Balance Jan. 1, 2006	Additions	Retirements	Balance Dec. 31, 2006
\$ 386,268	\$ -	\$ 23,771	\$ 362,497

Note 5. Notes Payable, Bank

The Authority has established a line of credit with a local bank in the amount of \$2,000,000. The purpose of the line of credit is to provide temporary funding for improvements to the Authority's parking facilities. The interest rate on the line of credit is 70% of the *Wall Street Journal* Prime Rate. As of December 31, 2007 and 2006, the rate of this line is 5.075% and 5.775%, respectively.

Short-term debt activity for the years ended December 31, 2007 and 2006 is as follows:

				Year Ended December 31, 2007			
				Balance Jan 1, 2007	Additions	Retirements	Balance Dec. 31, 2007
Line of credit	\$ 340,853	\$ -	\$ -	\$ 340,853			

				Year Ended December 31, 2006			
				Balance Jan 1, 2006	Additions	Retirements	Balance Dec. 31, 2006
Line of credit	\$ 340,853	\$ -	\$ -	\$ 340,853			

Note 6. Long-Term Debt

Long-term debt activity for the years ended December 31, 2007 and 2006 is as follows:

				Year Ended December 31, 2007			
				Balance Jan 1, 2007	Additions	Retirements	Balance Dec. 31, 2007
<u>Revenue Bonds Payable:</u>							
Guaranteed Parking Revenue Bond Series of 2003	\$ 3,695,000	\$ -	\$ 470,000	\$ 3,225,000			
Guaranteed Parking Revenue Bond Series of 2004	4,440,000	-	580,000	3,860,000			
Guaranteed Parking Revenue Bond Series of 2005	12,030,000	-	220,000	11,810,000			

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

	Year Ended December 31, 2007			
	Balance Jan 1, 2007	Additions	Retirements	Balance Dec. 31, 2007
Parking Revenue Bond Series A of 2007	-	6,000,000	6,000,000	-
Parking Revenue Bond Series B of 2007	-	3,500,000	-	3,500,000
	<u>20,165,000</u>	<u>9,500,000</u>	<u>7,270,000</u>	<u>22,395,000</u>
Less unamortized deferred costs of refunding	<u>360,536</u>	<u>-</u>	<u>40,886</u>	<u>319,650</u>
	<u>\$ 19,804,464</u>	<u>\$ 9,500,000</u>	<u>\$ 7,229,114</u>	<u>\$ 22,075,350</u>

	Year Ended December 31, 2006			
	Balance Jan 1, 2006	Additions	Retirements	Balance Dec. 31, 2006
<u>Revenue Bonds Payable:</u>				
Guaranteed Parking Revenue Bond Series of 2003	\$ 4,155,000	\$ -	\$ 460,000	\$ 3,695,000
Guaranteed Parking Revenue Bond Series of 2004	5,010,000	-	570,000	4,440,000
Guaranteed Parking Revenue Bond Series of 2005	<u>12,265,000</u>	<u>-</u>	<u>235,000</u>	<u>12,030,000</u>
	<u>21,430,000</u>	<u>-</u>	<u>1,265,000</u>	<u>20,165,000</u>
Less unamortized deferred costs of refunding	<u>401,422</u>	<u>-</u>	<u>40,886</u>	<u>360,536</u>
	<u>\$ 21,028,578</u>	<u>\$ -</u>	<u>\$ 1,224,114</u>	<u>\$ 19,804,464</u>

Capital Leases Obligations:

Vehicles	<u>\$ 7,079</u>	<u>\$ -</u>	<u>\$ 7,079</u>	<u>\$ -</u>
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A summary of each revenue bond payable and lease is provided in the ensuing paragraphs.

Guaranteed Parking Revenue Refunding Bonds, Series of 2003

On November 13, 2003, the Authority issued the Guaranteed Parking Revenue Refunding Bonds, Series of 2003, in the amount of \$4,970,000. The proceeds of the bonds were used to currently refund the remaining outstanding Guaranteed Parking Revenue Bonds, Series of 1993 and to pay off the remaining principal and interest due on the Parking Revenue Bond, Series B of 1999, Parking Revenue Bond, Series of 2002 and the Authority's outstanding line of credit. Bond proceeds were also used to pay the issuance costs of the Bonds.

ALLENTOWN PARKING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Principal on the Bonds is payable each November 15 with interest payments payable each May 15 and November 15. The schedule of future maturities and total debt service of the Bonds as of December 31, 2007 is as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2008	\$ 480,000	3.50%	\$ 109,622	\$ 589,622
2009	500,000	2.60%	92,823	592,823
2010	290,000	3.00%	79,822	369,822
2011	295,000	3.25%	71,123	366,123
2012	310,000	3.50%	61,535	371,535
2013	320,000	3.60%	50,685	370,685
2014	330,000	3.70%	39,165	369,165
2015	345,000	3.80%	26,955	371,955
2016	<u>355,000</u>	3.90%	<u>13,845</u>	<u>368,845</u>
	<u>\$ 3,225,000</u>		<u>\$ 545,575</u>	<u>\$ 3,770,575</u>

The Bonds maturing on and after November 15, 2009 are subject to redemption prior to maturity, at the option of the Authority, as a whole, or in part on November 15, 2008 or any date thereafter, as directed by the Authority.

The City of Allentown guarantees the full payment of principal and interest on the Bonds. The bonds are secured by a pledge of Authority revenues.

Guaranteed Parking Revenue Refunding Bonds, Series of 2004

On September 15, 2004, the Authority issued the Guaranteed Parking Revenue Refunding Bonds, Series of 2004, in the amount of \$5,565,000. The proceeds of the Bonds were used to currently refund the remaining outstanding Guaranteed Parking Revenue Refunding Bonds, Series of 1999 and to pay the costs of issuing and insuring the Bonds.

Principal on the Bonds is payable each October 1 with interest payments payable each April 1 and October 1. The schedule of future maturities and total debt service of the Bonds as of December 31, 2007 is as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2008	\$ 600,000	3.00%	\$ 120,225	\$ 720,225
2009	615,000	2.75%	102,225	717,225
2010	630,000	3.00%	85,313	715,313
2011	650,000	3.125%	66,412	716,412
2012	670,000	3.25%	46,100	716,100
2013	<u>695,000</u>	3.50%	<u>24,325</u>	<u>719,325</u>
	<u>\$ 3,860,000</u>		<u>\$ 444,600</u>	<u>\$ 4,304,600</u>

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

The Bonds maturing on and after October 1, 2010 are subject to redemption prior to maturity, at the option of the Authority, as a whole, or in part on October 1, 2009 or any date thereafter, as directed by the Authority.

The City of Allentown guarantees the full payment of principal and interest on the Bonds. The bonds are secured by a pledge of Authority revenues.

Guaranteed Parking Revenue Bonds, Series 2005

On November 15, 2005, the Authority issued the Guaranteed Parking Revenue Bonds, Series 2005, in the amount of \$12,265,000. The proceeds of the Bonds are being used to finance capital projects which include the acquisition and construction of two parking garages and surface parking lot improvements and to pay for the costs of issuing and insuring the Bonds.

Principal on the Bonds is payable each November 15 with interest payments payable each May 15 and November 15. The schedule of future maturities and total debt service of the Bonds as of December 31, 2007 is as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2008	\$ 230,000	3.15%	\$ 538,309	\$ 768,309
2009	235,000	4.50%	531,064	766,064
2010	245,000	4.50%	520,489	765,489
2011	260,000	3.50%	509,464	769,464
2012	265,000	4.00%	500,364	765,364
2013	275,000	4.00%	489,764	764,764
2014	290,000	4.00%	478,764	768,764
2015	300,000	4.00%	467,164	767,164
2016	310,000	4.00%	455,164	765,164
2017	325,000	4.125%	442,764	767,764
2018	340,000	4.25%	429,358	769,358
2019	350,000	4.25%	414,908	764,908
2020	365,000	4.375%	400,033	765,033
2021	385,000	4.375%	384,064	769,064
2022	400,000	4.50%	367,220	767,220
2023	420,000	4.50%	349,220	769,220
2024	435,000	4.50%	330,320	765,320
2025	455,000	4.50%	310,745	765,745
2026	475,000	4.60%	290,270	765,270
2027	500,000	4.60%	268,420	768,420
2028	520,000	4.60%	245,420	765,420
2029	545,000	4.60%	221,500	766,500
2030	570,000	5.00%	194,250	764,250
2031	600,000	5.00%	165,750	765,750
2032	630,000	5.00%	135,750	765,750
2333	660,000	5.00%	104,250	764,250
2034	695,000	5.00%	71,250	766,250
2035	730,000	5.00%	36,500	766,500
	<u>\$ 11,810,000</u>		<u>\$ 9,652,538</u>	<u>\$21,462,538</u>

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

The Bonds maturing on or after November 15, 2016 are subject to redemption prior to maturity, at the option of the Authority, as a whole or in part on November 15, 2015 or any date thereafter, as directed by the Authority.

The Bonds stated to mature on November 15 of the years 2028 and 2035 (the "Term Bonds") are subject to mandatory redemption prior to maturity on November 15 of the years and in principal amounts as set forth in the following schedule:

<u>Bonds Maturing November 15, 2028</u>		<u>Bonds Maturing November 15, 2035</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2026	\$ 475,000	2029	\$ 545,000
2027	500,000	2030	570,000
2028	520,000	2031	600,000
		2032	630,000
		2033	660,000
		2034	695,000
		2035	730,000

The City of Allentown guarantees the full payment of principal and interest on the Bonds. The Bonds are secured by pledge of Authority revenues.

Parking Revenue Bonds, Series A of 2007

On March 14, 2007, the Authority issued the Parking Revenue Refunding Bonds, Series A of 2007, in the amount of \$6,000,000. The proceeds of the bonds were used to obtain short term financing for a portion of the constructions costs of the Allentown Transportation Center in the City of Allentown. The bonds were used as a bridge loan from March 14, 2007 until they were paid off on December 24, 2007. Interest expense for the loan for the year ending December 31, 2007 was \$190,190.

Parking Revenue Bonds, Series B of 2007

On March 14, 2007, the Authority issued the Parking Revenue Refunding Bonds, Series B of 2007, in the amount of \$3,500,000. The proceeds of the bonds were used for the purpose of additional financing for two parking facilities in the City of Allentown.

Principal on the Bonds is payable each October 1 commencing on October 1, 2010 with interest payments payable quarterly and commencing on July 1, 2007. The schedule of future maturities and total debt service of the Bonds as of December 31, 2007 is as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2008	\$ -	4.20%	\$ 149,450	\$ 149,450
2009	-	4.20%	149,042	149,042
2010	70,000	4.20%	149,042	219,042
2011	80,000	4.20%	146,061	226,061
2012	85,000	4.20%	143,045	228,045
2013	90,000	4.20%	139,035	229,035

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2014	100,000	4.20%	135,202	235,202
2015	110,000	4.20%	130,944	240,944
2016	120,000	4.20%	126,606	246,606
2017	125,000	4.20%	121,150	246,150
2018	135,000	4.20%	115,827	250,827
2019	140,000	4.20%	110,078	250,078
2020	145,000	4.20%	104,402	249,402
2021	155,000	4.20%	97,942	252,942
2022	165,000	4.20%	91,341	256,341
2023	175,000	4.20%	84,315	259,315
2024	180,000	4.20%	77,074	257,074
2025	195,000	4.20%	69,198	264,198
2026	205,000	4.20%	60,894	265,894
2027	215,000	4.20%	52,165	267,165
2028	230,000	4.20%	43,127	273,127
2029	245,000	4.20%	33,215	278,215
2030	260,000	4.20%	22,782	282,782
2031	<u>275,000</u>	4.20%	<u>11,710</u>	<u>286,710</u>
	<u>\$ 3,500,000</u>		<u>\$ 2,363,647</u>	<u>\$ 5,863,647</u>

The bonds are secured by a pledge of Authority revenues.

Unamortized Deferred Costs of Refunding

In accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, the Authority has deferred the difference between the reacquisition price (the amount deposited into escrow to pay off the bonds) and the net carrying amount of previously refunded debt. This deferred cost of refunding is being amortized into interest expense on a straight-line basis over the shorter of the life of the new and old bonds. During the years ended December 31, 2007 and 2006, such amortization amounted to \$40,886 and \$40,886. The unamortized deferred costs of refunding are reported as a reduction of the outstanding bonds payable.

The annual aggregate maturities of long-term debt as of December 31, 2007 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Deferred Refunding Costs</u>
2008	\$ 1,310,000	\$ 917,606	\$ 2,227,606	\$ 40,886
2009	1,350,000	875,154	2,225,154	40,886
2010	1,235,000	834,666	2,069,666	40,886
2011	1,285,000	793,060	2,078,060	40,886
2012	1,330,000	751,044	2,081,044	40,131
2013	1,380,000	703,809	2,083,809	35,379

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Deferred Refunding Costs</u>
2014	720,000	653,131	1,373,131	27,937
2015	755,000	625,063	1,380,063	27,937
2016	785,000	595,615	1,380,615	24,722
2017	450,000	563,914	1,013,914	-
2018	475,000	545,185	1,020,185	-
2019	490,000	524,986	1,014,986	-
2020	510,000	504,435	1,014,435	-
2021	540,000	482,006	1,022,006	-
2022	565,000	458,561	1,023,561	-
2023	595,000	433,535	1,028,535	-
2024	615,000	407,394	1,022,394	-
2025	650,000	379,943	1,029,943	-
2026	680,000	351,164	1,031,164	-
2027	715,000	320,585	1,035,585	-
2028	750,000	288,547	1,038,547	-
2029	790,000	254,715	1,044,715	-
2030	830,000	217,032	1,047,032	-
2031	875,000	177,460	1,052,460	-
2032	630,000	135,750	765,750	-
2333	660,000	104,250	764,250	-
2034	695,000	71,250	766,250	-
2035	<u>730,000</u>	<u>36,500</u>	<u>766,500</u>	<u>-</u>
	<u>\$ 22,395,000</u>	<u>\$ 13,006,360</u>	<u>\$ 35,401,360</u>	<u>\$ 319,650</u>

Note 7. Operating Leases

The Authority utilizes operating leases to meet its various equipment and parking lot needs. The minimum future rentals due from these operating leases, which include the lease of office equipment, as of December 31, 2007 are as follows:

<u>Year Ending December 31</u>	
2008	\$ 3,098
2009	3,732
2010	3,144
2011	1,380
2012	<u>1,380</u>
	<u>\$ 12,734</u>

Lease rental expense for these leases amounted to \$2,638 and \$1,263 for the years ended December 31, 2007 and 2006, respectively.

ALLENTOWN PARKING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Note 8. Leasing Activities

The Authority leases office space and parking facilities to third parties under operating lease agreements. The rents are determined based on the square footage being rented and are subject to periodic increases. The agreements also include various renewal options after the initial term expires. Minimum future rental income from the operating leases as of December 31, 2007 is as follows:

<u>Year Ending</u> <u>December 31</u>	
2008	\$ 104,588
2009	91,958
2010	91,958
2011	91,958
2012	91,958
Thereafter	<u>7,377,671</u>
	<u>\$ 7,850,091</u>

Note 9. Pension Plans

The Authority maintains two pension plans for its eligible employees.

Allentown Parking Authority Union Employees' Defined Contribution Retirement Plan

This retirement plan is designed to provide retirement benefit to the Authority's eligible union employees. The plan covers all eligible employees over the age of 19 with one year of service with the Authority. Employer contributions to the plan are established by the Union's collective bargaining agreement. Employer contributions were fixed at 5% by the collective bargaining agreement for the years ended December 31, 2007 and 2006. Participant contributions are on a voluntary basis up to 10% of compensation. The plan's provisions may be amended by resolution of the Authority's Board of Directors subject to 90 days written notice to the plan's Trustee. No modification which affects the rights, duties and responsibilities of the Trustee may be made without the Trustee's consent.

Allentown Parking Authority Salaried Employees Defined Benefit Pension Plan

The Authority has established the Salaried Employees Defined Benefit Pension Plan, a single employer plan, to provide retirement and death benefits to plan members and beneficiaries of the Authority's eligible salaried employees. All new salaried employees are eligible for membership in the Plan on the first day of the month following employment.

Funding Policy:

The contribution requirements of the plan members and the Authority and the Plan's benefit provisions are established by the plan document and may be amended only by the Authority Board. Plan members are required to contribute 5% of their compensation as a

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

condition of membership. The Authority is required to contribute to the plan to cover the expenses of the plan and to fund all the benefits of the plan on a sound actuarial basis.

Annual Pension Cost and Net Pension Obligation:

The annual required contribution was determined as part of an actuarial valuation dated January 1, 2007 using the Entry Age Normal Cost Valuation Method. The Authority's annual pension cost and net pension obligation to the plan for the plan year ended December 31, 2007 and 2006 were as follows:

	2007	2006
Annual required contribution	\$ 172,324	\$ 167,812
Interest on net pension obligation	(13,166)	(5,620)
Adjustment to annual required contribution	-	-
Annual pension cost	159,158	162,192
Contributions made	172,336	262,805
Increase in net pension obligation (asset)	(13,178)	(100,613)
Net pension obligation (asset), beginning of year	(175,544)	(74,931)
Net pension obligation (asset), end of year	\$ (188,722)	\$ (175,544)

Actuarial Assumptions:

The actuarial assumptions of the Plan include the following:

- a) Investment return - 7.5%
- b) Post-retirement costs were estimated using the 1983 Group Mortality Table. Female mortality is assumed equal to that of males six years younger.
- c) Salary increases of 5% compounded annually.
- d) Retirement is assumed at normal retirement age of 55 or age on valuation date if greater.
- e) Post-retirement benefits assume a life annuity with 120 monthly payments guaranteed.
- f) The unfunded actuarial liability is amortized using the level dollar method over a period of 4.13 years.

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

- g) An adjustment for inflation is included in the investment return and salary increase assumptions.

Asset Valuation:

Plan assets are valued using market values, except for insurance holdings, if any, which are valued at reported contract values.

Trend Information:

Trend information for the plan is as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
12/31/05	\$ 179,519	125%	\$ (74,931)
12/31/06	162,192	162%	(175,544)
12/31/07	159,158	108%	(188,722)

The Authority's pension expense amounted to \$185,223 and \$188,808 for the years ended December 31, 2007 and 2006, respectively.

Note 10. Contributions

The Authority made contributions in the amounts of \$96,669 and \$8,436 to the City of Allentown during the years ended December 31, 2007 and 2006, respectively. The 2007 contributions included \$21,694 for a needs assessment study for the Allentown Police Department, \$7,850 for paid parking tickets issued by the Allentown Police Department for double parking and \$67,125 for the City's share of year round street cleaning tickets. The 2006 contributions were for the needs assessment study for the Allentown Police Department.

Note 11. Deferred Compensation Plan

The Authority has established a deferred compensation plan for the benefit of its employees in accordance with Internal Revenue Code Section 457. This plan permits employees to voluntarily defer current compensation until future years. The assets of the Plan are held in trust by the Mutual of America Life Insurance Company. Because the assets of the Plan are held in trust for the exclusive benefit of the Plan's participants and beneficiaries, as required by the Internal Revenue Code, the assets are not recorded in the financial statements of the Authority in accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Investments are managed and offered by the trustee for the benefit of the participants.

The Authority makes no contributions to the Plan. Nine and eleven employees contributed to the Plan during 2007 and 2006, respectively.

ALLENTOWN PARKING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Note 12. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. The Authority purchases commercial insurance to cover most insurable risks.

The Authority is a member of the Lehigh Valley Insurance Cooperative (LVIC), a pool of municipalities to purchase health insurance coverage. The purpose of the cooperative is to control escalating health care premiums by allowing municipalities the potential for volume discounts and annual premium returns for favorable claims experience. Rates for each municipality are developed annually with a final reconciliation of total premiums to actual claims made approximately six months after each policy year end. Allocation of any surplus is determined by a board of officers appointed by participants. Unfavorable experience is included in the following year rates. Maximum limits for any one claim are established to minimize cost exposure. A 10% reserve is built into the rates to cover the cooperatives operating costs and any unfavorable experience.

Note 13. Litigation

In the normal course of business, the Authority is involved in various civil disputes. It is believed that any potential losses on these various claims and lawsuits will not have a material impact on the Authority.

Note 14. Prior Period Adjustment

Net assets as of December 31, 2006 has been reduced in the amount of \$1,512,569 to properly record previously recognized revenue related to a long-term agreement as deferred revenue.

The following sets forth the previously reported and restated amounts of selected items within the balance sheet as of December 31, 2006 and within the statement of revenue, expenses changes in net assets and statement of cash flows for the year ended December 31, 2006:

	<u>As Previously Reported</u>	<u>As Restated</u>
Selected Balance Sheet data as of December 31, 2006:		
Deferred revenue - current portion	\$ -	\$ 45,416
Other current liabilities	112,511	86,033
Total current liabilities	2,305,110	2,324,048
Deferred revenue - noncurrent portion	-	1,493,631
Total liabilities	22,754,320	24,266,889
Unrestricted net assets	2,338,037	825,468
Total net assets	13,787,852	12,275,283

ALLENTOWN PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

	<u>As Previously Reported</u>	<u>As Restated</u>
Selected Statement of Revenues, Expenses and Changes in Net Assets data for the year ended December 31, 2006:		
Capital contributions	\$ 5,062,694	\$ 3,550,125
Change in net assets	7,273,702	5,761,133
Net assets, end of year	13,787,852	12,275,283
Selected Statement of Cash Flows data for the year ended December 31, 2006:		
Receipts from customers	5,155,283	6,667,852
Net cash provided by operating activities	2,500,223	4,012,792
Capital contributions	5,065,435	3,552,866
Adjustments to reconcile operating income to net cash provided by operating activities:		
Increase in deferred revenue	-	1,511,169
Increase in other current liabilities	12,289	13,689

ALLENTOWN PARKING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Funding Progress for
 Defined Benefit Pension Plan

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded (Overfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UALL as a Percentage of Covered Payroll ((b-a)/c)</u>
01/01/03	\$ 575,341	\$ 1,510,592	\$ 935,251	38.09%	\$ 531,536	176.0%
01/01/05	1,225,808	1,943,228	717,420	63.08%	587,848	122.0%
01/01/07	1,976,195	2,192,368	216,173	90.14%	589,249	36.7%

ALLENTOWN PARKING AUTHORITY

SCHEDULE OF OPERATING REVENUES AND EXPENSES,
EXCLUDING DEPRECIATION AND AMORTIZATION
ACTUAL AND BUDGET
Year Ended December 31, 2007

	Actual			
	Park & Shop	On-street Parking	Surface Lots	Walnut and Ninth Streets
OPERATING REVENUES				
On-street parking:				
Parking meter	\$ -	\$ 819,752	\$ -	\$ -
Parking fines	-	3,049,365	-	-
Parking permits	-	38,606	-	-
Total on-street parking	-	3,907,723	-	-
Garages and lots	452,091	-	68,143	387,067
Total operating revenues	452,091	3,907,723	68,143	387,067
OPERATING EXPENSES				
Wages and benefits	142,675	942,066	-	298,534
Services and charges:				
Utilities	19,665	822	7,732	18,286
Postage	-	-	-	-
Printing	-	-	-	-
Advertising	-	-	-	-
Training and professional development	-	-	-	-
Insurance	13,402	14,837	2,343	12,142
Repairs and maintenance	25,626	32,890	5,326	16,925
Equipment leasing	-	-	-	-
Professional fees	-	-	-	-
Snow removal	21,257	-	2,605	530
Real estate taxes	2,986	-	-	-
Bank and coin counting fees	-	8,503	-	-
Other	3,395	-	395	52
Total services and charges	86,331	57,052	18,401	47,935
Materials and supplies:				
Uniforms	441	5,719	-	1,806
Office and operating supplies	-	227	-	4,226
Vehicle expense	-	24,564	-	-
Total materials and supplies	441	30,510	-	6,032
Total operating expenses before depreciation and amortization	229,447	1,029,628	18,401	352,501
Operating income (loss) before depreciation and amortization	\$ 222,644	\$ 2,878,095	\$ 49,742	\$ 34,566

Actual								
Parking Garages					Administrative and General	Total	Budget	Variance Favorable (Unfavorable)
600 Linden Street	Bon Ton Garage	Transportation Center	Government Garage					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 819,752	\$ 825,000	\$ (5,248)	
-	-	-	-	-	3,049,365	2,880,000	169,365	
-	-	-	-	-	38,606	35,000	3,606	
-	-	-	-	-	3,907,723	3,740,000	167,723	
<u>192,989</u>	<u>328,224</u>	<u>136,232</u>	<u>49,526</u>	-	<u>1,614,272</u>	<u>1,502,000</u>	<u>112,272</u>	
<u>192,989</u>	<u>328,224</u>	<u>136,232</u>	<u>49,526</u>	-	<u>5,521,995</u>	<u>5,242,000</u>	<u>279,995</u>	
<u>75,506</u>	<u>39,478</u>	-	<u>4,352</u>	<u>565,252</u>	<u>2,067,863</u>	<u>2,249,000</u>	<u>181,137</u>	
14,385	46,219	24,813	10,207	28,937	171,066	135,000	(36,066)	
-	-	-	-	26,003	26,003	23,000	(3,003)	
-	-	-	-	17,341	17,341	22,000	4,659	
-	-	-	-	6,188	6,188	5,000	(1,188)	
-	-	-	-	4,408	4,408	12,000	7,592	
8,501	14,492	9,209	-	-	74,926	79,950	5,024	
11,494	39,664	13,594	3,072	43,008	191,599	127,200	(64,399)	
-	-	-	-	2,638	2,638	4,000	1,362	
-	-	-	-	87,488	87,488	72,000	(15,488)	
550	175	361	-	-	25,478	16,200	(9,278)	
6,026	8,411	2,375	-	-	19,798	23,000	3,202	
-	-	-	-	226	8,729	15,000	6,271	
<u>201</u>	<u>5,049</u>	<u>6,982</u>	<u>30,685</u>	<u>31,935</u>	<u>78,694</u>	<u>31,100</u>	<u>(47,594)</u>	
<u>41,157</u>	<u>114,010</u>	<u>57,334</u>	<u>43,964</u>	<u>248,172</u>	<u>714,356</u>	<u>565,450</u>	<u>(148,906)</u>	
-	-	-	-	-	7,966	11,500	3,534	
1,896	-	-	-	28,829	35,178	20,000	(15,178)	
-	-	-	-	-	24,564	24,000	(564)	
<u>1,896</u>	-	-	-	<u>28,829</u>	<u>67,708</u>	<u>55,500</u>	<u>(12,208)</u>	
<u>118,559</u>	<u>153,488</u>	<u>57,334</u>	<u>48,316</u>	<u>842,253</u>	<u>2,849,927</u>	<u>2,869,950</u>	<u>20,023</u>	
\$ 74,430	\$ 174,736	\$ 78,898	\$ 1,210	\$ (842,253)	\$ 2,672,068	\$ 2,372,050	\$ 300,018	

ALLENTOWN PARKING AUTHORITY

SCHEDULE OF OPERATING REVENUES AND EXPENSES,
EXCLUDING DEPRECIATION AND AMORTIZATION
ACTUAL AND BUDGET
Year Ended December 31, 2006

	Actual		
	Park & Shop	On-street Parking	Surface Lots
OPERATING REVENUES			
On-street parking:			
Parking meter	\$ -	\$ 883,102	\$ -
Parking fines	-	2,780,854	-
Parking permits	-	41,155	-
Total on-street parking	-	3,705,111	-
Garages and lots	443,597	-	70,079
Total operating revenues	443,597	3,705,111	70,079
OPERATING EXPENSES			
Wages and benefits	131,174	869,112	-
Services and charges:			
Utilities	20,273	545	8,146
Postage	-	-	-
Printing	-	-	-
Advertising	-	-	-
Training and professional development	-	-	-
Insurance	12,240	15,382	2,096
Repairs and maintenance	7,349	24,438	3,201
Equipment leasing	-	-	-
Professional fees	-	-	-
Snow removal	2,022	-	728
Real estate taxes	3,005	-	-
Bank and coin counting fees	-	6,662	-
Other	3,568	949	168
Total services and charges	48,457	47,976	14,339
Materials and supplies:			
Uniforms	609	14,054	-
Office and operating supplies	-	214	-
Vehicle expense	-	22,062	-
Total materials and supplies	609	36,330	-
Total operating expenses before depreciation and amortization	180,240	953,418	14,339
Operating income (loss) before depreciation and amortization	\$ 263,357	\$ 2,751,693	\$ 55,740

Actual							
Parking Garages				Administrative and General	Total	Budget	Variance Favorable (Unfavorable)
Walnut and Ninth Streets	600 Linden Street	Bon Ton Garage					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 883,102	\$ 800,000	\$ 83,102
-	-	-	-	-	2,780,854	2,730,000	50,854
-	-	-	-	-	41,155	35,000	6,155
-	-	-	-	-	3,705,111	3,565,000	140,111
<u>371,970</u>	<u>216,026</u>	<u>317,927</u>	-	-	<u>1,419,599</u>	<u>1,287,000</u>	<u>132,599</u>
<u>371,970</u>	<u>216,026</u>	<u>317,927</u>	-	-	<u>5,124,710</u>	<u>4,852,000</u>	<u>272,710</u>
<u>239,059</u>	<u>71,274</u>	-	<u>682,316</u>	-	<u>1,992,935</u>	<u>2,081,400</u>	<u>88,465</u>
18,841	12,978	40,417	28,663	129,863	117,300	(12,563)	
-	-	-	18,825	18,825	25,000	6,175	
-	-	-	24,827	24,827	25,000	173	
-	-	-	4,428	4,428	5,000	572	
-	-	-	12,896	12,896	15,000	2,104	
10,065	5,695	14,606	7,428	67,512	70,050	2,538	
13,772	10,366	16,757	44,945	120,828	113,100	(7,728)	
-	-	-	1,263	1,263	-	(1,263)	
-	-	-	58,517	58,517	51,000	(7,517)	
-	-	-	-	2,750	15,000	12,250	
-	7,029	7,395	-	17,429	22,500	5,071	
-	-	-	2,234	8,896	22,000	13,104	
121	-	-	65,274	70,080	31,400	(38,680)	
<u>42,799</u>	<u>36,068</u>	<u>79,175</u>	<u>269,300</u>	<u>538,114</u>	<u>512,350</u>	<u>(25,764)</u>	
552	139	-	-	15,354	10,600	(4,754)	
5,333	1,359	-	15,959	22,865	20,500	(2,365)	
-	-	-	-	22,062	17,000	(5,062)	
<u>5,885</u>	<u>1,498</u>	-	<u>15,959</u>	<u>60,281</u>	<u>48,100</u>	<u>(12,181)</u>	
<u>287,743</u>	<u>108,840</u>	<u>79,175</u>	<u>967,575</u>	<u>2,591,330</u>	<u>2,641,850</u>	<u>50,520</u>	
<u>\$ 84,227</u>	<u>\$ 107,186</u>	<u>\$ 238,752</u>	<u>\$ (967,575)</u>	<u>\$ 2,533,380</u>	<u>\$ 2,210,150</u>	<u>\$ 323,230</u>	