PARKING AUTHORITY OF THE CITY OF UNION CITY

AUDITS OF FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2009 AND 2008
WITH
SUPPLEMENTARY INFORMATION
AND
REPORT OF INDEPENDENT AUDITORS

Donohue Gironda & Della
CERTIFIED PUBLIC ACCOUNTANTS

PARKING AUTHORITY OF THE CITY OF UNION CITY

TABLE OF CONTENTS

NOVEMBER 30, 2009 AND 2008

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1-4
Roster of Officials	5
FINANCIAL SECTION	
Independent Auditor's Report	6-7
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	8-9
Management's Discussion and Analysis	10-14
Basic Financial Statements	
Statements of Net Assets	15
Statements of Revenues, Expenses and Changes in Net Assets	16
Statements of Cash Flows	17
Notes to Basic Financial Statements	18-30
SUPPLEMENTARY INFORMATION	
Schedule of Cash Receipts, Cash Disbursements, and Changes in Cash and Cash Equivalents	31
Schedule of Revenues and Expenses Compared to Budget	32
Schedule of Cost of Real Property	33
Schedule of Operating Revenues on a Monthly Basis	34-35
Schedule of Operating Revenues by Location	36
Schedule of Revenue, Expenses and Changes in Net Assets - Restricted and Unrestricted	37
General Comments	38
Comments and Recommendations	39-41
STATISTICAL SECTION	
Operating Revenues by Function	42
Expenses by Function	43
Miscellaneous Statistics	44

INTRODUCTORY SECTION

Union City Parking Authority
506-518 38th Street
Union City, NJ 07087
201-348-5836

UNION CITY PARKING AUTHORITY

March 9, 2010

The Honorable Commissioners
The Parking Authority of the City of Union City
Union City, New Jersey

State law requires that all local authorities publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Parking Authority of the City of Union City (the "Authority") for the year ended November 30, 2009.

This report consists of management's representations concerning the finances of the Authority. We believe it is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Authority as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain maximum understanding of the Authority's financial affairs have been included. Responsibility for completeness and clarity of the report, including disclosures, rests with the management of the Authority and ultimately with the Board of Commissioners. By utilizing the CAFR format, it is the Authority's intent to facilitate an understanding by the non-financially oriented system user as well as provide all necessary information for the most sophisticated financial observer.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditors.

Organization of Report

The CAFR is presented in several sections: Introductory, Financial, Supplementary and Statistical. The Introductory Section includes this transmittal letter and a list of principal officials. The Financial Section includes the independent auditor's report, management's discussion and analysis, and the financial

statements, including the notes to the financial statements. The Supplementary Section includes supplementary schedules and information required by the Division of Local Government Services. The Statistical Section includes selected financial, economic and demographic information, generally presented on a multi-year basis.

Government Structure and Services

The Authority's governing body consists of five members appointed by the Mayor of the City of Union City, with the advice and consent of the Board of Commissioners. Members are appointed for terms of five years.

The Authority provides parking in the form of a parking deck, parking lots and meters, as well as enforcement of parking regulations in Union City. The Authority receives $3 per ticket issued and collected by the Union City Municipal Courts. Additionally, the Authority retains all monies collected out of the city parking meters as well as various other less significant sources of revenue. None of the employees of the Authority are members of a union.

Internal Accounting Controls

Management of the Authority is responsible for establishing and maintaining an adequate internal control structure. In developing and evaluating the Authority's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits expected to be derived. All internal control evaluations occur within the above framework. We believe the Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions.

Basis of Accounting

The Authority's accounting records are maintained on an accrual basis and in accordance with GAAP, as promulgated by the Governmental Accounting Standards Board. The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Annual Budget

The annual budget serves as the foundation for the Authority's financial planning and control. Management prepares a proposed budget, which is presented to the Authority's Board of Commissioners for review and approval. Prior to adoption by the Board of Commissioners, these budgets are reviewed and approved by the State of New Jersey, Division of Local Government Services.

Debt Administration

At November 30, 2009, the Authority has outstanding debt of $2,472,274, which consists of a private placement bond, for the parking deck located between Kennedy Boulevard and Bergenline Avenue occupying the block between 38th and 39th Street in the amount of $2,469,600. The remaining balance is related to an old note payable to an ex-commissioner.

Cash Management

The Authority strives to keep abreast of current developments and procedures in cash management to insure efficient and profitable use of available cash resources. The investment policy of the Authority is guided in large part by New Jersey Statutes. Cash is deposited in institutions located in New Jersey which are protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. Funds not needed immediately are invested as certificates of deposit or other allowable investments.

Risk Management

The Authority carries various forms of insurance, including, but not limited to, general liability, automotive, hazard and theft.

Pension Benefits

All Authority employees participate in the New Jersey Public Employees Retirement System (PERS). The PERS is a cost-sharing, multiple-employer defined benefit pension plan and is administered by the State of New Jersey Division of Pensions. Participants are required to contribute a statutory amount to the PERS. The Authority contributes to the PERS at an actuarially determined rate.

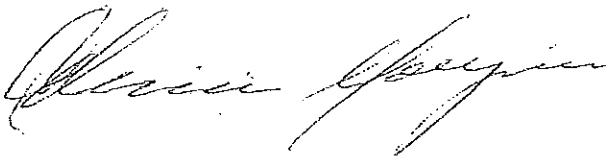
Annual Independent Audit

The Authority's financial statements have been audited by Donohue, Gironda & Doria, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the year ended November 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the year ended November 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff and the Commissioners of the Authority. We would like to express our appreciation to all those who assisted and contributed to the preparation of this report.

Respectfully submitted,



Alicia Morejon
Executive Director

PARKING AUTHORITY OF THE CITY OF UNION CITY
ROSTER OF OFFICIALS
NOVEMBER 30, 2009

Authority Members	Position	Expiration of Term
Commissioners		
Ulyssis Isis	Chairman (Effective 7-21-2009, Commissioner 4-8-2009)	April 8, 2014
Lidia Figueroa	Secretary (Holdover)	May 4, 2009
Tifphani White	Commissioner (Effective 4-7-2009)	February 15, 2012
Marta Araujo	Commissioner	August 8, 2013
Gildardo Hernandez	Commissioner	August 8, 2013
Resigned during Fiscal Year		
Alejandro Mendez	Commissioner	Term expired 9-14-2008, resigned 4-7-2009
Wendy Martinez	Chairman	Effective March 17, 2009
Other Officials		
Alicia Morejon	Executive Director	
Esther Suarez, Esq.	General Counsel (resigned effective January 1, 2010)	

FINANCIAL SECTION

DONOHUE, GIRONDA & DORIA

Certified Public Accountants

Matthew A. Donohue, CPA
Robert A. Gironda, CPA
Robert G. Doria, CPA (N.J. & N.Y.)
Frederick J. Tomkins, CPA, RMA
Linda P. Kish, CPA, RMA
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INDEPENDENT AUDITOR'S REPORT

The Honorable Commissioners of the
Parking Authority of the City of Union City
Union City, New Jersey

We have audited the accompanying financial statements of the Parking Authority of the City of Union City (the "Authority"), as of and for the years ended November 30, 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parking Authority of the City of Union City as of November 30, 2009 and 2008, and the changes in financial position and cash flows thereof 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 March 9, 2010 on our consideration of the 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 important for assessing the results of our audit.

Management's discussion and analysis, as presented on pages 10 through 14, 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 audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory section, supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on them.

Donohue, Gironda + Doria

DONOHUE, GIRONDA & DORIA
Certified Public Accountants

Bayonne, New Jersey
March 9, 2010

DONOHUE, GIRONDA & DORIA

Certified Public Accountants

Matthew A. Donohue, CPA
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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

The Honorable Commissioners of the
Parking Authority of the City of Union City
Union City, New Jersey

We have audited the financial statements of the Parking Authority of the City of Union City, (the "Authority"), as of and for the year ended November 30, 2009, and have issued our report thereon dated March 9, 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; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be 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 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of comments and recommendations as items 09-01 and 09-02.

The authority's response to the findings identified in our audit is described in the accompanying schedule of comments and recommendations. We did not audit the authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Authority's governing body and the New Jersey Department of Community Affairs, Division of Local Government Services, and is not intended to be and should not be used by anyone other than these specified parties.

Donohue, Gironda + Doria

DONOHUE, GIRONDA & DORIA
Certified Public Accountants

Bayonne, New Jersey
March 9, 2010

This section of the Parking Authority of the City of Union City's (the "Authority") annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal years ended November 30, 2009 and 2008. Please read it in conjunction with the Authority's financial statements and accompanying notes as well as the transmittal letter at the front of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority is a self-supporting entity and 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 a manner similar to a private business.

The financial statements immediately follow this discussion and analysis by management and are designed to highlight the Authority's net assets and changes to those assets resulting from Authority operations.

THE BASIC FINANCIAL STATEMENTS

The Statement of Net Assets provides information about the nature and amounts of investments in resources (assets) and the obligations to the Authority's creditors (liabilities), with the difference between the two reported as net assets.

The Statement of Revenues, Expenses and Changes in Net Assets shows how the Authority's net assets changed during each year and accounts for all of the current year's revenues and expenses, measures the success of the Authority's operations over the past year and can be used to determine how the Authority has funded its costs.

The Statement of Cash Flows provides information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, non-capital financing (if applicable), capital related financing and investing activities.

NOTES TO BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to understanding the basic financial statements, such as the Authority's accounting methods and policies; details of cash and investments; employee benefits; long-term debt and lease transactions of the Authority; and any other events or developing situations that could materially affect the Authority's financial position.

FINANCIAL HIGHLIGHTS

The following data highlights the changes in the Authority's finances for the years ended November 30, 2009, 2008 and 2007.

Increase/(Decrease)	2009	2008	2007
Total net assets	$ (196,909)	$ (199,678)	$ (107,762)
Cash and cash equivalents	$ (415,031)	$ (182,247)	$ 172,462
Investments	$ 300,702	$ -	$ (300,000)
Net capital assets	$ (201,816)	$ (245,123)	$ (180,246)
Total liabilities	$ (143,574)	$ (210,057)	$ (203,028)
Operating revenues	$ (37,741)	$ (65,706)	$ 24,291
Operating expenses	$ (64,921)	$ 3,561	$ 190,122
Operating income	$ 27,180	$ (69,267)	$ (165,831)

Fiscal Year 2009 compared to 2008. Net assets decreased by $196,909 or 7.3%. This was partially due to the increase in operating income from the prior year being offset by a corresponding decrease in interest income. Salaries and related expense increases as well as the 3.5 percent decline in total revenues also contributed to the decrease in net assets. Cash and investment levels decreased by $114,329 or 9.4% which was less than the prior year mainly due to the slight improvement in operating results. Cash from operating activities was over $100,000 higher during the year ended November 30, 2009.

Fiscal Year 2008 compared to 2007. Net assets decreased by $199,678 or 6.9%. This was due to the increase in operating loss of $69,267 or 228.6% from the prior year. Salaries and related expense increases as well as the 3.5 percent decline in total revenues caused the decrease in net assets. Cash levels decreased by $182,247 or 13.1% mainly due to the continued decline in operating results. Ticket surcharge income decreased by $39,699 or 10.2%.

FINANCIAL ANALYSIS OF THE AUTHORITY

The following table summarizes the assets, liabilities and net assets as of November 30, 2009, 2008 and 2007:

	2009	2008	2007	08 to 09 % Inc. / (Dec.)	07 to 08 % Inc. / (Dec.)
Current assets	$ 1,215,093	$ 1,344,827	$ 1,500,505	-9.6%	-10.4%
Capital assets	3,929,334	4,131,150	4,376,273	-4.9%	-5.6%
Other noncurrent assets	107,200	116,133	125,067	-7.7%	-7.1%
Total assets	5,251,627	5,592,110	6,001,845	-6.1%	-6.8%
Current liabilities	420,699	406,873	466,630	3.4%	-12.8%
Noncurrent liabilities	2,314,874	2,472,274	2,622,574	-6.4%	-5.7%
Total liabilities	2,735,573	2,879,147	3,089,204	-5.0%	-6.8%
Net assets:					
Invested in capital assets, net of related debt	1,459,734	1,511,250	1,612,873	-3.4%	-6.3%
Unrestricted	1,056,320	1,201,713	1,299,768	-12.1%	-7.5%
Total net assets	$ 2,516,054	$ 2,712,963	$ 2,912,641	-7.3%	-6.9%

Fiscal Year 2009 compared to 2008. The Authority's financial condition has deteriorated slightly, but its current ratio (current assets/current liabilities) of almost three is still considered very good (any current ratio above two is considered good). This is an important measure of the Authority's fiscal health and the slight decrease is a result of its continued operating loss.

Fiscal Year 2008 compared to 2007. The Authority's financial condition has deteriorated slightly, but its current ratio (current assets/current liabilities) of just over three is considered very good (any current ratio above two is considered good). This is an important measure of the Authority's fiscal health and the slight decrease is a result of its widening operating loss.

Operating Activities

The following table summarizes the revenues, expenses and changes in net assets for the years ended November 30, 2009, 2008 and 2007

	2009	2008	2007	08 to 09 % Inc. / (Dec.)	07 to 08 % Inc. / (Dec.)
Parking revenues	$ 2,128,193	$ 2,174,752	$ 2,234,256	-2.1%	-2.7%
Rental and miscellaneous revenues	43,640	34,822	41,024	25.3%	-15.1%
Total operating revenues	2,171,833	2,209,574	2,275,280	-1.7%	-2.9%
Non-operating revenues	6,528	37,810	67,185	-82.7%	-43.7%
Total revenues	2,178,361	2,247,384	2,342,465	-3.1%	-4.1%
Operating expenses	(2,244,219)	(2,309,140)	(2,305,579)	-2.8%	0.2%
Non-operating expenses	(131,051)	(137,922)	(144,648)	-5.0%	-4.6%
Total expenses	(2,375,270)	(2,447,062)	(2,450,227)	-2.9%	-0.1%
(Decrease) increase in net assets	(196,909)	(199,678)	(107,762)	-1.4%	85.3%
Net assets beginning of year	2,712,963	2,912,641	3,020,403	-6.9%	-3.6%
Net assets end of year	$ 2,516,054	$ 2,712,963	$ 2,912,641	-7.3%	-6.9%

Fiscal Year 2009 compared to 2008. The Authority's total revenues decreased by $69,023, or 3.1%, due to lower interest rates and less parking ticket reimbursements. The Authority's operating expenses decreased by $64,921, or 2.8%, due to slightly lower salary and wages and related fringe benefit expenses. Net assets decreased by $196,909.

Fiscal Year 2008 compared to 2007. The Authority's total revenues decreased by $95,081, or 4.1%, due to lower interest rates and less parking ticket reimbursements. The Authority's operating expenses were stable from the prior year with higher insurance expense mitigated by lower depreciation charge. Net assets decreased by $199,678.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Authority, in fulfilling its mission to provide parking to the commercial and residential communities of Union City, has invested its resources in parking lots and improvements, parking meters and other necessary equipment.

The following table summarizes the changes in capital assets between December 1, 2007 and November 30, 2009:

	December 1, 2007	Additions	Deletions	November 30, 2008	Additions	Deletions	November 30, 2009
Land	$ 1,723,338	$ -	$ -	$ 1,723,338	$ -	$ -	$ 1,723,338
Parking deck	4,080,678	-	-	4,080,678	-	-	4,080,678
Improvements	677,533		-	677,533	-	-	677,533
Equipment	1,011,368		-	1,011,368	-	-	1,011,368
Totals at historical cost	7,492,917	-	-	7,492,917	-	-	7,492,917
Less: accumulated depreciation	(3,116,644)	(245,123)	-	(3,361,767)	(201,816)	-	(3,563,583)
Net capital assets	$ 4,376,273	$ (245,123)	$ -	$ 4,131,150	$ (201,816)	$ -	$ 3,929,334

Debt Administration – At year end, the Authority had $2,674 of Note principal outstanding and a $2,469,600 bond relating to the 38th Street Parking Deck. More detailed information about the Authority's debt is presented in Notes 5 and 8 to the financial statements.

The following table summarizes the capital debt as of November 30, 2009, 2008 and 2007:

	2009	2008	2007
Notes payable	$ 2,674	$ 2,674	$ 2,674
2006 Bond	2,469,600	2,619,900	2,763,400
Totals	2,472,274	2,622,574	2,766,074
Due within one year	157,400	150,300	143,500
Long term portion	2,314,874	2,472,274	2,622,574
Totals	$ 2,472,274	$ 2,622,574	$ 2,766,074

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide Union City citizens and taxpayers, and our customers, clients, investors and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional financial information, contact the Parking Authority of the City of Union City, 506-518 38th Street, Union City, NJ 07087 or at (201) 348-5836.

PARKING AUTHORITY OF THE CITY OF UNION CITY
STATEMENTS OF NET ASSETS
NOVEMBER 30, 2009 AND 2008

ASSETS	2009	2008
Current assets:		
Cash and cash equivalents	$ 795,416	$ 1,210,447
Investments	300,702	
Accrued interest receivable	1,399	-
Accounts receivable	53,054	85,174
Prepaid expenses	64,522	49,206
Total current assets	1,215,093	1,344,827
Noncurrent assets:		
Unamortized debt issuance costs	107,200	116,133
Capital assets:		
Land	1,723,338	1,723,338
Improvements and equipment, net	2,205,996	2,407,812
Net capital assets	3,929,334	4,131,150
Total noncurrent assets	4,036,534	4,247,283
Total Assets	$ 5,251,627	$ 5,592,110
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 61,275	$ 52,169
Accrued compensated absences	127,422	127,422
Accrued interest	39,102	41,482
Other accrued liabilities	17,500	17,500
Deferred revenue	18,000	18,000
Bond payable due within one year	157,400	150,300
Total current liabilities	420,699	406,873
Noncurrent liabilities:		
Bond payable	2,312,200	2,469,600
Notes payable	2,674	2,674
Total noncurrent liabilities	2,314,874	2,472,274
Total Liabilities	2,735,573	2,879,147
Net Assets:		
Invested in capital assets, net of related debt	1,459,734	1,511,250
Unrestricted	1,056,320	1,201,713
Total Net Assets	2,516,054	2,712,963
Total Liabilities and Net Assets	$ 5,251,627	$ 5,592,110

See accompanying notes to the basic financial statements.

PARKING AUTHORITY OF THE CITY OF UNION CITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
YEARS ENDED NOVEMBER 30, 2009 AND 2008

	2009	2008
Operating revenues:		
Parking meters	$ 1,379,045	$1,352,616
Parking permits	434,034	472,175
Surcharge	315,114	349,961
Rental income	24,300	24,300
Miscellaneous income	19,340	10,522
Total operating revenues	2,171,833	2,209,574
Operating expenses:		
Salaries and wages	1,042,218	1,089,646
Payroll taxes	86,865	93,248
Employee benefits	434,768	455,165
Office expense	47,065	27,341
Uniform expense	5,193	6,827
Meter repairs and maintenance	15,026	9,197
General repairs and maintenance	38,445	44,810
Vehicle maintenance	4,615	3,107
Parking lot maintenance	3,589	4,955
Utilities	36,860	31,872
Snow removal	5,784	1,100
Insurance	187,383	173,307
Legal fees	-	5,360
Accounting fees	35,861	32,160
Other professional fees	82,291	59,502
Advertising	16,440	26,420
Depreciation expense	201,816	245,123
Total operating expenses	2,244,219	2,309,140
Operating (loss) income	(72,386)	(99,566)
Non-operating revenue (expense):		
Interest income from investments	6,528	37,810
Amortization of deferred charges	(8,985)	(8,933)
Interest expense	(122,066)	(128,989)
Total non-operating revenue (expense)	(124,523)	(100,112)
Change in net assets	(196,909)	(199,678)
Net assets, beginning of year	2,712,963	2,912,641
Net assets, end of year	$ 2,516,054	$2,712,963

See accompanying notes to the basic financial statements.

PARKING AUTHORITY OF THE CITY OF UNION CITY
STATEMENTS OF CASH FLOWS
YEARS ENDED NOVEMBER 30, 2009 AND 2008

	2009	2008
Cash Flows From Operating Activities:		
Customer parking fee receipts	$ 1,813,079	$ 1,824,791
Ticket surcharge receipts	347,234	329,996
Other receipts	43,640	59,258
Payments to employees	(1,042,218)	(1,130,619)
Payments to vendors	(924,104)	(971,212)
Other payments	(82,291)	(59,502)
Net cash provided by operating activities	155,340	52,712
Cash Flows From Capital and Related Financing Activities:		
(Purchases) of capital assets	-	-
Principal paid on bond payable	(150,300)	(143,500)
Interest paid on capital debt	(124,446)	(131,261)
Net cash (used) by capital and related financing activities	(274,746)	(274,761)
Cash Flows From Investing activities:		
Purchases of investments	(300,702)	-
Interest received from investments	5,077	39,802
Net cash provided (used) by investing activities	(295,625)	39,802
Increase (decrease) in cash and cash equivalents	(415,031)	(182,247)
Cash and cash equivalents at beginning of year	1,210,447	1,392,694
Cash and cash equivalents at end of year	$ 795,416	$ 1,210,447
Reconciliation of Operating (Loss) Income to Net Cash Provided by Operating Activities		
Operating (loss) income	$ (72,386)	$ (99,566)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation expense	201,816	245,123
(Increase) decrease in accounts receivable	32,120	(13,529)
(Increase) decrease in prepaid expenses	(15,316)	(15,031)
(Decrease) increase in accounts payable	9,106	(41,312)
(Decrease) in accrued compensated absences	-	(40,973)
Increase (decrease) in deferred revenue	-	18,000
Net Cash Provided by Operating Activities	$ 155,340	$ 52,712

See accompanying notes to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Parking Authority of the City of Union City, (the "Authority"), was created by virtue of an ordinance adopted by the Board of Commissioners of the City of Union City, (the "City"). The Authority is a public body, corporate and politic, organized under the laws of the State of New Jersey.

The Authority is engaged principally in the operation and maintenance of parking meters and lots within the City. Revenue is generated principally from coin collections, sales of parking permits and surcharge revenues.

The Authority's governing body consists of five members appointed by the Mayor of the City, with the advice and consent of the Board of Commissioners. As a public body, under existing statute, the Authority is exempt from both federal and state taxes.

The Authority is a component unit of the City under Governmental Accounting Standards Boards (GASB) Statement No. 14, as amended by GASB 39.

B. Principles of Presentation

The accounting and reporting policies of the Authority conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to enterprise funds of state and local governments. The financial statements of the Authority have been prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the statement of revenues, expenses and changes in net assets presents increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

On August 26, 1983, the State of New Jersey enacted P.L. 1983, Chapter 313, providing for a State review of the financial operations of local authorities. The responsibility for this review was given to the Local Finance Board and the Division of Local Government Services of the Department of Community Affairs, ("DCA"). In July 1984, the GASB became the promulgator of standards of financial accounting and reporting with respect to activities and transactions of state and local governmental entities. GASB Statement No. 20 recognizes that the accounting and financial reporting activities of Authorities are considered to be proprietary activities. In accordance with Statement No. 20, the Authority has applied all GASB

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Principles of Presentation (Continued)

pronouncements, as well as the Financial Accounting Standards Board, ("FASB"), pronouncements that were issued prior to November 30, 1989. The Authority has elected not to apply FASB pronouncements issued after that date unless they have specifically been made applicable by the GASB.

In June 1999, the GASB adopted its Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" (Statement No. 34). The Authority adopted Statement No. 34 with an effective date of January 1, 2002.

C. Scope of Audit

The audit covered the financial transactions of the Authority, and the activities of the Board of Commissioners.

D. Budgets and Budgetary Accounting

The State Division of Local Government Services requires that an annual budget be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Authority and approved by the Division per N.J.S.A. 40A:4 et. seq. The Division does not require over-expenditures of individual line items to be raised in the succeeding year budget. If the Authority has a deficit in its unrestricted net assets, it is required to fund the deficit in the succeeding year's budget.

E. Cash, Cash Equivalents and Investments

For the purposes of the Statements of Cash Flows, cash and cash equivalents include all demand and savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less.

Investments are carried at fair value. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.

F. Inventory

Purchases of materials and supplies are expensed when purchased. The Authority does not maintain an inventory of these purchases. These balances were immaterial in 2009 and 2008.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Debt Issuance Costs

Bond issuance costs are deferred and amortized over the life of the bonds. Bond issuance costs are reported as unamortized debt issuance costs and amortized over the term of the debt.

H. Capital Assets

In order to comply with the requirements of the "New Jersey Local Authorities Accounting Principles and Auditing Standards Manual," the Authority has valued capital assets at historical cost and has recorded depreciation thereon (see Note 4).

I. Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing and maintaining parking services as well as enforcing parking regulations within the City of Union City, New Jersey. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

J. Advertising Costs

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response are capitalized and amortized over the period during which future benefits are expected to be received. The Authority does not use direct-response advertising. The Authority's advertising costs are for a public relations consultant and some advertising in the local papers.

K. 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 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. Actual results could differ from those estimates.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Deposits

N.J.S.A. 17:9-42 and the cash management plan adopted by the Authority requires the Authority to deposit funds in public depositories protected from loss under the provisions of the Government Unit Depository Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

Public funds are defined as the funds of any governmental unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

Custodial credit risk is the risk that, in the event of a bank or counterparty failure, the Authority will not be able to recover deposits and/or the value of its investments, or will not be able to recover collateral securities that are in the possession of an outside party.

Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits and/or investments. The Authority does not invest in foreign currency.

As of November 30, 2009 and 2008, none of the Authority's bank balances of $847,043 and $1,283,573 was exposed to custodial credit risk or foreign currency risk.

As of November 30, 2009 and 2008, the Authority's deposits are summarized as follows:

	2009	2008
Insured	$795,266	$1,210,297
Petty Cash	150	150
	$795,416	$1,210,447

During 2009 and 2008, the Authority had a compensating balance agreement with Capital One Bank in the amount of $150,000.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

New Jersey Statutes permit the following investments for local funds:

* Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
* Government money market mutual funds.
* Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
* Bonds or other obligations of the local unit or school districts of which the local unit is a part or within which the school district is located.
* Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
* Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
* New Jersey Cash Management Fund.
* Repurchase agreements of fully collateralized securities, subject to the following conditions:1) the underlying securities are permitted investments, 2) the custody of the collateral is transferred to a third party, 3) the maturity of the agreement is not more than 30 days, 4) the underlying securities are purchased through a GUDPA bank or a securities broker-dealer registered with the New Jersey Bureau of Securities.
* Obligations issued by the state and its agencies.

During the years ended November 30, 2009 and 2008, the Authority invested only in certificates of deposits (CD). At the year ended November 30, 2009 they held a 6 month $300,702 CD which is considered an investment. At the year ended November 30, 2008 all CD's were considered cash equivalents because they had original maturities of 3 months or less.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. At November 30, 2009 and 2008, the Authority did not have any investments which would expose it to any significant interest rate risk.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At November 30, 2009 and 2008 the Authority had no investments, other than deposits insured by FDIC and GUDPA.

Concentration of Credit Risk - The Authority places no formal limit on the amount it may invest in any one issuer.

3. RETIREMENT PLAN

The Authority contributes to the New Jersey Public Employees Retirement System, ("PERS"), a cost-sharing multiple-employer defined benefit plan, administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The PERS was established in January 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and medical benefits to certain qualifying plan members and beneficiaries. Membership is mandatory to substantially all full time employees and vesting occurs after 8 to 10 years of service. Employees who retire at or after age 60 are entitled to a retirement benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years compensation for each year of membership during years of credible service.

According to state law, all obligations of the PERS will be assumed by the State of New Jersey should the PERS be terminated. The State of New Jersey issues publicly available financial reports, which include the financial statements and required supplementary information of the PERS. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by laws of the State of New Jersey. Employee contribution rates for the years ended November 30, 2009, 2008 and 2007 were 5.5, 5.5 and 5.0% of the eligible employees' base wage, respectively. Employers are required to contribute at an actuarially determined rate.

The Authority pays the PERS employee contributions of eligible employees as part of the employee's benefits. PERS employee contributions paid by the Authority for the years ended November 30, 2009, 2008 and 2007 were $38,448, $36,099 and $37,978, respectively.

3. RETIREMENT PLAN (Continued)

PERS did not bill the Authority for the Authority's actuarially determined contribution for the years ended June 30, 2006, 2007 and 2008 until 2008. The accrued contribution for the period July 1, 2005 through November 30, 2007 of $47,017 was reflected in the November 30, 2007 accounts payable balance and paid during the year ended November 30, 2008.

Annual pension costs for the years ended November 30, 2009, 2008 and 2007 were $69,779, $58,945 and $84,995, respectively.

4. CAPITAL ASSETS

A. Capital Assets are stated at historical or estimated historical cost if actual historical cost is not available. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

B. Capital Asset activity for the year ended November 30, 2009 was as follows:

	November 30, 2008	Additions	November 30, 2009
Land	$ 1,723,338		$ 1,723,338
Parking deck	4,080,678	-	4,080,678
Meters	679,427	-	679,427
Vehicles	163,933	-	163,933
Machinery and equipment	150,979	-	150,979
Computer software	17,029	-	17,029
Leasehold improvements	67,236	-	67,236
Parking lot improvements	610,297	-	610,297
Total	5,769,579	-	5,769,579
Less: Accumulated Depreciation	(3,361,767)	(201,816)	(3,563,583)
Improvements and equipment, net	2,407,812	(201,816)	2,205,996
Net capital assets	$ 4,131,150	$ (201,816)	$ 3,929,334

4. CAPITAL ASSETS (Continued)

C. Assets capitalized have an original cost of $500 or more and 3 or more years of useful life. Depreciation is calculated on the straight line-basis. The useful lives of capital assets for purposes of computing depreciation are:

Asset Class	Years
Parking Deck	25
Parking Lot Improvements	7
Meters, Vehicles, Machinery & Equipment and Leasehold Improvements	5
Computer Software	3

5. LONG-TERM BOND PAYABLE

On October 1, 1996, the Authority, the City and the Hudson County Improvement Authority, (the "Improvement Authority"), entered into the "Lease and Agreement among the Parking Authority of the City of Union City, The Hudson County Improvement Authority and the City of Union City" (the "lease agreement"). The lease agreement provided for the financing, through the Improvement Authority's pooled government loan program bonds, of a parking deck on the land located between Bergenline Avenue and Kennedy Boulevard, and covering the entire block from 38th to 39th Street (the "project"). All leases mentioned above were terminated on July 26th, 2006 when the Authority obtained permanent private placement financing through All Points Public Funding, LLC ("All Points"), a North Fork Bank Company (Capital One as of March 2008). The Authority has recorded the parking deck described above in capital assets at a total cost of $4,080,678.

On July 26th, 2006 the Authority issued a bond payable to All Points for $2,900,000 at a fixed rate of interest of 4.75%, maturing on August 1, 2021. Additionally, the Authority transferred $990,000 of invested funds to the HCIA to refund the Capital Lease Payable. The Authority also paid $134,000 in costs of issuance on the bond out of their invested funds.

5. LONG-TERM BOND PAYABLE (Continued)

The maturities of the bond are as follows:

	Original		Maturities			Balance November 30,	Paid in	Balance November 30,
Description	Date	Amount	Rate	Date	Amount	2008	2009	2009
Private Placement								
Bond	7/26/2006	$ 2,900,000	4.75	8/1/10	157,400			
			4.75	8/1/11	164,900			
			4.75	8/1/12	172,700			
			4.75	8/1/13	180,900			
			4.75	8/1/14	189,500			
			4.75	8/1/15	198,500			
			4.75	8/1/16	208,000			
			4.75	8/1/17	217,800			
			4.75	8/1/18	228,200			
			4.75	8/1/19	239,000			
			4.75	8/1/20	250,400			
			4.75	8/1/21	262,300			
						$ 2,619,900	$ 150,300	$ 2,469,600
Current portion of bonds payable						$ 150,300		$ 157,400
Long-term portion of bonds payable						2,469,600		2,312,200
						$ 2,619,900		$ 2,469,600

Schedule of Annual Debt Service for
Principal and Interest for the Next
Five Years and Thereafter for Bonded Debt Issued and Oustanding

Year	Principal	Interest	Totals
2010	$ 157,400	$ 117,306	$ 274,706
2011	164,900	109,830	274,730
2012	172,700	101,997	274,697
2013	180,900	93,794	274,694
2014	189,500	85,201	274,701
2015-2019	1,091,500	282,112	1,373,612
2020-2021	512,700	36,812	549,512
Totals	$ 2,469,600	$ 827,052	$ 3,296,652

6. PARKING RATES

The Authority charges meter rates of twenty-five cents per half hour in the meters in its parking decks and the streets, and twenty-five cents per hour for meters located in its lots throughout the City. In addition, the Authority allows monthly permit parking in each of its lots. The monthly permit fee is $75, except for 6th and 12th street lots where it is $60 per month. The Authority also issues business and employee permits for $25 a year. These permits are for businesses within Union City and employees of the City of Union City and other governmental agencies.

7. INTERLOCAL GOVERNMENT SERVICE AGREEMENT

On February 16, 2000, the Board of Commissioners approved the Authority's participation in an Interlocal Government Service Agreement with the City. Under this agreement the Authority made a residual equity transfer to the City in the amount of $1,000,000 in exchange for previous services rendered and in anticipation of the City providing future services, and monthly surcharge revenues of two dollars per parking ticket processed through the City's Municipal Court. Services to be provided include adequate space for the operation of the Authority until at least January 1, 2010 and the following services and assistance as is reasonably and fiscally possible within the limits of the City's manpower and finances: a) mechanical sweeping of the Authority's off-street parking locations, b) repair and maintenance of Authority owned and/or operated vehicles, c) snow plowing and/or snow removal from the Authority's off-street parking facilities, d) utility services incurred as a result of the operation of the Authority's offices, such as water, sewer and telephone, and e) any and all similar services which the City can provide to the Authority as a result of its normal government functions.

Effective January 2002, the surcharge revenue was increased to three dollars per ticket. Surcharge revenues for the years ended November 30, 2009 and 2008 were $315,114 and $349,961 respectively.

8. NOTES PAYABLE

The balance of $2,674 at November 30, 2009 and 2008 represents non-interest bearing notes of the Authority due to former Commissioners.

9. LEASE COMMITMENTS

The Authority leased office store facilities to the United States Postal Service under a non-cancelable operating lease which expired on April 30, 2006. The Post office is currently paying month-to-month and the Authority intends on executing a new lease agreement with the post-office. Rental income for the years ended November 30, 2009 and 2008 were $24,300 and $24,300 respectively. Additionally, the Authority leases 3 parking spaces and storage space at its 38th Street Parking Garage for $18,000 a year through November 30, 2011.

10. NET ASSETS

Net assets represent the difference between the Authority's assets and liabilities. Net assets are categorized into three components:

Invested in capital assets and leasehold interest, net of related debt: This component of net assets consists of capital assets and leasehold interest, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, notes or other borrowings.

Restricted: Net assets are reported as restricted when constraints are placed on the use of the net assets by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Unrestricted: Net assets that do not meet the definition of invested in capital assets and leasehold interest, net of related debt or restricted.

Net asset amounts were calculated as follows:

	2009	2008
Invested in Capital Assets, net of related debt		
Net Capital Assets	$ 3,929,334	$ 4,131,150
Bond Payable	(2,469,600)	(2,619,900)
	1,459,734	1,511,250
Restricted	-	-
Unrestricted	1,056,320	1,201,713
TOTAL NET ASSETS	$ 2,516,054	$ 2,712,963

11. COMPENSATED ABSENCES

Effective November 28, 2006 the Authority adopted a policy on the accrual of vacation and sick time which allows for employees to accrue the time in the current year and take it by the end of the next year or be forfeited. Prior to that, the Authority had no formal policy, but based on resolutions passed by the board which awarded accrued sick and vacation time and adjudicated cases, the Authority is liable for accrued sick and vacation pay prior to the November 2006 resolution. The following were the amounts accrued as of the years ended November 30, 2009 and 2008, respectively, $127,422 and $127,422.

12. POST EMPLOYMENT BENEFITS

The Authority participates in the New Jersey State Health Benefits Program (SHBP) which is a cost-sharing, multiple-employer health insurance plan. The SHBP, which was originally established in 1961, provides medical, prescription drug, mental health/substance abuse and Medicare part B reimbursements to retirees and their covered dependents. The SHBP is currently funding the benefits on a "pay-as-you-go" basis.

The Authority currently provides lifetime medical benefits to employees who retire on a paid pension after twenty-five years of service with the Authority.

For the years ended November 30, 2009 and 2008, the Authority had three employees receiving post employment benefits. The following were the amounts paid for retired employees health benefits during the years ended November 30, 2009 and 2008, respectively, $29,500 and $29,500.

In accordance with Government Accounting Standards Board Statements Numbers 43 and 45, an actuarially determined liability should be calculated for other post retirement benefits (OPEB). Per State of New Jersey Local Finance Notice 2007-15, which was issued June 29, 2007, "Local units that provide an OPEB and are members of the SHBP can rely on calculations made by the SHBP and the resulting disclosure requirements." An OPEB liability for the Authority has not been determined as of the audit date; however, an actuarial valuation for the SHBP is available for viewing over the internet at: *www.state.nj.us/treasury/pensions/shbp.htm.*

13. RISK MANAGEMENT

The Authority is exposed to various property and casualty risks including property damage caused to any of the Authority's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment or apparatus; liability from the Authority's negligence, including that of its officers, employees and servants and workers' compensation obligations. The Authority holds commercial insurance policies which insure against the risk of loss for all of the above mentioned claims.

SUPPLEMENTARY INFORMATION

PARKING AUTHORITY OF THE CITY OF UNION CITY
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH AND CASH EQUIVALENTS
YEAR ENDED NOVEMBER 30, 2009

Balance as of November 30, 2008	
Cash and cash equivalents	$ 1,210,447
Increased by receipts:	
Parking receipts	2,160,313
Interest receipts	5,077
Other receipts	43,640
Total receipts	2,209,030
Decreased by disbursements:	
Operating disbursements	2,048,613
Purchases of Investments	300,702
Bond principal paid	150,300
Interest paid	124,446
Total disbursements	2,624,061
Balance as of November 30, 2009	
Cash and cash equivalents	$ 795,416

PARKING AUTHORITY OF THE CITY OF UNION CITY
SCHEDULE OF REVENUES AND EXPENSES
COMPARED TO BUDGET
YEAR ENDED NOVEMBER 30, 2009 WITH COMPARATIVE
ACTUAL AMOUNTS FOR THE YEAR ENDED NOVEMBER 30, 2008

	2009 Budget	2009 Actual	2008 Actual
Revenues:			
Parking meter revenues	$ 1,300,000	$ 1,379,045	$ 1,352,616
Parking permit revenues	400,000	434,034	472,175
Surcharge revenues	360,000	315,114	349,961
Rental income	24,300	24,300	24,300
Interest income from investments	42,000	6,528	37,810
Miscellaneous income	18,000	19,340	10,522
Total Revenues	2,144,300	2,178,361	2,247,384
Expenses:			
Salaries and wages	1,312,500	1,042,218	1,089,646
Payroll tax expense	107,100	86,865	93,248
Employee benefits	367,500	434,768	455,165
Office expense	36,750	47,065	27,341
Uniform expense	-	5,193	6,827
Meter repairs and maintenance	18,900	15,026	9,197
General repairs and maintenance	21,000	38,445	44,810
Vehicle maintenance	10,500	4,615	3,107
Parking lot maintenance	26,250	3,589	4,955
Utilities	31,500	36,860	31,872
Snow removal	10,000	5,784	1,100
Insurance	189,000	187,383	173,307
Legal fees	-	-	5,360
Accounting fees	31,500	35,861	32,160
Other professional fees	37,800	82,291	59,502
Advertising	28,350	16,440	26,420
Interest expense	130,000	122,066	128,989
Total Expenses	2,358,650	2,164,469	2,193,006
Adjustments - GAAP Basis:			
Revenues Less Expenses		13,892	54,378
Depreciation and Amortization		(210,801)	(254,056)
Net (Decrease) Increase in Net Assets - GAAP Basis		$ (196,909)	$ (199,678)

PARKING AUTHORITY OF THE CITY OF UNION CITY
SCHEDULE OF COST OF REAL PROPERTY
NOVEMBER 30, 2009 AND 2008

Lot Number and Location	Purchase Price
8th - 10th Street Lot:	
720 - 724 8th Street	$ 140,000
719 - 721 10th Street	76,559
723 10th Street	47,500
12th Street Lot	320,000
25th Street Lot:	
509 25th Street	8,500
511 25th Street	6,000
513 25th Street	5,500
515 25th Street	6,000
35th - 36th Street Lot:	
516 - 526 35th Street	13,004
517 - 519 36th Street	32,250
521 - 527 36th Street	10,251
36th - 37th Street Lot:	
514 - 518 36th Street	13,042
520 - 530 36th Street	8,505
515 - 517 37th Street	12,501
519 - 527 37th Street	12,342
37th - 38th Street Lot:	
512 37th Street	52,500
514 37th Street	72,500
516 37th Street	33,000
511- 513 38th Street	83,500
515 38th Street	90,000
38th - 39th Street Lot (parking deck):	
506 - 508 38th Street	7,500
512 - 518 38th Street	48,000
511 - 517 39th Street	9,002
41st - 42nd Street Lot:	
510 - 514 41st Street	5,000
516 41st Street	11,250
518 41st Street	52,002
509 - 511 42nd Street	5,000
513 42nd Street	22,500
515 42nd Street	43,000
517 42nd Street	65,000
44th - 45th Street Lot:	
404 44th Street	70,000
406 44th Street	16,500
408 44th Street	26,500
410 44th Street	35,000
413 45th Street	100,000
415 - 417 45th Street	62,000
47th - 48th Street Lot:	
4705 Bergenline Avenue	20,025
4707 - 4711 Bergenline Avenue	15,105
509 48th Street	66,500
	$ 1,723,338

PARKING AUTHORITY OF THE CITY OF UNION CITY
SCHEDULE OF OPERATING REVENUES ON A MONTHLY BASIS
YEAR ENDED NOVEMBER 30, 2009

	Dec. 31, 2008	Jan. 31, 2009	Feb. 28, 2009	Total 1st Quarter	March 31, 2009	April 30, 2009	May 31, 2009	Total 2nd Quarter	Year to Date May 31, 2009
Meter Revenues:									
Bagged Meters	$ 30	$ 253	$ 180	$ 463	$ 570	$ 930	$ 60	$ 1,560	$ 2,023
32nd Street Meters	5,203	4,363	4,421	13,987	6,259	5,225	5,237	16,721	30,708
35th-36th Street Lot	2,307	2,060	5,752	10,119	3,276	2,867	3,152	9,295	19,414
36th-37th Street Lot	2,267	1,819	2,042	6,128	2,870	2,624	2,727	8,221	14,349
Kennedy Blvd. Meters	3,152	3,090	3,358	9,600	4,605	3,528	2,299	10,432	20,032
41st-42nd Street Lot	2,567	2,545	2,960	8,072	3,883	3,187	3,322	10,392	18,464
48th Street Meters	6,957	5,896	6,402	19,255	8,401	6,672	6,939	22,012	41,267
New York Avenue Meters	7,287	6,091	6,785	20,163	9,058	7,122	7,264	23,444	43,607
Side Street Meters	23,906	18,557	21,479	63,942	27,625	21,917	18,357	67,899	131,841
Upper Bergenline Avenue Meters	17,356	13,011	14,494	44,861	18,678	15,120	15,637	49,435	94,296
Lower Bergenline Avenue Meters	13,390	14,187	15,148	42,725	19,131	15,822	19,138	54,091	96,816
Tunnel Cut Meters	5,924	4,778	5,524	16,226	7,058	5,538	8,368	20,964	37,190
Summit Avenue Meters	12,389	11,090	12,395	35,874	15,439	12,721	9,285	37,445	73,319
47th-48th Street Lot	1,491	1,192	1,366	4,049	1,930	1,568	1,566	5,064	9,113
44th-45th Street Lot	2,807	2,559	3,134	8,500	4,083	3,377	3,516	10,976	19,476
8th-10th Street Lot	1,279	1,343	1,435	4,057	1,849	1,370	954	4,173	8,230
37th-38th Street Lot	1,720	1,618	1,772	5,110	2,390	1,873	5,022	9,285	14,395
Parking Deck - 38th Street	1,389	945	2,397	4,731	961	1,122	2,355	4,438	9,169
Total Meter Revenues	111,421	95,397	111,044	317,862	138,066	112,583	115,198	365,847	683,709
Parking Permits	33,970	44,053	35,095	113,118	39,229	31,955	36,268	107,452	220,570
Surcharge	27,311	24,742	24,150	76,203	29,441	28,563	26,908	84,912	161,115
Total Operating Revenues	$ 172,702	$ 164,192	$ 170,289	$ 507,183	$ 206,736	$ 173,101	$ 178,374	$ 558,211	$ 1,065,394

PARKING AUTHORITY OF THE CITY OF UNION CITY
SCHEDULE OF OPERATING REVENUES ON A MONTHLY BASIS
YEAR ENDED NOVEMBER 30, 2009

	Year to Date May 31, 2009	June 30, 2009	July 31, 2009	August 31, 2009	Total 3rd Quarter	Sept. 30, 2009	Oct. 31, 2009	Nov. 30, 2009	Total 4th Quarter	Year to Date Nov. 30, 2009
Meter Revenues:										
Bagged Meters	$ 2,023	$ 238	$ 400	$ 50	$ 688	$ 40	$ 200	$ 685	$ 925	3,636
32nd Street Meters	30,708	6,152	4,759	5,793	16,704	4,761	5,002	5,336	15,099	62,511
35th-36th Street Lot	19,414	3,141	2,297	3,059	8,497	2,509	2,347	2,849	7,705	35,616
36th-37th Street Lot	14,349	2,973	2,302	2,705	7,980	2,285	2,345	2,852	7,482	29,811
Kennedy Blvd. Meters	20,032	4,206	3,084	3,110	10,400	4,050	3,040	2,877	9,967	40,399
41st-42nd Street Lot	18,464	3,944	2,919	3,667	10,530	2,999	3,164	3,733	9,896	38,890
48th Street Meters	41,267	8,343	6,338	8,072	22,753	6,480	6,512	7,746	20,738	84,758
New York Avenue Meters	43,607	8,809	7,159	8,840	24,808	6,438	6,062	7,528	20,028	88,443
Side Street Meters	131,841	27,048	20,772	23,909	71,729	24,164	20,929	22,492	67,585	271,155
Upper Bergenline Avenue Meters	94,296	18,475	14,292	18,250	51,017	14,386	14,269	16,906	45,561	190,874
Lower Bergenline Avenue Meters	96,816	19,368	14,856	15,143	49,367	18,016	14,910	15,224	48,151	194,334
Tunnel Cut Meters	37,190	7,005	5,400	4,600	17,005	6,201	4,974	5,109	16,284	70,479
Summit Avenue Meters	73,319	14,981	11,102	11,476	37,559	14,288	11,395	11,383	37,066	147,944
47th-48th Street Lot	9,113	1,953	1,552	2,126	5,631	1,646	1,753	2,117	5,516	20,260
44th-45th Street Lot	19,476	3,979	3,035	3,900	10,914	3,031	3,108	3,721	9,860	40,250
8th-10th Street Lot	8,230	1,724	1,108	1,318	4,150	1,644	1,366	1,217	4,227	16,607
37th-38th Street Lot	14,395	2,380	1,955	2,435	6,770	1,861	1,837	2,244	5,942	27,107
Parking Deck - 38th Street	9,169	1,505	1,025	1,002	3,532	987	1,855	428	3,270	15,971
Total Meter Revenues	683,709	136,224	104,355	119,455	360,034	115,786	105,068	114,447	335,302	1,379,045
Parking Permits	220,570	34,120	36,987	34,172	105,279	37,112	37,585	33,488	108,185	434,034
Surcharge	161,115	26,696	26,226	24,776	77,698	25,272	25,633	25,396	76,301	315,114
Total Operating Revenues	$ 1,065,394	$ 197,040	$ 167,568	$ 178,403	$ 543,011	$ 178,170	$ 168,286	$ 173,331	$ 519,787	2,128,193

PARKING AUTHORITY OF THE CITY OF UNION CITY
SCHEDULE OF OPERATING REVENUES BY LOCATION
YEAR ENDED NOVEMBER 30, 2009 WITH COMPARATIVE AMOUNTS FOR YEARS ENDED NOVEMBER 30, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, and 2000

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Meter Revenues:										
Bagged Meters	$ 3,636	$ 9,360	$ 7,275	$ 12,345	$ 9,750	$ 10,501	$ 12,249	$ 8,460	$ 3,710	$ 7,790
32nd Street Meters	62,511	62,060	72,228	57,057	60,784	56,223	58,358	54,244	47,432	39,293
35th-36th Street Lot	35,616	30,530	31,115	32,298	30,780	29,435	27,649	31,811	32,572	31,859
36th-37th Street Lot	29,811	23,153	21,940	24,802	27,812	26,643	25,540	26,497	29,764	26,901
Kennedy Blvd. Meters	40,399	37,986	36,181	35,743	34,798	34,641	34,592	30,935	28,459	25,430
41st-42nd Street Lot	38,890	37,448	40,485	44,758	43,049	40,807	40,793	44,127	49,715	50,170
48th Street Meters	84,758	77,552	71,769	73,630	65,055	64,363	57,647	64,801	62,878	53,887
New York Avenue Meters	88,443	87,862	87,339	89,921	91,047	73,624	68,210	83,893	83,566	83,112
Side Street Meters	271,155	271,384	283,410	290,877	285,471	275,816	258,967	250,203	224,861	206,845
Upper Bergenline Avenue Meters	190,874	188,585	192,661	178,641	198,432	202,331	209,792	201,425	184,014	175,877
Lower Bergenline Avenue Meters	194,334	191,985	208,802	212,863	200,076	181,650	147,006	164,319	164,649	139,445
Tunnel Cut Meters	70,479	73,235	72,024	74,433	71,856	71,382	59,299	56,539	53,172	48,142
Summit Avenue Meters	147,944	147,946	148,873	153,957	144,526	144,434	141,310	144,371	132,780	111,104
47th-48th Street Lot	20,260	17,395	17,342	19,376	18,802	18,839	18,238	19,025	27,854	22,113
44th-45th Street Lot	40,250	39,596	40,117	41,778	38,972	40,849	42,207	51,217	57,176	51,531
8th-10th Street Lot	16,607	14,468	14,650	15,690	16,479	16,824	16,456	13,220	12,671	13,116
37th-38th Street Lot	27,107	24,564	25,676	26,862	26,161	25,772	24,612	24,039	26,433	25,489
Park Avenue & Palisade Avenue Meters			-	-	-	-	-	-	9,722	9,826
Parking Deck - 38th Street	15,971	17,507	23,610	24,426	24,513	25,723	23,727	23,225	23,151	21,113
Total Meter Revenues	1,379,045	1,352,616	1,395,497	1,409,457	1,388,363	1,339,857	1,266,652	1,292,351	1,254,579	1,143,043
Parking Permits	434,034	472,175	449,099	401,964	358,605	343,468	368,576	329,307	287,323	257,650
Surcharge	315,114	349,961	389,660	412,622	407,225	409,954	419,079	453,213	295,100	227,830
Total Operating Revenues	$ 2,128,193	$ 2,174,752	$ 2,234,256	$ 2,224,043	$ 2,154,193	$ 2,093,279	$ 2,054,307	$ 2,074,871	$ 1,837,002	$1,628,523

PARKING AUTHORITY OF THE CITY OF UNION CITY
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS - RESTRICTED AND UNRESTRICTED
YEAR ENDED NOVEMBER 30, 2009

	Unrestricted Funds	Restricted Fund	Invested in Capital Assets, net of related debt	Total Net Assets
Operating revenues:				
Parking revenue	$ 1,813,079	$ -	$ -	$ 1,813,079
Ticket revenue	315,114	-	-	315,114
Other revenue	43,640	-	-	43,640
	2,171,833	-	-	2,171,833
Operating expenses:				
Operating expenses	2,042,403	-	-	2,042,403
Depreciation	-	-	201,816	201,816
	2,042,403	-	201,816	2,244,219
Operating income (loss):	129,430	-	(201,816)	(72,386)
Non-operating revenue (expense):				
Amortization expense	(8,985)			(8,985)
Interest income	6,528	-	-	6,528
Interest expense	(122,066)	-	-	(122,066)
	(124,523)	-	-	(115,538)
Payment of bond principal	(150,300)	-	150,300	-
Change in net assets	(145,393)		(51,516)	(196,909)
Net assets - beginning of year	1,201,713	-	1,511,250	2,712,963
Net assets - end of year	$ 1,056,320	$ -	$ 1,459,734	$ 2,516,054

PARKING AUTHORITY OF THE CITY OF UNION CITY

GENERAL COMMENTS AND RECOMMENDATIONS

NOVEMBER 30, 2009

Contracts and Agreements Required to be Advertised for (N.J.S.A. 40A:11-4 As Amended)

N.J.S.A. 40A:11-4, as amended states, "Every contract or agreement, for the performance of any work or the hiring or furnishing of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this Act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of $21,000 except by contract or agreement".

The Authority has the responsibility of determining whether the expenditures in any category will exceed the bidding threshold. If a question arises as to whether any contract or agreement might result in violation of the statute, opinion should be sought from Counsel before a commitment is made.

The minutes indicate that there were Resolutions adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5. The minutes also indicate that there were no bids requested by public advertisement during the year ended November 30, 2009.

Our audit of expenditures did not reveal any payments, contracts or agreements, in excess of the statutory limits, for the "performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement, or where a resolution had been previously adopted under the provision of N.J.S.A. 40A:11-6.

Expenditure Less Than Bid Threshold, but 15% or More of that Amount per N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor." The Authority advised us that quotations were, for the most part, solicited for items, the cost of which was $3,150 or more, within the terms of N.J.S.A. 40A:11-6.1. However see comment 09-02, where we noted that evidence of those quotations were not maintained.

PARKING AUTHORITY OF THE CITY OF UNION CITY

COMMENTS AND RECOMMENDATIONS

NOVEMBER 30, 2009

COMMENT 09-01:

CONDITION: As in the prior two audits, a significant number of vouchers tested did not have claimant signatures.

CRITERIA: N.J.A.C. 5:31-4 states that "All persons submitting a claim for payment from authority moneys...with the certification of the party claiming payment that it is correct."

RECOMMENDATION: The Authority needs to improve its controls over the payment of vouchers.

AUTHORITY'S RESPONSE: The Authority will only release checks when vouchers are signed by both the vendor or claimant and the Authority.

COMMENT 09-02:

CONDITION: As in the 2007 audit, the Authority did not maintain evidence of obtaining quotes on purchases of goods and services of at least $3,150.

CRITERIA: N.J.S.A. 40A:11-6.1 states that "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor."

COMMENT 09-02 (Continued):

RECOMMENDATION: The Authority needs to retain records of quotation solicitations for purchases of goods and services for which this requirement is not exempted under the statute.

AUTHORITY'S RESPONSE: The Authority will attempt to maintain proper records of all quotes obtained.

COMMENT 09-03:

CONDITION: The Authority invests a small amount of its assets in investments not allowed by the State of New Jersey.

CRITERIA: N.J.A.C. 40A:5-14 states that "Each local unit shall adopt a cash management plan and shall deposit, or invest, or both deposit and invest, its funds pursuant to that plan". Additionally, the statute says that "The cash management plan may provide for the purchase of certificates of deposit in accordance with the following conditions:

(1) the funds are initially invested through a public depository as defined in section 1 of P.L.1970, c.236 (C.17:9-41) designated by the local unit."

N.J.S.A. 17:9-41 states... ""Public depository" means a State or federally chartered bank, savings bank or an association located in this State or a state or federally chartered bank, savings bank or an association located in another state with a branch office in this State, the deposits of which are insured by the Federal Deposit Insurance Corporation and which receives or holds public funds on deposit;"

RECOMMENDATION: The Authority needs to make investments in accordance with applicable state statutes.

AUTHORITY'S RESPONSE: The Authority will make investments in accordance with applicable state statutes.

PARKING AUTHORITY OF THE CITY OF UNION CITY

COMMENTS AND RECOMMENDATIONS

NOVEMBER 30, 2009

COMMENT 09-04:

CONDITION:	The Authority did not receive NJ Business Registration Certificates from vendors when required.
CRITERIA:	New Jersey P.L. 2004, c.57 requires that "Local Unit's" purchasing or contracting from vendors, in an amount which is 15% for more of the bid threshold for that local unit; must receive a valid NJ Business Registration Certificate.
RECOMMENDATION:	The Authority needs to obtain a NJ Business Registration certificate before it issues a purchase order for more than $3,150 on an annual basis.
AUTHORITY'S RESPONSE:	The Authority will attempt to obtain all necessary NJ Business Registration Certificates.

STATISTICAL SECTION

PARKING AUTHORITY OF THE CITY OF UNION CITY

OPERATING REVENUES BY FUNCTION

LAST TEN FISCAL YEARS

NOVEMBER 30, 2009

Year ended November 30,	Parking Meters	Parking Permits	Surcharge	Rental Income	Other	Totals
2009	$ 1,379,045	$ 434,034	$ 315,114	$ 24,300	$ 19,340	$ 2,171,833
2008	$ 1,352,616	$ 472,175	$ 349,961	$ 24,300	$ 10,522	$ 2,209,574
2007	$ 1,395,497	$ 449,099	$ 389,660	$ 24,300	$ 16,724	$ 2,275,280
2006	$ 1,409,457	$ 401,964	$ 412,622	$ 19,645	$ 7,301	$ 2,250,989
2005	$ 1,388,363	$ 358,605	$ 407,225	$ 22,848	$ 483	$ 2,177,524
2004	$ 1,339,857	$ 343,468	$ 409,954	$ 22,848	$ 3,885	$ 2,120,012
2003	$ 1,266,652	$ 368,576	$ 419,079	$ 22,848	$ 12,879	$ 2,090,034
2002	$ 1,292,351	$ 329,307	$ 453,213	$ 22,848	$ 4,715	$ 2,102,434
2001	$ 1,254,579	$ 287,323	$ 295,100	$ 22,551	$ 1,296	$ 1,860,849
2000	$ 1,143,043	$ 257,650	$ 227,830	$ 22,134	$ 1,869	$ 1,652,526

PARKING AUTHORITY OF THE CITY OF UNION CITY

EXPENSES BY FUNCTION

LAST TEN FISCAL YEARS

NOVEMBER 30, 2009

Year ended November 30,	Salaries, payroll taxes and benefits	Other expenses	Totals
2009	$ 1,563,851	$ 811,419	$ 2,375,270
2008	$ 1,638,059	$ 809,003	$ 2,447,062
2007	$ 1,589,336	$ 860,891	$ 2,450,227
2006	$ 1,326,847	$ 952,254	$ 2,279,101
2005	$ 1,237,161	$ 901,664	$ 2,138,825
2004	$ 1,234,494	$ 861,581	$ 2,096,075
2003	$ 1,128,011	$ 917,003	$ 2,045,014
2002	$ 1,057,333	$ 739,446	$ 1,796,779
2001	$ 837,428	$ 729,541	$ 1,566,969
2000	$ 703,906	$ 809,249	$ 1,513,155

PARKING AUTHORITY OF THE CITY OF UNION CITY

MISCELLANEOUS STATISTICS

NOVEMBER 30, 2009

Form of Government	Authority
Number of Employees	28
Number of Parking Lot Spaces	805
Number of Meters	1,700