PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)

AUDIT OF FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2011 AND 2010
WITH
SUPPLEMENTARY INFORMATION
AND
REPORT OF INDEPENDENT AUDITORS

GARBARINI & CO., P.C.
Certified Public Accountants

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)

NOVEMBER 30, 2011 AND 2010

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INTRODUCTORY SECTION

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

UNION CITY PARKING AUTHORITY

December 22, 2012

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, 2011.

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, 2011, the Authority has outstanding debt of $2,149,974, 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 $2,147,300. 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 Garbarini & Co., P.C., 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, 2011 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, 2011, 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
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Comparative Unit of the City of Union City)
ROSTER OF OFFICIALS

FOR THE YEAR ENDED NOVEMBER 30, 2011

Authority Members

Ulysses Isa, Chairman

Lidia Figueredo, Secretary

Marta Araujo, Commissioner

Gildardo Hernandez, Commissioner

Tifphany White, Commissioner

FINANCIAL SECTION

GARBARINI & CO. P.C.
Certified Public Accountants

Division Avenue and Route 17 S.
P.O. Box 362 - Carlstadt, N.J. 07072
(201) 933-5566

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") County of Hudson, State of New Jersey, (A Component Unit of the City of Union City) which collectively comprise the Authority's financial statements, as of and for the years ended November 30, 2011 and 2010, 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.

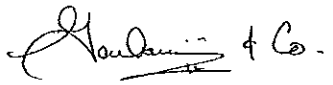
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of November 30, 2011 and 2010, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2012 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 should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America requires that the Management's Discussion and Analysis and budgetary comparison information on pages 10-14 and 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited

procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The information included as supplementary information on page 32 through 35 is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied within the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements, taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Garbarini & Co., P.C.
Certified Public Accountants

Carlstadt, New Jersey
December 22, 2012

GARBARINI & CO. P.C.
Certified Public Accountants

Division Avenue and Route 17 S.
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INDEPENDENT AUDITOR'S 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"), County of Hudson, State of New Jersey, (A Component Unit of the City of Union City) as of and for the year ended November 30, 2011, and have issued our report thereon dated December 22, 2012. 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

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District'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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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.

Garbarini & Co., P.C.
Certified Public Accountants

Carlstadt, New Jersey
December 22, 2012

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
MANAGEMENT'S DISCUSSION AND ANALYSIS
NOVEMBER 30, 2011 AND 2010

This section of the Parking Authority of the City of Union City (the "Authority"), County of Hudson, State of New Jersey, (A Component Unit of the City of Union City) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal years ended November 30, 2011 and 2010.

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.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis for Local Governments.*

Discussion of Financial Statements Included in the annual Audit

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, 2011, 2010 and 2009:

Increase/(Decrease)	2011	2010	2009
Total Net Assets	$ (416,180)	$ (513,929)	$ (196,909)
Cash and cash equivalents	$ (128,736)	$ (563,830)	$ (415,031)
Investments	$ 1,151	$ 3,210	$ 300,702
Net capital assets	$ (186,064)	$ (227,942)	$ (201,816)
Total liabilities	$ 20,930	$ (236,374)	$ (143,574)
Operating revenues	$ (129,114)	$ (76,715)	$ (37,741)
Operating expenses	$ (177,608)	$ 247,795	$ (64,921)
Operating income	$ 48,494	$ (324,510)	$ 27,180

Fiscal Year 2011 compared to 2010. Net assets decreased by $416,180 or 19.9%. This was due to the decrease in operating revenues. Cash, cash equivalents and investment levels decreased by $127,585 or 23% which was less than the prior year mainly due to decreased costs. Income from operating activities was over $48,494 higher during the year ended November 30, 2011.

Fiscal Year 2010 compared to 2009. Net assets decreased by $513,929 or 62%. This was due to the decrease in operating income of $351,690 from the prior year. Salaries and related expense increases as well as the 3.5% decline in total revenues caused the decrease in net assets. Cash, cash equivalents and investment levels decreased by $560,620 or 51% mainly due to the continued decline in operating results.

Financial Analysis of the Authority

The following table summarizes the assets, liabilities and net assets as of November 30, 2011, 2010 and 2009:

	2011	2010	2009	2011 to 2010	2010 to 2009
Current assets	$ 496,746	$ 699,332	$ 1,215,093	-29.0%	-42.4%
Capital assets	3,515,328	3,701,392	3,929,334	-5.0%	-5.8%
Other noncurrent assets	94,000	100,600	107,200	-6.6%	-6.2%
Total assets	4,106,074	4,501,324	5,251,627	-8.8%	-14.3%
Current liabilities	542,855	349,225	420,669	55.4%	-17.0%
Noncurrent liabilities	1,977,274	2,149,974	2,314,874	-8.0%	-7.1%
Total liabilities	2,520,129	2,499,199	2,735,543	0.8%	-8.6%
Net assets:					
Invested in capital assets, net of related debt	1,368,028	1,389,192	1,610,034	-1.5%	-13.7%
Unrestricted	217,917	612,933	906,020	-64.4%	-32.3%
Total net assets	$ 1,585,945	$ 2,002,125	$ 2,516,054	-20.8%	-20.4%

Fiscal Year 2011 compared to 2010. The Authority's financial condition has continued to deteriorate, even as the Authority's operating losses decreased by 13% year over year. The current revenue stream is not supporting the overall operations of the Authority. Operations generated over $105,000 in cash this year compared to previous years' operating cash deficits. Continued cost cutting and an increase in parking revenues will begin to improve the fiscal health of the Authority.

Fiscal Year 2010 compared to 2009. 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, 2011, 2010 and 2009

	2011	2010	2009	11 to 10 % Inc. / (Dec.)	10 to 09 % Inc. / (Dec.)
Parking revenues	$ 1,918,587	$ 2,041,944	$ 2,128,193	-6.0%	-4.1%
Rental and miscellaneous revenues	47,417	53,174	43,640	-10.8%	21.8%
Total operating revenues	1,966,004	2,095,118	2,171,833	-6.2%	-3.5%
Non-operating revenues	46,042	4,381	6,528	950.9%	-32.9%
Total revenues	2,012,046	2,099,499	2,178,361	-4.2%	-3.6%
Operating expenses	(2,314,406)	(2,492,014)	(2,244,219)	-7.1%	11.0%
Non-operating expenses	(113,820)	(121,414)	(131,051)	-6.3%	-7.4%
Total expenses	(2,428,226)	(2,613,428)	(2,375,270)	-7.1%	10.0%
(Decrease) increase in net assets	(416,180)	(513,929)	(196,909)	-19.0%	161.0%
Net assets beginning of year	2,002,125	2,516,054	2,712,963	-20.4%	-7.3%
Net assets end of year	$ 1,585,945	$ 2,002,125	$ 2,516,054	-20.8%	-20.4%

Fiscal Year 2011 compared to 2010. The Authority's total revenues decreased by $87,453, or 4.2%, due to lower interest rates and a 6% drop in parking related revenues. The Authority's operating expenses decreased by $177,608, or 7.1%, due to decreased salary and wages, related fringe benefit expenses and insurance costs. Net assets decreased by $416,180.

Fiscal Year 2010 compared to 2009. The Authority's total revenues decreased by $76,715, or 3.5%, due to lower interest rates and less parking ticket reimbursements. The Authority's operating decreased from the prior year due to slightly lower salaries. Net assets decreased by $513,929.

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, 2009 and November 30, 2011:

	November 30, 2009	Additions	Deletions	November 30, 2010	Additions	Deletions	November 30, 2011
Land	$ 1,723,338	$ -	$ -	$ 1,723,338	$ -	$ -	$ 1,723,338
Parking deck	4,080,678	17,125	-	4,097,803	-	-	4,097,803
Improvements	677,533	10,900	-	688,433	421	-	688,854
Equipment	1,011,368		-	1,011,368	3,598	-	1,014,966
Totals at historical cost	7,492,917	28,025	-	7,520,942	4,019	-	7,524,961
Less: accumulated depreciation	(3,563,583)	(255,967)	-	(3,819,550)	(190,083)	-	(4,009,633
Net capital assets	$ 3,929,334	$ (227,942)	$ -	$ 3,701,392	$ (186,064)	$ -	$ 3,515,328

Debt Administration – At year end, the Authority had $2,674 of Note principal outstanding and a $2,312,200 bond relating to the 38th Street Parking Deck from 2006. 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, 2011, 2010 and 2009:

	2011	2010	2009
Notes payable	$ 2,674	$ 2,674	$ 2,674
2006 Bond	2,147,300	2,312,200	2,469,600
Totals	2,149,974	2,314,874	2,472,274
Due within one year	172,700	164,900	157,400
Long term portion	1,977,274	2,149,974	2,314,874
Totals	$ 2,149,974	$ 2,314,874	$ 2,472,274

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
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
COMPARITIVE STATEMENT OF NET ASSETS
YEARS ENDED NOVEMBER 30, 2011 AND 2010

ASSETS	2011	2010
Current assets:		
Cash and cash equivalents	$ 102,850	$ 231,586
Investments	305,063	303,912
Accounts receivable	88,833	72,436
Prepaid expenses	-	91,398
Total current assets	496,746	699,332
Noncurrent assets:		
Unamortized debt issuance costs	94,000	100,600
Capital assets:		
Land	1,723,338	1,723,338
Improvements and equipment, net	1,791,990	1,978,054
Net capital assets	3,515,328	3,701,392
Total noncurrent assets	3,609,328	3,801,992
Total Assets	$ 4,106,074	$ 4,501,324
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 208,733	$ 20,293
Accrued compensated absences	127,422	127,422
Accrued interest on bond	34,000	36,610
Bond payable due within one year	172,700	164,900
Total current liabilities	542,855	349,225
Long-term liabilities:		
Bond payable	1,974,600	2,147,300
Notes payable	2,674	2,674
Total long-term liabilities	1,977,274	2,149,974
Total Liabilities	2,520,129	2,499,199
Net Assets:		
Invested in capital assets, net of related debt	1,368,028	1,389,192
Unrestricted	217,917	612,933
Total Net Assets	1,585,945	2,002,125
Total Liabilities and Net Assets	$ 4,106,074	$ 4,501,324

See independent auditor's report and accompanying notes to the basic financial statements.

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
COMPARITIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGE IN NET ASSETS
YEARS ENDED NOVEMBER 30, 2011 AND 2010

	2011	2010
Operating revenues:		
Parking meters	$ 1,215,405	$ 1,330,727
Parking permits	427,256	422,714
Surcharge	275,926	288,503
Rental income	25,700	24,300
Miscellaneous income	21,717	28,874
Total operating revenues	1,966,004	2,095,118
Operating expenses:		
Salaries and wages	996,404	1,126,443
Payroll taxes	79,189	106,436
Employee benefits	442,059	468,054
Office expense	30,756	30,829
Uniform expense	5,758	5,688
Meter repairs and maintenance	20,823	12,701
General repairs and maintenance	21,255	34,345
Vehicle maintenance	8,058	5,044
Parking lot maintenance	1,092	7,778
Utilities	77,678	57,135
Snow removal	113,883	14,557
Insurance	198,835	261,032
Legal fees	53,972	28,149
Accounting fees	53,430	47,989
Other professional fees	19,282	53,775
Advertising	1,849	4,116
Depreciation expense	190,083	227,943
Total operating expenses	2,314,406	2,492,014
Operating (loss)	(348,402)	(396,896)
Non-operating revenue (expense):		
Interest income from investments	1,537	4,381
FEMA payments	44,505	-
Amortization of debt issuance cost	(6,600)	(6,600)
Interest expense	(107,220)	(114,814)
Total non-operating revenue (expense)	(67,778)	(117,033)
Change in net assets	(416,180)	(513,929)
Net assets, beginning of year	2,002,125	2,516,054
Net assets, end of year	$ 1,585,945	$ 2,002,125

See independent auditor's report and accompanying notes to the basic financial statements.

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED NOVEMBER 30, 2011 AND 2010

	2011	2010
Cash Flows From Operating Activities:		
Customer parking fee receipts	$ 1,642,661	$ 1,753,441
Ticket surcharge receipts	259,529	269,121
Other receipts	47,417	47,150
Payments to employees	(996,404)	(1,126,443)
Payments to vendors	(848,081)	(1,151,712)
Other payments	-	(65,750)
Net cash provided (used) by operating activities	105,122	(274,193)
Cash Flows From Capital and Related Financing Activities:		
(Purchases) of capital assets	(4,019)	(16,050)
Principal paid on bonds	(164,900)	(157,400)
FEMA Payment received	44,505	-
Interest paid on bonds	(109,830)	(117,306)
Net cash (used) by capital and related financing activities	(234,244)	(290,756)
Cash Flows From Investing activities:		
Purchases of investments	(1,151)	(3,210)
Interest received from investments	1,537	4,329
Net cash provided (used) by investing activities	386	1,119
(Decrease) in cash and cash equivalents	(128,736)	(563,830)
Cash and cash equivalents at beginning of year	231,586	795,416
Cash and cash equivalents at end of year	$ 102,850	$ 231,586
Reconciliation of Operating (Loss) Income to Net Cash Provided by Operating Activities		
Operating (loss)	$ (348,402)	$ (396,896)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation expense	190,083	227,943
(Increase) decrease in accounts receivable	(16,397)	(19,382)
(Increase) decrease in prepaid expenses	91,398	(26,876)
(Decrease) increase in accounts payable	188,440	(40,982)
Increase (decrease) in deferred revenue	-	(18,000)
Net Cash Provided by Operating Activities	$ 105,122	$ (274,193)

See independent auditor's report and accompanying notes to the basic financial statements.

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2011 AND 2010

1. ORGANIZATION

The Parking Authority of the City of Union City (the "Authority"), County of Hudson, State of New Jersey, (A Component Unit of the City of Union City) 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 exempt from Federal, State and Local taxes.

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 34.

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").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Presentation and Basis of Accounting

The Authority's financial statement have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). All revenues other than nonrecurring miscellaneous revenues are recorded as operating revenues. The Authority applies all Government Accounting Standards Board Pronouncements as well as all Financial Accounting Standard Board statement and pronouncements. Revenues are recognized in the accounting period when they become susceptible to accrual. Expenditures, if measurable, are recognized in the accounting period in which the liability is incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues

The Authority's policy is to record all parking fee revenues as operating revenues and interest from investments and Federal Aid from FEMA as non-operating income.

Scope of Audit

The audit covered the financial transactions of the Authority, and the activities of the Board of Commissioners. The Authority records its financial transactions in a Proprietary Fund Type. The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

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.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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).

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.

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.

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.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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, 2011 and 2010, none of the Authority's bank balances of $408,063 and $535,648 was exposed to custodial credit risk or foreign currency risk.

As of November 30, 2011 and 2010, the Authority's deposits are summarized as follows:

	2011	2010
Insured	$407,913	$535,498
Petty Cash	150	150
	$408,063	$535,648

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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, 2011 and 2010, the Authority invested only in certificates of deposits (CD). At the year ended November 30, 2011 they held a 6 month $305,063 money market CD, with a 2% interest rate, which is considered an investment.

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.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At November 30, 2011 and 2010 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.

4. 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, 2011, 2010, and 2009 were 6.5, 5.5 and 5.5% of the eligible employees' base wage, respectively. Employers are required to contribute at an actuarially determined rate.

4. RETIREMENT PLAN (Continued)

Annual pension costs for the years ended November 30, 2011, 2010 and 2009 were $71,826, $69,779 and $58,945, respectively.

5. 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, 2011 was as follows:

	November 30, 2010	Additions	November 30, 2011
Land	$ 1,723,338		$ 1,723,338
Parking deck	4,080,678	-	4,080,678
Meters	696,552	421	696,973
Vehicles	163,933		163,933
Machinery and equipment	150,979	3,598	154,577
Computer software	17,029	-	17,029
Leasehold improvements	67,236	-	67,236
Parking lot improvements	621,197	-	621,197
Total	5,797,604	4,019	5,801,623
Less: Accumulated Depreciation	(3,819,550)	(190,083)	(4,009,633)
Improvements and equipment, net	1,978,054	(186,064)	1,791,990
Net capital assets	$ 3,701,392	$ (186,064)	$ 3,515,328

5. CAPITAL ASSETS (Continued)

C. Assets capitalized have 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

6. LONG-TERM LIABILITIES

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's cost of issuance on the bond out of their invested funds of $134,000 is being amortized over 20 years.

6. LONG-TERM LIABILITIES (Continued)

Changes long-term debt as follows:

Description	Balance November 30, 2010	Increased	Decreased	Balance November 30, 2011	Due Within One Year
Private Placement Bond	$ 2,312,200	$ -	$ 164,900	$ 2,147,300	$ 172,700
Note Payable	2,674	-	-	2,674	
Compensated Absences	127,422	-	-	127,422	
	$ 2,442,296	$ -	$ 164,900	$ 2,277,396	$ 172,700

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
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	$ 2,147,300	$ 599,916	$ 2,747,216

7. 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.

8. 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, 2011 and 2010 were $275,926 and $288,503 respectively.

9. NOTES PAYABLE

The balance of $2,674 at November 30, 2011 and 2010 represents non-interest bearing notes of the Authority.

10. LEASES

The Authority leased office store facilities to the United States Postal Service. 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, 2011 and 2010 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.

11. 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:

	2011	2010
Invested in Capital Assets, net of related debt		
Net Capital Assets	$ 3,515,328	$ 3,701,392
Bond Payable	(2,147,300)	(2,312,200)
	1,368,028	1,389,192
Restricted	-	-
Unrestricted	217,917	612,933
TOTAL NET ASSETS	$ 1,585,945	$ 2,002,125

12. 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, 2011 and 2010, respectively, $127,422 and $127,422.

13. POST EMPLOYMENT BENEFITS

The Authority is a component unit of the City of Union City (the "City"). The City provides lifetime medical benefits to Authority/City employees who retire under the following conditions:

- After twenty-five years of membership in a state or locally administered retirement system.
- After fifteen years or more of service and are age 62 or older.
- Upon a disability retirement, if eligible.

In adopting the requirements of GASB Statement No. 45 the cost of OPEB is recognized in the year when the employee services are received, the accumulated liability (as calculated on a triennial basis) is reported from prior years and provides information useful in assessing potential demands on cash flows. Recognition of the liability accumulated from prior years is phased in over 30 years, commencing with the current 2008 liability.

As of June 30, 2011 and 2010, the City had 341 and 334 employees, respectively, who were eligible, three of which were employed by the Authority.

As of December 31, 2008 the City's Actuarial Accrued Liability is $88,052,000 for retirees and $68,519,000 for active employees for a total accrued liability of $156,571,000. Under the GASB accounting standard the City's Annual Required Contribution ("ARC") is $13,914,000 for the year ending December 31, 2008 assuming a 30 year amortization of the Unfunded Actuarial Accrued Liability. The City's Net OPEB Obligation is $9,462,000, based on estimated 2008 cash payments of $4,452,000 and the ARC state above.

13. POST EMPLOYMENT BENEFITS (Continued)

The Authority/City is self-insured and accounts for post retirement health costs on a pay-as-you-go basis. Authority expenditures during the year ended November 30, 2011 and 2010 were $41,323 and $29,500, respectively. City expenditures during the year ended June 30, 2011 and 2010 were $7,089,405 and $6,652,690, respectively.

14. CONTINGENCIES

Litigation

The Authority if involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of managements as advised by legal counsel, would not be significant to the accompanying financial statements.

Other Claims and Judgments

Authority's management has expressed that no claims or judgments exist at December 22, 2012.

15. 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.

16. SUBSEQUENT EVENTS

There were no events occurring through the date of the independent auditor's report December 22, 2012, which have been considered necessary for subsequent events disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
YEAR ENDED NOVEMBER 30, 2011 WITH COMPARATIVE
ACTUAL AMOUNTS FOR THE YEAR ENDED NOVEMBER 30, 2010

	2011 Budget	2011 Actual	2010 Actual
Revenues:			
Parking meter revenues	$ 1,250,000	$ 1,215,405	$ 1,330,727
Parking permit revenues	550,000	427,256	422,714
Surcharge revenues	212,000	275,926	288,503
Rental income	24,300	25,700	24,300
Interest income from investments	5,000	1,537	4,381
FEMA payments and miscellaneous income	18,000	66,222	28,874
Total Revenues	2,059,300	2,012,046	2,099,499
Expenses:			
Salaries and wages	1,260,000	996,404	1,126,443
Payroll tax expense	115,000	79,189	106,436
Employee benefits	360,000	442,059	468,054
Office expense	38,500	30,756	30,829
Uniform expense	-	5,758	5,688
Meter repairs and maintenance	19,000	20,823	12,701
General repairs and maintenance	22,000	21,255	34,345
Vehicle maintenance	11,000	8,058	5,044
Parking lot maintenance	27,500	1,092	7,778
Utilities	33,000	77,678	57,135
Snow removal	10,000	113,883	14,557
Insurance	192,000	198,835	261,032
Legal fees	-	53,972	28,149
Accounting fees	52,000	53,430	47,989
Other professional fees	37,000	19,282	53,775
Advertising	25,000	1,849	4,116
Interest expense	120,000	107,220	114,814
Total Expenses	2,322,000	2,231,543	2,378,885
Adjustments - GAAP Basis:			
Revenues Less Expenses		(219,497)	(279,386)
Depreciation and Amortization		(196,683)	(234,543)
Net (Decrease) Increase in Net Assets - GAAP Basis		$ (416,180)	$ (513,929)

OTHER SUPPLEMENTARY INFORMATION

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH, CASH EQUIVALENTS
AND INVESTMENTS - UNRESTRICTED
YEAR ENDED NOVEMBER 30, 2011

Balance as of November 30, 2010	
Cash, cash equivalents and investments	$ 535,498
Increased by receipts:	
Parking receipts	1,902,190
Interest receipts	1,537
Other receipts	91,922
Total receipts	1,995,649
Decreased by disbursements:	
Operating disbursements	1,844,485
Purchases of Investments	4,019
Bond principal paid	164,900
Interest paid	109,830
Total disbursements	2,123,234
Balance as of November 30,2011	
Cash, cash equivalents and investments	$ 407,913

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
SCHEDULE OF COST OF REAL PROPERTY
NOVEMBER 30, 2011 AND 2010

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
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
SCHEDULE OF OPERATING REVENUES BY LOCATION
YEAR ENDED NOVEMBER 30, 2011 WITH COMPARATIVE AMOUNTS FOR YEARS ENDED NOVEMBER 30, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003 and 2002

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Meter Revenues:										
Bagged Meters	$ 17,687	$ 9,680	$ 3,636	$ 9,360	$ 7,275	$ 12,345	$ 9,750	$ 10,501	$ 12,249	$ 8,460
32nd Street Meters	54,821	62,431	62,511	62,060	72,228	57,057	60,784	56,223	58,358	54,244
35th-36th Street Lot	28,884	40,480	35,616	30,530	31,115	32,298	30,780	29,435	27,649	31,811
36th-37th Street Lot	29,419	31,950	29,811	23,153	21,940	24,802	27,812	26,643	25,540	26,497
Kennedy Blvd. Meters	32,475	39,561	40,399	37,986	36,181	35,743	34,798	34,641	34,592	30,935
41st-42nd Street Lot	36,533	35,859	38,890	37,448	40,485	44,758	43,049	40,807	40,793	44,127
48th Street Meters	70,670	77,799	84,758	77,552	71,769	73,630	65,055	64,363	57,647	64,801
New York Avenue Meters	76,845	84,233	88,443	87,862	87,339	89,921	91,047	73,624	68,210	83,893
Side Street Meters	240,222	260,707	271,155	271,384	283,410	290,877	285,471	275,816	258,967	250,203
Upper Bergenline Avenue Meters	169,291	182,314	190,874	188,585	192,661	178,641	198,432	202,331	209,792	201,425
Lower Bergenline Avenue Meters	167,945	189,417	194,334	191,985	208,802	212,863	200,076	181,650	147,006	164,319
Tunnel Cut Meters	42,816	55,909	70,479	73,235	72,024	74,433	71,856	71,382	59,299	56,539
Summit Avenue Meters	119,747	149,423	147,944	147,946	148,873	153,957	144,526	144,434	141,310	144,371
47th-48th Street Lot	21,574	21,755	20,260	17,395	17,342	19,376	18,802	18,839	18,238	19,025
44th-45th Street Lot	34,195	36,794	40,250	39,596	40,117	41,778	38,972	40,849	42,207	51,217
8th-10th Street Lot	15,570	21,543	16,607	14,468	14,650	15,690	16,479	16,824	16,456	13,220
37th-38th Street Lot	22,566	3,300	27,107	24,564	25,676	26,862	26,161	25,772	24,612	24,039
Park Avenue & Palisade Avenue Meters					-	-	-	-	-	-
Parking Deck - 38th Street	34,145	27,572	15,971	17,507	23,610	24,426	24,513	25,723	23,727	23,225
Total Meter Revenues	1,215,405	1,330,727	1,379,045	1,352,616	1,395,497	1,409,457	1,388,363	1,339,857	1,266,652	1,292,351
Parking Permits	427,256	422,714	434,034	472,175	449,099	401,964	358,605	343,468	368,576	329,307
Surcharge	275,926	288,503	315,114	349,961	389,660	412,622	407,225	409,954	419,079	453,213
Total Operating Revenues	$ 1,918,587	$ 2,041,944	$ 2,128,193	$ 2,174,752	$ 2,234,256	$ 2,224,043	$ 2,154,193	$ 2,093,279	$ 2,054,307	$ 2,074,871

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN
NET ASSETS - RESTRICTED AND UNRESTRICTED
YEAR ENDED NOVEMBER 30, 2011

	Unrestricted Funds	Restricted Fund	Invested in Capital Assets, net of related debt	Total Net Assets
Operating revenues:				
Parking revenue	$ 1,642,661	$ -	$ -	$ 1,642,661
Ticket revenue	275,926	-	-	275,926
Other revenue	47,417	-	-	47,417
	1,966,004	-	-	1,966,004
Operating expenses:				
Operating expenses	2,124,323	-	-	2,124,323
Depreciation	-	-	190,083	190,083
	2,124,323	-	190,083	2,314,406
Operating (loss):	(158,319)	-	(190,083)	(348,402)
Non-operating revenue (expense):				
Amortization (expense)	(6,600)			(6,600)
Interest income	1,537	-	-	1,537
FEMA payment	44,505	-	-	44,505
Investment in capial assets	(4,019)	-	4,019	-
Interest (expense)	(107,220)	-	-	(107,220)
	(71,797)	-	4,019	(67,778)
Payment of bond principal	(164,900)	-	164,900	-
Change in net assets	(395,016)		(21,164)	(416,180)
Net assets - beginning of year	612,933	-	1,389,192	2,002,125
Net assets - end of year	$ 217,917	$ -	$ 1,368,028	$ 1,585,945

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, 2011.

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.

REPORT OF THE AUDIT SYNOPSIS
PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unite of the City of Union City)
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2011 and 2010
AS REQUIRED BY N.J.S. 40A:5A-16.

COMPARATIVE BALANCE SHEET

	2011	2010
Current assets:		
Cash, cash equivalents and investments	$ 407,913	$ 535,498
Accounts and interest receivable	88,833	72,436
Prepaid expenses	-	91,398
Total current assets	496,746	699,332
Noncurrent assets:		
Unamortized debt issuance costs	94,000	100,600
Net capital assets	3,515,328	3,701,392
Total noncurrent assets	3,609,328	3,801,992
Total Assets	4,106,074	4,501,324
Liabilities and Fund Equity		
Current liabilities	542,855	349,225
Long-term liabilities	1,977,274	2,149,974
Net Assets	1,585,945	2,002,125
Total Liabilities and Net Assets	$ 4,106,074	$ 4,501,324

REPORT OF THE AUDIT SYNOPSIS
PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unite of the City of Union City)
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 2011 and 2010

AS REQUIRED BY N.J.S. 40A:5A-16.
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

	2011	2010
Operating Revenues:		
Parking meters	$ 1,215,405	$ 1,330,727
Other operating revenues	750,599	764,391
	1,966,004	2,095,118
Non operating Revenues:		
Interest income and FEMA payment	46,042	4,381
	46,042	4,381
Total Revenue	2,012,046	2,099,499
Operating Expenses:		
Cost of providing services	2,124,323	2,264,071
Depreciation expense	190,083	227,943
	2,314,406	2,492,014
Nonoperating Expenses:		
Interest expense	107,220	114,814
Amortization expense	6,600	6,600
	113,820	121,414
Total Expenses	2,428,226	2,613,428
Net income	(416,180)	(513,929)
Net Assets, Beginning	2,002,125	2,516,054
Net Assets, Ending	1,585,945	2,002,125
Analysis of Net Assets:		
Invested in Capital Assets, net of related debt	1,368,028	1,389,192
Unrestricted	217,917	612,933
	$ 1,585,945	$ 2,002,125

This report of audit, submitted by Garbarini & Co., P.C., Certified Public Accountants, Registered Municipal Accountants, is on file at 506-518 38th Street, Union City, New Jersey, and may be inspected by any interested person.

GARBARINI & CO. P.C.
Certified Public Accountants

Division Avenue and Route 17 S.
P.O. Box 362 - Carlstadt, N.J. 07072
(201) 933-5566

December 22, 2012

To the Audit Committee
Parking Authority of the City of Union City

RE: Communication to the Audit Committee

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Parking Authority of the City of Union City for the year ended November 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Parking Authority of the City of Union City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no particularly sensitive accounting estimates used by the Authority.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 22, 2012.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Audit Committee and management of Parking Authority of the City of Union City and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Garbarini & Co., P.C., CPA'S
Registered Municipal Accountants

December 22, 2012
Carlstadt, New Jersey