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

COMPREHENSIVE ANNUAL AUDIT REPORT

WITH SUPPLEMENTARY INFORMATION
AND INDEPENDENT AUDITOR'S REPORT

NOVEMBER 30, 2014 AND 2013

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, 2014 AND 2013

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

UNION CITY PARKING AUTHORITY

March 15, 2015

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 years ended November 30, 2014 and 2013.

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 position 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, 2014, the Authority has outstanding debt of $1,606,874, which consists of a Parking Revenue Bond, for the parking deck located between Kennedy Boulevard and Bergenline Avenue occupying the block between 38th and 39th Street in the amount of $1,604,200. The remaining balance is payable to Capital One Public Funding, LLC.

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 years ended November 30, 2014 and 2013 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 years ended November 30, 2014 and 2013, 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 Component Unit of the City of Union City)

ROSTER OF OFFICIALS

NOVEMBER 30, 2014

Authority Members

Ulysses Isa, Chairman

Lidia Figueredo, Secretary

Benigno Rosario, Commissioner

Gildardo Hernandez, Commissioner

Tifphani White, Commissioner

Teresa Adams, Commissioner

GARBARINI & CO. P.C.
Certified Public Accountants

REGISTERED MUNICIPAL ACCOUNTANTS
LICENSED PUBLIC SCOOL ACCOUNTANTS

285 Division Ave & Route 17 S.
Carlstadt, NJ 07072
(201) 933-5566
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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

Report on the Financial Statements

We have audited the accompanying comparative statement of net position of the Parking Authority of the City of Union City (the "Authority"), a Component Unit of the City of Union City (the "City"), County of Hudson, State of New Jersey, as of November 30, 2014 and 2013, and the related comparative statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Authority's financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statements based on our audit. 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"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, the financial statements referred to above present fairly, in all material respects, the comparative statement of net position as of November 30, 2014 and 2013, the comparative statements of activities, cash flows, and the related notes to the financial statements for the years then ended, in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 9 through 13 and 25 through 30 to be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 inquiries of management about the methods of preparing the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Authority's financial statements that collectively comprise the Authority's financial statements. The introductory section and other supplementary schedules section are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2015, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

Carlstadt, New Jersey
March 15, 2015

GARBARINI & CO. P.C.
Certified Public Accountants

REGISTERED MUNICIPAL ACCOUNTANTS
LICENSED PUBLIC SCOOL ACCOUNTANTS

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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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the 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"), the financial statements of the Parking Authority of the City of Union City (the "Authority"), a Component Unit of the City of Union City (the "City"), County of Hudson, State of New Jersey, which comprise the comparative statement of net position as of November 30, 2014 and 2013, and the related statements of activities, cash flows, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2014.

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 Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

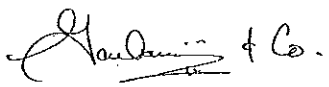
Compliance and Other Matters

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

Carlstadt, New Jersey
March 15, 2015

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, 2014

This section of the Parking Authority of the City of Union City (the "Authority"), a Component Unit of the City of Union City (the "City"), County of Hudson, State of New Jersey, annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended November 30, 2014.

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 position and changes to those assets resulting from Authority operations.

The Basic Financial Statements

The Comparative Statement of Net Position 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 position.

The Comparative Statement of Revenues, Expenses and Changes in Net Position shows how the Authority's net position 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 Comparative 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), and 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, 2014, 2013 and 2012:

Increase/(Decrease)	2014	2013	2012
Total Net Position	$ (47,866)	$ (136,021)	$ (144,881)
Cash and cash equivalents	151,607	120,218	96,183
Net capital assets	(179,306)	(178,749)	(189,124)
Total liabilities	11,683	(474,995)	49,611
Operating revenues	(132,490)	116,915	(4,516)
Operating expenses	(16,085)	(75,690)	(313,229)
Operating income	(116,405)	192,605	308,713

Fiscal Year 2014 compared to 2013. Net position decreased by $47,866 as a result of a decrease in the revenues earned from ticket surcharges. Cash and cash equivalents increased by $151,607 due a decrease in payroll based on the reduction of staff as well as a reduction in expenses. Operating income decreased by $116,405 due to a decline in surcharge revenue as well as miscellaneous revenue which included FEMA reimbursements in 2013.

Fiscal Year 2013 compared to 2012. Net position decreased by $136,021 as a result of prior years pension liabilities for part time employees added to pension system as per State of New Jersey requirements. Cash and cash equivalents increased by $120,218 due to the investments maturing and being returned to the operating fund in the amount of $305,674. Decrease in overall cash and investments resulted from an increase in accounts receivable and a decrease in accounts payable.

Financial Analysis of the Authority

The following table summarizes the assets, liabilities and net position as of November 30, 2014, 2013 and 2012:

	2014	2013	2012	2014 to 2013	2013 to 2012
Current assets	$ 573,459	$ 430,336	$ 597,200	33.3%	-27.9%
Capital assets	2,968,149	3,147,455	3,326,204	-5.7%	-5.4%
Other noncurrent assets	-	-	87,400	0.0%	-100.0%
Total assets	3,541,608	3,577,791	4,010,804	-1.0%	-10.8%
Current liabilities	876,057	665,874	773,366	31.6%	-13.9%
Long-term liabilities	1,408,374	1,606,874	1,796,374	-12.4%	-10.5%
Total liabilities	2,284,431	2,272,748	2,569,740	0.5%	-11.6%
Net position:					
Invested in capital assets, net of related debt	1,363,949	1,353,755	1,351,604	0.8%	0.2%
Unrestricted	(106,772)	(48,712)	89,460	119.2%	-154.5%
Total net position	$ 1,257,177	$ 1,305,043	$ 1,441,064	-3.7%	-9.4%

Fiscal Year 2014 compared to 2013. The increase in current assets of 33.3% was a result of a decrease in payroll costs due to a decrease in staff as well as a reduction in general expenses. The increase in current liabilities of 31.6% was mainly a result of a payable created due to the City which made a bond payment on behalf of the Authority. The decrease in unrestricted net position of 119.2% is a result of a decrease in ticket surcharge revenues. The current revenue stream is not supporting the overall operations of the Authority. Continued cost cutting and a future increase in parking revenues will begin to improve the fiscal health of the Authority.

Fiscal Year 2013 compared to 2012. The Authority's decrease in other noncurrent assets was due to debt issuance cost in the amount of $87,400, expensed due to the implementation of GASB 65, "Items previously Reported as Assets and Liabilities". The decrease in unrestricted net position of 154.5% was a result of prior year canceled checks in the amount of $57,583 and pension liabilities for current part time employees. The current revenue stream is not supporting the overall operations of the Authority. Continued cost cutting and a future increase in parking revenues will begin to improve the fiscal health of the Authority.

Operating Activities

The following table summarizes the revenues, expenses and changes in net position for the years ended November 30, 2014, 2013 and 2012:

	2014	2013	2012	2014 to 2013	2013 to 2012
Parking revenues	$ 1,886,340	$ 1,954,093	$ 1,908,682	-3%	2%
Rental and miscellaneous revenues	59,573	124,310	52,806	-52%	135%
Total operating revenues	1,945,913	2,078,403	1,961,488	-6%	6%
Non-operating revenues	306	621	669	-51%	-7%
Accrual of compensated absences	(2,484)	66,774	-	100%	100%
Total revenues	1,943,735	2,145,798	1,962,157	-9%	9%
Operating expenses	(1,909,402)	(1,925,487)	(2,001,177)	-1%	-4%
Non-operating expenses	(82,199)	(356,332)	(105,861)	-77%	237%
Total expenses	(1,991,601)	(2,281,819)	(2,107,038)	-13%	8%
(Decrease) increase in net assets	(47,866)	(136,021)	(144,881)	-65%	-6%
Net position beginning of year	1,305,043	1,441,064	1,585,945	-9%	-9%
Net position end of year	$ 1,257,177	$ 1,305,043	$ 1,441,064	-4%	-9%

Fiscal Year 2014 compared to 2013. The Authority's operating revenues decreased by 6% as a result of a decrease in ticket surcharge revenues as well as an overinflated rental and miscellaneous revenues in 2013 as a result of canceling prior year outstanding checks in the amount of $57,583.

Fiscal Year 2013 compared to 2012. The Authority's accrual of compensated absences increased in the amount of $66,774 due to an adjustment made to reflect the correct balance. As a result, the Authority's total revenues only decreased 9%, which is a substantial increase in comparison to prior years. The Authority's rental and miscellaneous revenues increased by 135% as a result of canceling prior year outstanding checks in the amount of $57,583.

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, 2012 and November 30, 2014:

	November 30, 2012	Additions	November 30, 2013	Additions	November 30, 2014
Land	$ 1,723,338	$ -	$ 1,723,338	$ -	$ 1,723,338
Parking deck	4,097,803	-	4,097,803	-	4,097,803
Improvements	688,854		688,854		688,854
Equipment	1,014,966		1,014,966		1,014,966
Totals at historical cost	7,524,961	-	7,524,961	-	7,524,961
Less: accumulated depreciation	(4,198,757)	(178,749)	(4,377,506)	(179,306)	(4,556,812)
Net capital assets	$ 3,326,204	$ (178,749)	$ 3,147,455	$ (179,306)	$ 2,968,149

Debt Administration – At year end, the Authority had bond and note principal outstanding of $1,606,874 relating to the 38th Street Parking Deck. More detailed information about the Authority's debt is presented in Notes 7 and 8 to the financial statements.

The following table summarizes the capital debt as of November 30, 2014, 2013 and 2012:

	2014	2013	2012
Notes payable	$ 2,674	$ 2,674	$ 2,674
2006 Bond issue	1,604,200	1,793,700	1,974,600
Total debt	$ 1,606,874	$ 1,796,374	$ 1,977,274
Due within one year	$ 198,500	$ 189,500	$ 180,900
Long term portion	1,408,374	1,606,874	1,796,374
Total debt	$ 1,606,874	$ 1,796,374	$ 1,977,274

Contacting the Authority's Financial Management

This financial report is designed to provide the City's citizens, 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)
COMPARATIVE STATEMENT OF NET POSITION
NOVEMBER 30, 2014 AND 2013

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 470,247	$ 318,640
Accounts receivable	103,212	111,696
Total current assets	573,459	430,336
Noncurrent assets:		
Capital assets:		
Land	1,723,338	1,723,338
Improvements and equipment, net	1,244,811	1,424,117
Total noncurrent assets	2,968,149	3,147,455
Total assets	$ 3,541,608	$ 3,577,791
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable	$ 356,926	$ 387,326
Due to the City of Union City	232,100	-
Accrued compensated absences	63,132	60,648
Accrued interest on bond	25,399	28,400
Bond payable due within one year	198,500	189,500
Total current liabilities	876,057	665,874
Long-term liabilities:		
Bond payable	1,405,700	1,604,200
Notes payable	2,674	2,674
Total long-term liabilities	1,408,374	1,606,874
Total liabilities	2,284,431	2,272,748
Net position:		
Invested in capital assets, net of related debt	1,363,949	1,353,755
Unrestricted	(106,772)	(48,712)
Total net position	1,257,177	1,305,043
Total liabilities and net position	$ 3,541,608	$ 3,577,791

See independent auditor's report and accompanying notes to the 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 REVENUES, EXPENSES
AND CHANGE IN NET POSITION
NOVEMBER 30, 2014 AND 2013

	2014	2013
Operating revenues:		
Parking meters	$ 1,232,676	$ 1,254,494
Parking permits	421,323	437,580
Surcharge	232,341	262,019
Rental income	30,000	30,350
Miscellaneous income	29,573	93,960
Total operating revenues	1,945,913	2,078,403
Operating expenses:		
Salaries and wages	798,937	841,217
Payroll taxes	61,458	63,312
Employee benefits	236,233	260,145
PERS annual appropriation	61,742	75,736
Office	65,412	45,636
Lease fee (10% 6th lot)	-	1,761
Uniform	5,453	6,099
Meter repairs and maintenance	15,361	26,996
General repairs and maintenance	41,057	40,369
Vehicle maintenance	10,508	6,712
Parking lot maintenance	17,137	2,078
Utilities	42,716	52,257
Snow removal	17,490	2,450
Insurance	201,968	205,714
Legal fees	53,275	48,223
Accounting fees	64,029	56,800
Other professional fees	33,835	9,022
Advertising	3,485	2,211
Depreciation	179,306	178,749
Total operating expenses	1,909,402	1,925,487
Operating income	36,511	152,916
Non-operating revenue (expense):		
Interest income from investments	306	621
Accrual of compensated absences	(2,484)	66,774
Interest expense	(82,199)	(90,929)
Accrual of pension liability for part time employees added to pension system as per State of New Jersey	-	(178,003)
Cost of issuance on prior year debt	-	(80,800)
Amortization of debt issuance cost	-	(6,600)
Total non-operating revenue (expense)	(84,377)	(288,937)
Change in net position	(47,866)	(136,021)
Net position, beginning of year	1,305,043	1,441,064
Net position, end of year	$ 1,257,177	$ 1,305,043

See independent auditor's report and accompanying notes to the 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
NOVEMBER 30, 2014 AND 2013

	2014	2013
Cash flows from operating activities:		
Customer parking fee receipts	$ 1,653,999	$ 1,692,074
Ticket surcharge receipts	218,180	265,402
Other receipts	78,127	102,345
Payments to employees	(799,818)	(841,217)
Payments to vendors	(956,587)	(1,129,987)
Net cash provided (used) by operating activities	193,901	88,617
Cash flows from capital and related financing activities:		
Principal paid on bonds		(180,900)
Interest paid on bonds	(42,600)	(93,794)
Net cash (used) by capital and related financing activities	(42,600)	(274,694)
Cash flows from investing activities:		
Investments returned	-	305,674
Interest received from investments	306	621
Net cash provided (used) by investing activities	306	306,295
Increase(Decrease) in cash and cash equivalents	151,607	120,218
Cash and cash equivalents at beginning of year	318,640	198,422
Cash and cash equivalents at end of year	$ 470,247	$ 318,640
Reconciliation of operating (loss) income to net cash provided by operating activities		
Operating income	$ 36,511	$ 152,916
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation expense	179,306	178,749
(Increase)/decrease in accounts receivable	8,484	(18,592)
(Decrease)/increase in accounts payable	(30,400)	(224,456)
Net cash provided by operating activities	$ 193,901	$ 88,617

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

1. AUTHORIZING LEGISLATION AND BOND RESOLUTION

The Parking Authority of the City of Union City (the "Authority"), a Component Unit of the City of Union City (the "City"), County of Hudson, State of New Jersey, was created by virtue of an ordinance adopted by the Board of Commissioners of 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. 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, ("DLGS").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standard Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements, which may conflict with or contradict GASB pronouncements, in which case, GASB prevails.

In 2013, the Authority implemented GASB 65, "Items Previously Reported as Assets and Liabilities". As a result of implementation, the Authority was required to expense previously reported deferred outflows of resources. Therefore prior debt issuance costs were fully expensed in 2013.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the financial activities for the year ended November 30, 2014.

B. Basis of Financial Statements

The Authority's financial statements have been prepared on the accrual basis of accounting in accordance with GAAP. All revenues other than nonrecurring miscellaneous revenues are recorded as operating revenues. The Authority applies all GASB pronouncements as well as all FASB statements 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)

C. 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. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

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

D. Budgets and Budgetary Accounting

The DLGS 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 DLGS per N.J.S.A. 40A:4 et. seq.

E. Allowance for Doubtful Accounts

Management has reviewed all accounts receivable at November 30, 2014 and 2013 and determined that no allowance was necessary.

F. Cash, Cash Equivalents and Investments

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 3.

G. Inventory

Purchases of materials and supplies are expensed when purchased. The Authority does not maintain an inventory of these purchases.

H. 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.

I. 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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Income Taxes

The Authority is exempt from Federal incomes taxes under IRC Section 115 and from State income taxes under N.J.S.A. 27:25-16. Accordingly, no provision is recorded for Federal and State incomes taxes.

L. 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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A: 5-15.1(a) that are treated as cash equivalents. As of November 30, 2014 and 2013, $0 of the Authority's bank balance of $473,001 and $356,581, respectively, was exposed to custodial credit risk.

Investments

Interest Rate Risk. 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 increasing interest rates. However, New Jersey Statutes 40A: 5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A: 5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The Authority places no limit on the amount the Authority may invest in any one issuer. As of November 30, 2014 and 2013, the Authority had no investments.

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 10 years of service. Employees who retire at or after age 55 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, 2014, 2013, and 2012 were 6.92%, 6.78% and 6.64% of the eligible employees' base wage, respectively. Employers are required to contribute at an actuarially determined rate. Annual pension costs for the years ended November 30, 2014, 2013 and 2012 were $61,742, $75,736 and $90,359, respectively. Employees hired after May 22, 2006 (or made full-time employee after that date) are entitled to receive lifetime health benefits at retirement and after completion of 25 years of employment as a full-time permanent employee and enrolled in the PERS.

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.

B. Capital Asset activity for the year ended November 30, 2014 was as follows:

	November 30, 2013	Additions	November 30, 2014
Land	$ 1,723,338	$ -	$ 1,723,338
Parking deck	4,080,678	-	4,080,678
Meters	696,973	-	696,973
Vehicles	163,933	-	163,933
Machinery and equipment	154,577	-	154,577
Computer software	17,029	-	17,029
Leasehold improvements	67,236	-	67,236
Parking lot improvements	621,197	-	621,197
Total	7,524,961	-	7,524,961
Less: Accumulated Depreciation	(4,377,506)	(179,306)	(4,556,812)
Net capital assets	$ 3,147,455	$ (179,306)	$ 2,968,149

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. ACCOUNT PAYABLE

Accounts payable to vendors for the years ended November 30, 2014 and 2013 was $589,025 and $387,326, respectively.

7. NOTES PAYABLE

The balance of $2,674 at November 30, 2014 and 2013 represents non-interest bearing notes of the Authority.

8. LONG-TERM LIABILITIES

Bond Payable

On October 1, 1996, the Authority, the City and the Hudson County Improvement Authority, (the "HCIA"), 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 Deutsche Bank Company. 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. In 2012, the remaining balance of $97,247.32 was expensed in full as per GASB No. 65.

8. LONG-TERM LIABILITIES (Continued)

Changes to long-term debt as follows:

Description	Total Debt November 30, 2013	Decreased	Total Debt November 30, 2014	Due Within One Year	Long Term Debt
Bond (Private Placement)	$ 1,793,700	$ 189,500	$ 1,604,200	$ 198,500	$ 1,405,700
Note Payable	2,674	-	2,674	-	2,674
	$ 1,796,374	$ 189,500	$ 1,606,874	$ 198,500	$ 1,408,374

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
2015	$ 198,500	$ 76,200	$ 274,700
2016	208,000	66,771	274,771
2017	217,800	56,891	274,691
2018	228,200	46,545	274,745
2019-2021	751,700	72,518	824,218
Totals	$ 1,604,200	$ 318,925	$ 1,923,125

9. 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 the City and employees of the City and other governmental agencies.

10. 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, 2011 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, 2014 and 2013 were $232,341 and $262,019, respectively.

11. 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, 2014 and 2013 were $30,000 and $30,350, 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, 2014.

12. NET POSITION

Net position represents the difference between the Authority's position and liabilities. Net positions are categorized into three components:

Invested in capital assets and leasehold interest, net of related debt: This component of net position 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 position are reported as restricted when constraints are placed on the use of the net position by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

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

12. NET POSITION (Continued)

	2014	2013
Invested in Capital Assets, net of related debt		
Net Capital Assets	$ 2,968,149	$ 3,147,455
Bond Payable	(1,604,200)	(1,793,700)
	1,363,949	1,353,755
Unrestricted	(106,772)	(48,712)
TOTAL NET POSITION	$ 1,257,177	$ 1,305,043

13. CONTINGENCIES

Accumulated 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, in accordance with GASB No. 16 "Accounting for Compensated Absences", 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, 2014 and 2013, $63,132 and $60,648, respectively.

Litigation

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

14. 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.

15. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through March 15, 2015, which is the date the financial statements were available to be issued.

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 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
NOVEMBER 30, 2014 AND 2013

	2014 Budget	2014 Actual
Revenues:		
Parking meter revenues	$ 1,255,000	$ 1,232,676
Parking permit revenues	615,000	421,323
Surcharge revenues	265,000	232,341
Rental income	30,000	30,000
Interest income from investments	1,000	306
Storage income	18,000	29,573
Anticipated budget deficit	168,500	-
Total revenues	2,352,500	1,946,219
Expenses:		
Salaries and wages	950,000	798,937
Payroll tax	95,000	61,458
Employee benefits	350,000	236,233
PERS appropriation	150,000	61,742
Office	35,000	47,791
Uniform	-	5,453
Meter repairs and maintenance	18,000	15,361
General repairs and maintenance	20,000	41,057
Vehicle maintenance	15,000	10,508
Parking lot maintenance	5,000	17,137
Utilities	60,000	42,716
Snow removal	9,799	17,490
Insurance	225,000	201,968
Legal fees	70,000	53,275
Accounting fees	60,000	64,029
Other professional fees	10,000	630
Advertising	5,000	3,485
IT services	-	30,325
Miscellaneous	-	20,501
Debt Service	274,701	82,199
Total Expenses	$ 2,352,500	1,812,295
Adjustments - GAAP basis:		
Revenues less expenses		133,924
Accrual of compensated absences		(2,484)
Depreciation and amortization		(179,306)
Net (decrease)/increase in net position - GAAP basis		$ (47,866)

See independent auditor's report and accompanying notes to the 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 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
NOVEMBER 30, 2014 AND 2013

	2013 Budget	2013 Actual
Revenues:		
Parking meter revenues	$ 1,250,000	$ 1,254,494
Parking permit revenues	500,000	437,580
Surcharge revenues	240,000	262,019
Rental income	30,000	30,350
Interest income from investments	1,000	621
FEMA payments and miscellaneous income	18,000	93,960
Anticipated budget deficit	80,000	-
Total revenues	2,119,000	2,079,024
Expenses:		
Salaries and wages	900,000	841,217
Payroll tax	81,000	63,312
Employee benefits	350,000	260,145
PERS appropriation	100,000	75,736
Office	45,000	47,397
Uniform	-	6,099
Meter repairs and maintenance	18,000	26,996
General repairs and maintenance	20,000	40,369
Vehicle maintenance	10,000	6,712
Parking lot maintenance	5,000	2,078
Utilities	60,000	52,257
Snow removal	25,000	2,450
Insurance	250,000	205,714
Legal fees	60,000	48,223
Accounting fees	70,000	56,800
Other professional fees	15,000	9,022
Advertising	10,000	2,211
Interest	100,000	90,929
Total expenses	$ 2,119,000	1,837,667
Adjustments - GAAP basis:		
Revenues less expenses		241,357
Accrual of compensated absences		66,774
Accrual of pension liability for part time employees added to pension system as per State of New Jersey		(178,003)
Cost of issuance on prior year debt		(80,800)
Depreciation and amortization		(185,349)
Net (decrease)/increase in net position - GAAP basis		$ (136,021)

See independent auditor's report and accompanying notes to the 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)
SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH, CASH EQUIVALENTS
AND INVESTMENTS - UNRESTRICTED
NOVEMBER 30, 2014

Balance as of November 30, 2013		
Cash, cash equivalents and investments	$	318,640
Increased by receipts:		
Parking receipts		1,787,908
Interest receipts		306
Other receipts		193,325
Total receipts		1,981,539
Decreased by disbursements:		
Operating disbursements		1,787,332
Bond principal paid		-
Interest paid		42,600
Total disbursements		1,829,932
Balance as of November 30, 2014		
Cash, cash equivalents and investments	$	470,247

See independent auditor's report and accompanying notes to the 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)
SCHEDULE OF COST OF REAL PROPERTY
NOVEMBER 30, 2014

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

See independent auditor's report and accompanying notes to the 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)
SCHEDULE OF OPERATING REVENUES BY LOCATION
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Meter Revenues:										
Bagged Meters	$ 5,820	$ 12,850	$ 11,678	$ 17,687	$ 9,680	$ 3,636	$ 9,360	$ 7,275	$ 12,345	$ 9,750
32nd Street Meters	53,459	55,272	56,672	54,821	62,431	62,511	62,060	72,228	57,057	60,784
35th-36th Street Lot	26,232	33,295	29,343	28,884	40,480	35,616	30,530	31,115	32,298	30,780
36th-37th Street Lot	28,190	27,244	29,129	29,419	31,950	29,811	23,153	21,940	24,802	27,812
Kennedy Blvd. Meters	33,335	37,435	36,778	32,475	39,561	40,399	37,986	36,181	35,743	34,798
41st-42nd Street Lot	34,475	33,915	42,440	36,533	35,859	38,890	37,448	40,485	44,758	43,049
48th Street Meters	68,137	69,505	67,361	70,670	77,799	84,758	77,552	71,769	73,630	65,055
New York Avenue Meters	76,982	57,830	75,142	76,845	84,233	88,443	87,862	87,339	89,921	91,047
Side Street Meters	237,508	248,261	241,823	240,222	260,707	271,155	271,384	283,410	290,877	285,471
Upper Bergenline Avenue Meters	162,881	165,126	160,813	169,291	182,314	190,874	188,585	192,661	178,641	198,432
Lower Bergenline Avenue Meters	167,433	174,008	164,635	167,945	189,417	194,334	191,985	208,802	212,863	200,076
Tunnel Cut Meters	56,209	53,723	48,413	42,816	55,909	70,479	73,235	72,024	74,433	71,856
Summit Avenue Meters	128,194	138,643	136,750	119,747	149,423	147,944	147,946	148,873	153,957	144,526
47th-48th Street Lot	20,253	20,494	20,219	21,574	21,755	20,260	17,395	17,342	19,376	18,802
44th-45th Street Lot	34,019	34,721	33,811	34,195	36,794	40,250	39,596	40,117	41,778	38,972
8th-10th Street Lot	15,870	15,990	15,671	15,570	21,543	16,607	14,468	14,650	15,690	16,479
37th-38th Street Lot	21,329	23,572	21,865	22,566	3,300	27,107	24,564	25,676	26,862	26,161
Palisades Avenue Meter	1,356	-	-	-	-	-	-	-	-	-
Parking Deck - 38th Street	60,994	52,610	41,821	34,145	27,572	15,971	17,507	23,610	24,426	24,513
Total Meter Revenues	1,232,676	1,254,494	1,234,365	1,215,405	1,330,727	1,379,045	1,352,616	1,395,497	1,409,457	1,388,363
Parking Permits	421,323	437,580	438,672	427,256	422,714	434,034	472,175	449,099	401,964	358,605
Surcharge	232,341	262,019	252,772	275,926	288,503	315,114	349,961	389,660	412,622	407,225
Total Operating Revenues	$ 1,886,340	$ 1,954,093	$ 1,925,809	$ 1,918,587	$ 2,041,944	$ 2,128,193	$ 2,174,752	$ 2,234,256	$ 2,224,043	$ 2,154,193

See independent auditor's report and accompanying notes to the 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)
SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN
NET POSITION - RESTRICTED AND UNRESTRICTED
NOVEMBER 30, 2014

	Unrestricted Funds	Invested in Capital Assets, net of related debt	Total Net Position
Operating revenues:			
Parking revenue	$ 1,653,999	$ -	$ 1,653,999
Ticket revenue	232,341	-	232,341
Other revenue	59,573	-	59,573
	1,945,913	-	1,945,913
Operating expenses:			
Operating expenses	1,730,096	-	1,730,096
Depreciation	-	179,306	179,306
	1,730,096	179,306	1,909,402
Operating income/(loss):	215,817	(179,306)	36,511
Non-operating revenue (expense):			
Interest income from investments	306	-	306
Accrual of compensated absences	(2,484)		(2,484)
Interest (expense)	(82,199)	-	(82,199)
Accrual of pension liability for part time employees added to pension system as per State of New Jersey			-
	(84,377)	-	(84,377)
Payment of bond principal	(189,500)	189,500	-
Change in net position	(58,060)	10,194	(47,866)
Net position - beginning of year	(48,712)	1,353,755	1,305,043
Net position - end of year	$ (106,772)	$ 1,363,949	$ 1,257,177

See independent auditor's report and accompanying notes to the 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)
GENERAL COMMENTS
NOVEMBER 30, 2014

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 $17,500 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 to be requested by public advertisement during the year ended November 30, 2014.

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 $2,625 or more, within the terms of N.J.S.A. 40A:11-6.1.

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 PRIOR YEAR COMMENTS AND RECOMMENDATIONS
NOVEMBER 30, 2014

#13-01 RECOMMENDATION:

That the Authority review and monitor its compliance with the Local Authorities Fiscal Control Law, specifically regarding the following:

1. Submission of introduced annual budget to the Division no later than 60 days prior to the start of the calendar year;
2. Submission of the synopsis of the annual audit to the Division within 10 days after publication in local district newspaper;
3. Submission of resolution/group affidavit regarding board certification of the annual audit to the Local Finance Board, within 45 days of receipt of the audit; and
4. Maintenance of internet website which includes information regarding the Authority's operations and activities.

STATUS:

Partial corrective action has been taken.

Finding #14-1:

Reportable noncompliance with the Local Authorities Fiscal Control Law.

Criteria or specific requirement:

- Local Authorities Fiscal Control Law N.J.S.A. 40A:5A-1 et seq.

- N.J.A.C. 5:31

Condition and Context:

The Authority has failed to comply with the following aspects of the Local Authorities Fiscal Control Law:

1. Pursuant to N.J.S.A. 40A:5A-10 and 11, each authority must submit a budget for each fiscal year to the Director of the Division prior to its adoption thereof, and no authority budget shall be finally adopted until the Director of the Division has approved same. Under current regulations (N.J.A.C. 5:31), the Authority is required to submit its introduced budget to the Division, as approved by majority vote of the board of the authority, no later than 60 days prior to the start of the calendar year, December 1. The 2010, 2011, 2012, 2013, 2014 and 2015 introduced budgets of the Authority were not submitted to the Division on a timely basis.
2. Pursuant to N.J.S.A. 40A:5A-17.1, each authority must maintain an internet website or a webpage on the municipality's or county's website that includes information regarding the authority's operations and activities. The Authority has failed to include the following item:
    a. Adopted budget for current year.

Cause:

The Authority did not monitor the compliance with Local Authorities Fiscal Control Laws, as set forth herein.

Effect:

The Authority is in noncompliance with Local Authorities Fiscal Control Laws.

Recommendation:

That the Authority review and monitor its compliance with the Local Authorities Fiscal Control Law, specifically regarding the following:

1. Submission of introduced annual budget to the Division no later than 60 days prior to the start of the calendar year;
2. Maintenance of internet website which includes information regarding the Authority's operations and activities.

Management's Proposed Action Plan:

The management of the Authority will review and monitor its compliance with the Local Authorities Fiscal Control Laws as indicated above.

Finding #14-2:

The Authority did not obtain a W-9 Form for all vendors that were paid over $600.

Criteria or specific requirement:

Internal Revenue Service (IRS), Publication 1281, Part 10: Form W-9.

Condition and Context:

The Authority has failed to comply with the following aspects of Publication 1281:

1. Pursuant to Publication 1281, the Authority must obtain a W-9 form from all vendors that will be paid in excess of $600 within any year period.

Cause:

The Authority did not monitor the compliance with IRS Publication 1281, as set forth herein.

Effect:

The Authority is in noncompliance with IRS guidelines.

Recommendation:

That the Authority review and monitor its compliance with Publication 1281, specifically regarding the following:

1. The request for all vendors to file a W-9 form with the Authority.

Management's Proposed Action Plan:

The management of the Authority will review and monitor its compliance with the IRS Publication as indicated above.

Finding #14-3:

The Authority did not follow proper purchasing procedures.

Criteria or specific requirement:

N.J.S.A. 40A:5-16

Condition and Context:

The Authority has failed to comply with the following aspects of N.J.S.A. 40A:5-16:

1. Obtain approval to purchase goods and services from certifying official prior to its purchase,
2. Retain all supporting documentation for goods and services provided to the Authority,
3. Obtain a vendor declaration for all goods and services provided to the Authority.

Cause:

The Authority did not monitor the compliance with N.J.S.A. 40A:5-16, as set forth herein.

(Continued)

Finding #14-3 (Continued):

Effect:

The Authority is in noncompliance with N.J.S.A. 40A:5-16.

Recommendation:

That the Authority review and monitor its compliance with N.J.S.A. 40A:5-16.

Management's Proposed Action Plan:

The management of the Authority will review and monitor its compliance with the N.J.S.A. 40A:5-16 as indicated above.