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 FINANCIAL REPORT

AUDIT WITH SUPPLEMENTARY INFORMATION AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022 AND 2021

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

DECEMBER 31, 2022 AND 2021

TABLE OF CONTENTS

INTRODUCTORY SECTION	PAGE
Letter of Transmittal	1-3
Roster of Officials	4
FINANCIAL SECTION	
Independent Auditor's Report	5-7
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*	8-9
Management's Discussion and Analysis	10-14
Financial Statements	
Comparative Statement of Net Position	15
Comparative Statement of Revenues, Expenses and Change in Net Position	16
Comparative Statement of Cash Flows	17
Notes to Financial Statements	18-32
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Authority's Proportionate Net Share of Pension Liability	33
Schedule of Authority's Pension Contributions	34
Schedule of Revenues and Expenses Compared to 2022 Budget	35
Schedule of Revenues and Expenses Compared to 2021 Budget	36
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Cash Receipts, Cash Disbursement and Changes in Unrestricted Cash	37-38
Schedule of Cost of Real Property	39
Schedule of Operating Revenues by Location	40
Schedule of Revenue, Expenses and Changes in Net Position - Restricted and Unrestricted	41-42
Schedule of Prior Year Comments and Recommendations	43
Findings and Recommendations	44-45
General Comments and Recommendations	46

Union City Parking Authority
506-518 38th Street (Rooftop)
Union City, New Jersey 07087
Telephone: (201) 348-5836 • Fax: (201) 866-8523

Lt. Archer Cuellar
A/Executive Director

June 22, 2023

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 comparative 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 December 31, 2022 and 2021.

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 the 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 requires 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 seven members appointed by the Mayor of the City of Union City, with the advice and consent of the City Commissioners. Commissioners of the Authority 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 (the "surcharge") 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 net 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.

Cash Management

The Authority strives to keep abreast of current developments and procedures in cash management to ensure 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, cyber security and theft.

Pension Benefits

All Authority employees participate in the New Jersey Public Employees Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). The PERS is a defined benefit pension plan and is administered by the State of New Jersey Division of Pensions. The DCRP provides members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Participants are required to contribute a statutory amount to the PERS and DCRP.

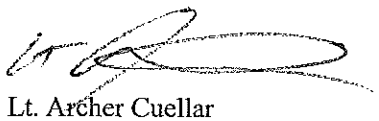
Annual Independent Audit

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 December 31, 2022 and 2021 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 December 31, 2022 and 2021, is 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,



Lt. Archer Cuellar
Acting 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

DECEMBER 31, 2022

Authority Members

Tifphani White, Chairwoman

Benigno Rosario, Vice-chairman

Daisy Rivera, Secretary

Teresa Adams, Commissioner

Omar Chaquor, Commissioner

Ligia Marte, Commissioner

Elsa Leonard, Commissioner

GARBARINI & CO., P.C.
Certified Public Accountants
Registered Municipal Accountants
Licensed Public School Accountants

Office:
70 Grand Ave, Suite 108
River Edge, NJ 07661

Correspondence:
P.O. Box 385
Ho-Ho-Kus, NJ 07423
(201) 933-5566
www.garbarinicpa.com

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying comparative statement of net position of the Union City Parking Authority (the "Authority"), a Component Unit of the City of Union City (the "City"), County of Hudson, State of New Jersey, as of and for the years ended December 31, 2022 and 2021,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.

In our opinion, except for the effects on the 2022 financial statements of not capitalizing certain lease obligations, the financial statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in conformity with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 10 to the financial statements, in the calendar year 2022 the Authority did not adopt accounting guidance GASB Statement No. 87, Leases. Our opinion is modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government 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 inquiries of management about the methods of preparing the information. We then compared the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit. 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.

Supplementary Information

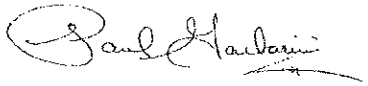
Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

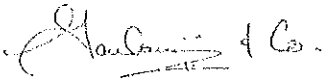
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023 on our consideration of the Authority's internal control over financial reporting and 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.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534



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

River Edge, New Jersey
June 22, 2023

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PREFORMED 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, 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 Union City Parking Authority (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 December 31, 2022 and 2021, and the related statements of activities, cash flows, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing 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. 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 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.

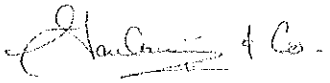
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division and which are described in the accompanying schedule of findings and recommendations as items numbered #22-01 through #22-05.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534



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

River Edge, NJ
June 22, 2023

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
DECEMBER 31, 2022

Management 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, presents with its financial statements this discussion and analysis of the Authority's financial performance during the year ended December 31, 2022. 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 component unit of the City 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, using accounting methods similar to those used by private sector companies. 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 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 Statement of Revenues, Expenses and Changes in Net Position shows how the Authority's net position changed during the 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), 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 December 31, 2022, 2021, 2020 (changes in operating revenues/expenses are not presented):

Increase/(Decrease)	December 31, 2022	2021	2020
Total Net Position	$ (594,822)	$ 2,883,138	$ (824,228)
Cash	(970,241)	1,057,126	(199,294)
Net capital assets	(112,852)	(192,323)	(217,598)
Total liabilities	270,022	(1,877,824)	655,645

Year ended December 31, 2022 compared to the period ended December 31, 2021. Net position and cash decreased as the costs of health and liability insurance increased and the City of Union City no longer provides a subsidy. Total liabilities increased by $270,022 due to payables and changes in the pension liability reported under GASB No. 68.

Year ended December 31, 2021 compared to the period ended December 31, 2020. Net position and cash increased as the City of Union City provided American Rescue Plan funds for the funding of payroll. Total liabilities decreased by $1,877,824 due to payables to the City of Union City and also changes in the pension liability reported under GASB No. 68 and the payment of debt.

Financial Analysis of the Authority

The following table summarizes the assets deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of December 31, 2022, 2021, and 2020 (changes in operating revenues/expenses are not presented):

	December 31,			2022	2021
	2022	2021	2020	to 2021	to 2020
Current assets	$ 590,771	$ 1,156,081	$ 36,691	-48.9%	3050.9%
Capital assets	1,732,451	1,845,303	2,037,626	-6.1%	-9.4%
Total assets	2,323,222	3,001,384	2,074,317	-22.6%	44.7%
Deferred Outflows of Resources	165,247	169,129	131,420	-2.3%	28.7%
Current liabilities	547,193	483,268	2,153,378	13.2%	-77.6%
Long-term liabilities	1,056,057	849,960	1,057,674	24.2%	-19.6%
Total liabilities	1,603,250	1,333,228	3,211,052	20.3%	-58.5%
Deferred Inflows of Resources	201,007	558,251	588,788	-64.0%	-5.2%
Net position:					
Invested in capital assets, net of related debt	1,732,451	1,845,303	1,775,327	-6.1%	3.9%
Unrestricted	(1,048,239)	(566,269)	(3,379,431)	-85.1%	83.2%
Total net position	$ 684,212	$ 1,279,034	$ (1,604,104)	-46.5%	179.7%

Year ended December 31, 2022 compared to the period ended December 31, 2021. The decrease in current assets of 48.9% was the result of reduced revenue income and the increase of health and liability insurance. Total liabilities increased by 20.3%, mainly due to an increase in the net pension liability based on GASB 68.

Year ended December 31, 2021 compared to the period ended December 31, 2020. The increase in current assets of 3,050.9% was a result of American Rescue Plan funds issued from the City of Union City. Total liabilities decreased by 58.5%, mainly due to a decrease in payables to the City of Union City.

Operating Activities

The following table summarizes the revenues, expenses and changes in net position for the years ended December 31, 2022, 2021, and 2020.

	2022	2021	2020	2022 to 2021	2021 to 2020
Parking revenues	$ 2,391,436	$ 2,279,200	$ 1,494,172	5%	53%
Rental and miscellaneous revenues	33,075	3,300,035	299,440	-99%	1002%
Total operating revenues	2,424,511	5,579,235	1,793,612	-57%	211%
Non-operating revenues	1,202	36,547	1,050	-97%	3381%
PERS amortization	143,045	262,427	354,397	-45%	-26%
Total revenues	2,568,758	5,878,209	2,149,059	-56%	174%
Operating expenses	(3,050,728)	(2,797,539)	(2,711,790)	9%	3%
Non-operating expenses	(112,852)	(197,532)	(261,497)	-43%	-24%
Total expenses	(3,163,580)	(2,995,071)	(2,973,287)	6%	1%
(Decrease) increase in net assets	(594,822)	2,883,138	(824,228)	-121%	-450%
Net position beginning of year	1,279,034	(1,604,104)	(779,876)	-180%	106%
Net position end of year	$ 684,212	$ 1,279,034	$ (1,604,104)	-47%	-180%

Year ended December 31, 2022 compared to the period ended December 31, 2021. Rental and miscellaneous revenues dramatically decreased due to the American Rescue Plan and subsidy funds being received in 2021. Non-operating expenses decreased in 2022 due to a decline in depreciation expense on aging assets.

Year ended December 31, 2021 compared to the period ended December 31, 2020. Parking revenues were higher in 2021 due to the application of ParkMobile in the parking decks. Rental and miscellaneous revenue increased due to the American Rescue Plan funds and subsidy funds received. Non-operating revenues increased due to a prior year payable.

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 years ended:

	Year Ended December 31 2020	Additions	Year Ended December 31 2021	Additions	Year Ended December 31, 2022
Land	$ 1,723,338	$ -	$ 1,723,338	$ -	$ 1,723,338
Parking deck	4,080,678		4,080,678		4,080,678
Improvements	842,776	5,209	847,985		847,985
Equipment	1,201,167		1,201,167		1,201,167
Totals at historical cost	7,847,959	5,209	7,853,168	-	7,853,168
Less: accumulated depreciation	(5,810,333)	(197,532)	(6,007,865)	(112,852)	(6,120,717)
Net capital assets	$ 2,037,626	$ (192,323)	$ 1,845,303	$ (112,852)	$ 1,732,451

The following table summarizes the capital debt as of December 31, 2022, 2021, and 2020:

	Year Ended: December 31, 2022	Year Ended: December 31, 2021	Year Ended: December 31, 2020
2006 Bond issue	$ -	$ -	$ 262,300
Total debt	$ -	$ -	$ 262,300
Due within one year	$ -	$ -	$ 262,300
Long term portion	-	-	-
Total debt	$ -	$ -	$ 262,300

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 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)
STATEMENT OF NET POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 89,471	$ 1,059,712
Accounts receivable	498,328	96,369
Prepaid lease expense	2,972	-
Total current assets	590,771	1,156,081
Noncurrent assets:		
Capital assets:		
Land	1,723,338	1,723,338
Leasehold improvements and equipment (net of accumulated depreciation of $6,120,720 and $6,007,466 at 12/31/22 and 12/31/21)	9,113	121,965
Total noncurrent assets	1,732,451	1,845,303
Total assets	$ 2,323,222	$ 3,001,384
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	$ 165,247	$ 169,129
LIABILITIES		
Current liabilities:		
Accounts payable	$ 165,199	$ 57,485
Accounts Payable - City of Union City	175,269	268,457
Due to the Union City Board of Education	18,076	14,962
Pension payable	88,245	84,025
Union dues payable	600	600
Accrued compensated absences	99,804	57,739
Total current liabilities	547,193	483,268
Long-term liabilities:		
Net pension liability at current discount rate	1,056,057	849,960
Total long-term liabilities	1,056,057	849,960
Total liabilities	$ 1,603,250	$ 1,333,228
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	$ 201,007	$ 558,251
NET POSITION		
Invested in capital assets, net of related debt	1,732,451	1,845,303
Unrestricted	(1,048,239)	(566,269)
Total net position	$ 684,212	$ 1,279,034

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)
STATEMENTS OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Operating revenues:		
City of Union City subsidy	$ -	$ 3,267,491
Parking meters	1,389,334	1,274,465
Parking permits	412,396	406,007
Surcharge	589,706	598,728
Rental income	33,075	32,106
Miscellaneous income	-	438
Total operating revenues	2,424,511	5,579,235
Operating expenses:		
Salaries and wages	1,628,640	1,656,013
Payroll taxes	145,584	129,357
Employee benefits	305,604	282,273
PERS/DCRP	228,460	118,696
Office	82,064	60,716
Uniform	24,478	18,086
Meter repairs and maintenance	23,199	20,638
General repairs and maintenance	47,596	21,178
Vehicle maintenance	27,779	41,235
Vehicle lease expense	44,859	20,805
Parking lot maintenance	13,710	12,129
Utilities	63,371	60,223
Insurance	298,480	241,277
Legal fees	44,705	42,796
Accounting fees	65,910	64,910
Other professional fees	5,000	5,000
Advertising	1,289	2,207
Total operating expenses	3,050,728	2,797,539
Operating income/(loss)	(626,217)	2,781,696
Non-operating revenue/(expense):		
Interest income from investments	1,202	2,319
Depreciation expense	(112,852)	(197,532)
Cancellation of payable		34,228
PERS amortization	143,045	262,427
Total non-operating revenue/(expense)	31,395	101,442
Change in net position	(594,822)	2,883,138
Net position, beginning of year	1,279,034	(1,604,104)
Net position, end of year	$ 684,212	$ 1,279,034

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
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Cash received from operations	$ 2,715,406	$ 2,309,425
Subsidy from City of Union City	-	3,267,491
Payments to employees and vendors	(3,686,849)	(4,254,618)
Net cash provided (used) by operating activities	(971,443)	1,322,298
Cash flows from capital and related financing activities:		
Bonds payable	-	(262,300)
Interest paid on bonds	-	(5,191)
Net cash (used) by capital and related financing activities	-	(267,491)
Cash flows from investing activities:		
Interest received from investments	1,202	2,319
Net cash provided (used) by investing activities	1,202	2,319
Increase(Decrease) in cash and cash equivalents	(970,241)	1,057,126
Cash and cash equivalents, beginning of year	1,059,712	2,586
Cash and cash equivalents, end of year	$ 89,471	$ 1,059,712
Reconciliation of operating (loss) income to net cash provided by operating activities		
Changes in Net Position	$ (594,822)	$ 2,883,138
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation expense	112,852	197,532
Net Loss/(Gain) on investments	(1,202)	(2,319)
Interest expense	-	5,191
(Increase)/decrease in accounts receivable	(401,959)	(72,264)
(Increase)/decrease in prepaid expenses	(2,972)	-
(Decrease)/increase in accounts payable and overdraft checks	14,526	(1,405,117)
(Decrease)/increase in pension payable	4,220	13,073
(Decrease)/increase in Union City Board of Education payable	3,114	2,281
(Decrease)/increase in accrued compensated absences	42,065	(23,257)
(Increase)/decrease in pension deferred outflows	3,882	(37,709)
(Decrease)/increase in pension liability	206,097	(207,714)
(Decrease)/increase in pension deferred inflows	(357,244)	(30,537)
Net cash provided by operating activities	$ (971,443)	$ 1,322,298

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 seven 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

Accounting Principles

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles in the United States of America (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.

GASB 68, *Accounting and Financial Reporting for Pensions,* is effective beginning with the year ending November 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by the state and local government employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

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 December 31, 2022.

Component Unit

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Component Unit (Continued)

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority has no component units and is a component unit of the City of Union City.

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.

Revenue Recognition

Operating revenues

Operating revenue is recognized when services are performed. The Authority generates revenue by offering daily/hourly parking in its facilities. Patrons have the ability to purchase monthly parking at the Authority garage. The Authority controls all on-street meters within the City limits. By enforcing on-street parking, the Authority issues tickets and collects revenue from enforcement of those tickets. The court then enforces the ticket and pays a portion of the revenue back to the Authority. Rental revenue is earned by leasing space to the United States Postal Service.

Non-operating revenues

Non-operating revenues consist of interest income on assets whose use is limited and gains on sale of capital assets. Interest income is recognized when earned and is accrued if unpaid. Gains on capital assets are recognized when the sale price of the capital asset exceeds the net book value of the asset and are recognized on the date of sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Allowance for Doubtful Accounts

Management has reviewed all accounts receivable at December 31, 2022 and 2021 and determined that no allowance was necessary.

Inventory

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

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 5).

Advertising Costs

Advertising costs are charged to operations when incurred. The Authority does not use direct-response advertising. The Authority's advertising costs are for advertising in the local papers as required to publish meeting dates and requests for bids.

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.

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 Authority'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 N.J. Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2022 and 2021, $0 of the Authority's bank balance of $112,884 and $1,105,974 was exposed to custodial credit risk.

Interest Rate Risk – Investments. The Authority has no 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 - Investments. 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 December 31, 2022 and 2021, the Authority had no investments.

4. RETIREMENT PLANS

Plan Description - All eligible employees of the Authority are covered by the Public Employees' Retirement System, which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (the "Division"). According to the State of New Jersey Administrative Code, all obligations of the system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Summary of Significant Accounting Policies

GASB 68, Accounting and Financial Reporting for Pensions, is effective beginning with the year ending June 30, 2015. The objective of this statement is to improve accounting and financial reporting by state and local governments for pension. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers,* as well as the requirements of Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

Amendments to and further clarification of GASB 68, include GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date,* GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB 67 and 68.,* and GASB 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans.*

4. RETIREMENT PLANS (continued)

Summary of Significant Accounting Policies (continued)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022 and December 31, 2021, the Authority has disclosed a liability of $1,056,057 and $849,960, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020. The Authority's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021. At June 30, 2022, the Authority's proportion was 0.0069977%, which was a decrease of 0.000177% from its proportion measured as of June 30, 2021 of 0.0071748%.

For the period ended December 31, 2022 and 2021, the Authority recognized pension expense of $88,245 and $84,025, respectively. At June 30, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2022		June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 7,622	$ 6,722	$ 13,405	$ 6,085
Changes of assumptions	3,272	158,134	4,427	302,591
Net difference projected and actual earnings on pension plan investments	43,709	36,151		223,902
Changes in proportion and differences between Authority and proportionate share of contributions	110,644		151,297	25,673
Total	$ 165,247	$ 201,007	$ 169,129	$ 558,251

4. RETIREMENT PLANS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Period Ended Dec. 31
2023	$ (90,588)
2024	(46,151)
2025	(22,507)
2026	49,102
2027	(108)
Total	$ (110,252)

Changes in Proportion-The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for the years for the 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

	6/30/2022	6/30/2021
Collective deferred outflows of resources	$ 1,660,772,008	$ 1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability (Non-State-Local Group)	15,219,184,920	11,972,782,878
Authority's portion of net pension liability	1,056,057	849,960
Authority's proportion %	0.6997751000%	0.7174778900%

Actuarial assumptions. The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% – 6.55% based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Postretirement mortality rates were based on the PUB-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

4. RETIREMENT PLANS (continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00 % at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.12%
Non-US Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount rate. The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

4. RETIREMENT PLANS (continued)

Sensitivity of the Collective Net Pension Liability to changes in the discount rate. The following presents the Authority's collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Discount June 30, 2022 Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	$ 1,329,400	$ 1,056,057	$ 824,118

	1% Decrease (6.00%)	June 30, 2021 Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	$ 1,069,958	$ 849,960	$ 663,286

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at https://www.state.nj.us/treasury/pensions/gasb-notices.shtml.

PERS Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements – The contribution policy is set by laws of the State of New Jersey, and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Under provisions of Chapter 78, P.L. 2012, PERS employee pension contribution rate is 7.5% of the employee's salary. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT, CPF, and PAF.

4. RETIREMENT PLANS (continued)

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and was expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial.

Under DCRP, the value of the pension is based on the amount of the contributions made by the employees and employer and through investment earnings. The employee, through options provided under the plan, directs investment of contributions. The employee contribution to DCRP is 5.5% of defined salary and the employer contributes 3%. The employer also makes contributions for eligible members' life insurance and disability coverage under DCRP.

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 years ended December 31, 2022, 2021 and 2020 was as follows:

	Year Ended December 31 2020	Additions	Year Ended December 31 2021	Additions	Year Ended December 31, 2022
Land	$ 1,723,338	$ -	$ 1,723,338	$ -	$ 1,723,338
Parking deck	4,080,678		4,080,678		4,080,678
Improvements	842,776	5,209	847,985		847,985
Equipment	1,201,167		1,201,167		1,201,167
Totals at historical cost	7,847,959	5,209	7,853,168	-	7,853,168
Less: accumulated depreciation	(5,810,333)	(197,532)	(6,007,865)	(112,852)	(6,120,717)
Net capital assets	$ 2,037,626	$ (192,323)	$ 1,845,303	$ (112,852)	$ 1,732,451

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. ACCOUNTS PAYABLE AND PENSION PAYABLE

Accounts payable to vendors as of December 31, 2022 and 2021 was $165,199 and $57,485, respectively. Pension payable to the State of New Jersey as of December 31, 2022 and 2021 was $88,245 and $84,025, respectively.

7. 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, 2022. 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 was being amortized over 20 years. In 2012, the remaining balance of $97,247 was expensed in full as per GASB No. 65.

Changes to long-term debt as follows:

Description	Total Debt December 31, 2020	Decreased	Total Debt December 31, 2021
Bond (Private Placement)	$ 262,300	$ 262,300	$ -

8. 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 for all municipal parking lots, except for the 38th Street parking garage, which is $85 per month. The Authority also issues business permits for $50 per year and employee permits for $50 per year. These permits are for businesses within the City and employees of the City and other governmental agencies.

9. 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 year ended December 31, 2022 and December 31, 2021 was $589,706 and $598,728, respectively.

10. LEASES

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, Leases, which is intended to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, as a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities. The Authority has not adopted this leasing standard.

United States Postal Service

The Authority leased office store facilities to the United States Postal Service. The Post office is currently paying month-to-month and has signed a new agreement with the Authority to commence May 1, 2022. Rental income for the years ended December 31, 2022 and December 31, 2021 was $33,075 and $32,106, respectively.

10. LEASES (continued)

Union City Board of Education

Additionally, the Authority leases a lot located at 601 West Street for the use of citizens of Union City and patrons of businesses in Union City. The lot is owned by the Union City Board of Education. Under the terms of the lease, the Authority will pay the Board 15% of the gross proceeds collected at the lot for the period January 1, 2021 – April 30, 2026. The Authority owes the Board $3,114 and $2,281 for collections during the year ended December 31, 2022 and 2021, respectively. The total owed to the Board under this agreement is $18,076 and $14,962 as of December 31, 2022 and 2021, respectively.

Vehicles

On December 3, 2020, the Authority entered into a 58-month lease agreement with Laurel Mountain Leasing and Financial Services, Inc. for two 2021 Dodge ProMaster vans, two 2021 Ford Broncos, and one 2021 Ford F-250 truck for semi-annual payments of $2,972, to be used by the Authority parking enforcement officers and maintenance workers.

On July 26, 2022, the Authority entered into a five-year lease agreement with Laurel Mountain Leasing and Financial Services, Inc. for three 2022 Ford Bronco vehicles for annual payments of $21,952, to be used by the Authority parking enforcement officers. The Authority was required to make a down payment of 10% upon date of agreement of $9,193.

11. 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 is 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 does not meet the definition of invested in capital assets and leasehold interest, net of related debt or restricted.

	2022	2021
Invested in Capital Assets, net of related debt		
Net Capital Assets	$ 1,732,451	$ 1,845,303
Unrestricted	(1,048,239)	(566,269)
TOTAL NET POSITION	$ 684,212	$ 1,279,034

12. 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 amount accrued for the year ended December 31, 2022 and 2021 was $99,804 and $57,739, 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.

13. RISK MANAGEMENT

The Authority is exposed to various property and casualty risks including property damage caused to any of the Authority's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment or apparatus; liability from the Authority's negligence, including that of its officers, employees and servants and workers' compensation obligations. The Authority holds commercial insurance policies which insure against the risk of loss for all of the above- mentioned claims.
Cyber Security Insurance – The Authority also maintains cyber liability insurance coverage through ACE American Insurance Company - Chubb for protection when claims are made against the Authority for monetary damages arising out of an electronic information security event. The insurance also covers expenses occurring as a result of a privacy crisis management or cyber extortion event.

14. RECENT ACCOUNTING PRONOUNCEMENTS

In January 2020, the Government Accounting Standards Board issued GASB Statement No. 92, *Omnibus.* This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. The Authority does not believe this Statement will have any effect on its financial statements.

In March 2020, the Government Accounting Standards Board issued GASB Statement No. 93, *Replacement of Interbank Offering Rates.* The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* as amended, Statement No. 87, *Leases,* as amended and other accounting and financial reporting implications that result from the replacement of an Interbank Lending Rate ("IBOR"). The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. The Authority does not believe this Statement will have any effect on its financial statements.

14. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

In March 2020, The Government Accounting Standards Board issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in the Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Authority does not believe this Statement will have any effect on future financial statements.

In May 2021, the Government Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that SBITA results in a right-to-use subscription asset--an intangible asset--and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscriptions payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The portions of the statement effect component unit criteria are effective immediately, but the other portions of the Statement will become effective for the Authority in the fiscal year ending January 31, 2023. The Authority does not expect this Statement will have an impact on the financial statements.

14. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 98, *The Annual Comprehensive Financial Report* This Statement establishes the term "annual comprehensive financial report" and its acronym ACFR. That new term and acronym replace "comprehensive annual financial report" and its acronym CAFR in generally accepted accounting principles for state and local governments. This Statement will become effective for the Authority in the fiscal year ending January 31, 2022. The Authority does not expect this Statement will have an impact on the financial statements.

15. SUBSEQUENT EVENTS

Management has reviewed subsequent events through June 22, 2023, which is the date the financial statements are available to be issued. There were no subsequent events that required financial statement adjustment.

PARKING AUTHORITY OF THE CITY OF UNION CITY
LAST TEN FISCAL YEARS ENDED JUNE 30,

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employees' Retirement System (PERS)

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportionate of the net pension liability (asset)	0.69978%	0.71748%	0.00649%	0.00636%	0.00622%	0.00659%	0.00669%	0.01151%	0.02680%	
Authority's proportionate share of the net pension liability (asset)	$ 1,056,057	$ 849,960	$ 1,057,674	$ 1,145,956	$ 1,225,659	$ 1,533,561	$ 1,981,753	$ 2,582,821	$ 5,016,868	
Authority's covered employee payroll	524,407	494,542	501,412	477,540	466,931	457,236	456,087	639,157	668,630	
Authority's proportionate share of net pension liability (asset) as a percentage of its covered -employee payroll	201%	172%	211%	240%	262%	335%	435%	404%	750%	
Plan fiduciary net position as a percentage of the total pension liability (Local)	62.91%	55.35%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

PARKING AUTHORITY OF THE CITY OF UNION CITY
LAST TEN FISCAL YEARS ENDED JUNE 30,
Schedule of Authority Pension Contributions
Public Employees' Retirement System (PERS)

	Fiscal Year Ended June 30,									
	2020	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution*	$ 88,245	$ 84,025	$ 70,952	$ 61,863	$ 61,918	$ 61,030	$ 59,444	$ 98,919	$ 220,899	
Contributions in relation to the contractually required contributions*	(88,245)	(84,025)	(70,952)	(61,863)	(61,918)	(61,030)	(59,444)	(98,919)	(220,899)	
Contributions deficiency (excess)								-	-	
Authority's covered employee payroll	524,407	494,542	501,412	477,540	466,931	457,236	456,087	639,157	668,630	
Contributions as a percentage of covered-employee payroll	16.83%	16.99%	14.15%	12.95%	13.26%	13.35%	13.03%	15.48%	33.04%	

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

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
DECEMBER 31, 2022

	2022 Budget	2022 Actual
Revenues:		
Parking meter revenues	$ 1,600,000	$ 1,389,334
Parking permit revenues	500,000	412,396
Surcharge revenues	600,000	589,706
Lease/rental income	56,500	33,075
Interest income from investments	2,500	1,202
Local subsidy	250,000	-
Total revenues	3,009,000	2,425,713
Expenses:		
Salaries and wages	1,597,000	1,628,640
Payroll tax	-	145,584
Employee benefits	425,600	305,604
PERS/DCRP appropriation	70,000	228,460
Office and uniform expense	160,000	171,202
General repairs and maintenance	340,000	112,284
Vehicle lease expense	-	44,859
Insurance	235,000	298,480
Legal fees	48,000	44,705
Accounting fees	70,000	46,410
Audit fees	7,500	19,500
Insurance and professional development	6,500	5,000
Miscellaneous	49,400	-
Total Expenses	$ 3,009,000	3,050,728
Adjustments - GAAP basis:		
Revenues less expenses		(625,015)
Accrual of pension liability for part time employees		143,045
Depreciation and amortization		(112,852)
Net (decrease)/increase in net position - GAAP basis		$ (594,822)

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 REVENUES AND EXPENSES COMPARED TO BUDGET
DECEMBER 31, 2021

	2021 Budget	2021 Actual
Revenues:		
Parking meter revenues	$ 1,624,080	$ 1,274,465
Parking permit revenues	500,000	406,007
Surcharge revenues	600,000	598,728
Lease/rental income	56,630	32,106
Interest income from investments	-	2,319
Miscellaneous income	-	438
Local subsidy	274,759	3,267,491
Total revenues	3,055,469	5,581,554
Expenses:		
Salaries and wages	1,479,600	1,656,013
Payroll tax	-	129,357
Employee benefits	387,600	282,273
PERS appropriation	66,000	118,696
Office and uniform expense	149,200	141,232
General repairs and maintenance	312,410	95,180
Vehicle lease expense	-	20,805
Insurance	218,900	241,277
Legal fees	44,000	42,796
Accounting fees	64,000	46,410
Audit fees	7,000	18,500
Insurance and professional development	6,000	-
Miscellaneous	46,000	5,000
Debt Service	274,759	-
Total Expenses	$ 3,055,469	2,797,539
Adjustments - GAAP basis:		
Revenues less expenses		2,784,015
Cancellation of payable		34,228
Accrual of pension liability for part time employees		262,427
Depreciation expense		(197,532)
Net (decrease)/increase in net position - GAAP basis		$ 2,883,138

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 UNRESTRICTED CASH
DECEMBER 31, 2022

Cash Balance as of December 31, 2021	$	1,059,712
Increased by receipts:		
Parking receipts		2,681,129
Interest receipts		1,202
Other receipts		33,075
Total receipts		2,715,406
Decreased by disbursements:		
Operating disbursements		3,685,647
Cash Balance as of December 31, 2022	$	89,471
Analysis of Cash Balance		
Cash and cash equivalents	$	89,471
Cash Balance as of December 31, 2022	$	89,471

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 UNRESTRICTED CASH
DECEMBER 31, 2021

Cash Balance as of December 31, 2020	$	2,586
Increased by receipts:		
Parking receipts		2,182,831
Interest receipts		2,319
Other receipts		3,032,544
Total receipts		5,217,694
Decreased by disbursements:		
Operating disbursements		1,160,568
Cash Balance as of December 31, 2021	$	4,059,712
Analysis of Cash Balance		
Cash and cash equivalents	$	1,059,712
Cash Balance as of December 31, 2021	$	1,059,712

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
DECEMBER 31, 2022 AND 2021

Lot Number and Location	Purchase Price 2022	2021
8th - 10th Street Lot:		
720 - 724 8th Street	$ 140,000	$ 140,000
719 - 721 10th Street	76,559	76,559
723 10th Street	47,500	47,500
12th Street Lot	320,000	320,000
25th Street Lot:		
509 25th Street	8,500	8,500
511 25th Street	6,000	6,000
513 25th Street	5,500	5,500
515 25th Street	6,000	6,000
35th - 36th Street Lot:		
516 - 526 35th Street	13,004	13,004
517 - 519 36th Street	32,250	32,250
521 - 527 36th Street	10,251	10,251
36th - 37th Street Lot:		
514 - 518 36th Street	13,042	13,042
520 - 530 36th Street	8,505	8,505
515 - 517 37th Street	12,501	12,501
519 - 527 37th Street	12,342	12,342
37th - 38th Street Lot:		
512 37th Street	52,500	52,500
514 37th Street	72,500	72,500
516 37th Street	33,000	33,000
511- 513 38th Street	83,500	83,500
515 38th Street	90,000	90.000
38th - 39th Street Lot (parking deck):		
506 - 508 38th Street	7,500	7,500
512 - 518 38th Street	48,000	48,000
511 - 517 39th Street	9,002	9,002
41st - 42nd Street Lot:		
510 - 514 41st Street	5,000	5,000
516 41st Street	11,250	11,250
518 41st Street	52,002	52,002
509 - 511 42nd Street	5,000	5,000
513 42nd Street	22,500	22,500
515 42nd Street	43,000	43,000
517 42nd Street	65,000	65,000
44th - 45th Street Lot:		
404 44th Street	70,000	70,000
406 44th Street	16,500	16,500
408 44th Street	26,500	26,500
410 44th Street	35,000	35,000
413 45th Street	100,000	100,000
415 - 417 45th Street	62,000	62,000
47th - 48th Street Lot:		
4705 Bergenline Avenue	20,025	20,025
4707 - 4711 Bergenline Avenue	15,105	15,105
509 48th Street	66,500	66,500
	$ 1,723,338	$ 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 METER, PARKING AND SURCHARGE REVENUES BY LOCATION
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017*	2016	2015	2014	2013
Meter Revenues:										
Street and lot meters	$ 978,076	$ 969,957	$ 697,916	$ 1,064,290	$ 1,060,215	$ 1,310,420	$ 1,207,021	$ 1,209,181	$ 1,171,682	$ 1,201,884
Parking Deck - 38th Street	-	9,687	60,967	98,321	108,625	114,228	72,653	82,373	60,994	52,610
Park mobile	411,258	294,821	182,081	211,234	165,573	148,171	80,717	-	-	-
Total Meter Revenues	1,389,334	1,274,465	940,964	1,373,845	1,334,413	1,572,819	1,360,391	1,291,554	1,232,676	1,254,494
Parking Permits	412,396	406,007	244,807	337,453	366,977	290,766	482,095	380,312	421,323	437,580
Surcharge	589,706	598,728	309,121	599,625	566,150	562,680	237,815	248,183	232,341	262,019
Total	$ 2,391,436	$ 2,279,200	$ 1,494,892	$ 2,310,923	$ 2,267,540	$ 2,426,265	$ 2,080,301	$ 1,920,049	$ 1,886,340	$ 1,954,093

*NOTE: 2017 was reported for a 13 month period due to change of fiscal year end.

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
DECEMBER 31, 2022

	Unrestricted Funds	Invested in Capital Assets, net of related debt	Total Net Position
Operating revenues:			
City of Union City subsidy	$ -	$ -	$ -
Parking and surcharge revenue	2,391,436	-	2,391,436
Other revenue	33,075	-	33,075
	2,424,511	-	2,424,511
Operating expenses:			
Operating expenses	3,050,728	-	3,050,728
	3,050,728	-	3,050,728
Operating income/(loss):	(626,217)	-	(626,217)
Non-operating revenue (expense):			
Interest income from investments	1,202	-	1,202
PERS amortization	143,045		143,045
Depreciation expense		(112,852)	(112,852)
	144,247	(112,852)	31,395
Change in net position	(481,970)	(112,852)	(594,822)
Net position - beginning of year	(566,269)	1,845,303	1,279,034
Net position - end of year	$ (1,048,239)	$ 1,732,451	$ 684,212

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
DECEMBER 31, 2021

	Unrestricted Funds	Invested in Capital Assets, net of related debt	Total Net Position
Operating revenues:			
City of Union City subsidy	$ 3,267,491	$ -	$ 3,267,491
Parking and surcharge revenue	2,279,200	-	2,279,200
Other revenue	32,544	-	32,544
	5,579,235	-	5,579,235
Operating expenses:			
Operating expenses	2,797,539	-	2,797,539
	2,797,539	-	2,797,539
Operating income/(loss):	2,781,696	-	2,781,696
Non-operating revenue (expense):			
Interest income from investments	2,319	-	2,319
Cancellation of prior year payable	29,020	5,208	34,228
PERS amortization	262,427		262,427
Depreciation expense	-	(197,532)	(197,532)
	293,766	(192,324)	101,442
Payment of bond principal	(262,300)	262,300	-
Change in net position	2,813,162	69,976	2,883,138
Net position - beginning of year	(3,379,431)	1,775,327	(1,604,104)
Net position - end of year	$ (566,269)	$ 1,845,303	$ 1,279,034

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 2020 COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2022

20-01 RECOMMENDATION:

That all monies collected must be deposited within 48 hours of receipt.

STATUS:

Corrective action has not been taken.

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2022

Finding #22-01:

The Authority does not maintain a physical inventory of fixed assets according to N.J.A.C. 5:30-5.

Criteria or specific requirement:

N.J.A.C. 5:30-5.

Condition and Context:

The Authority does not maintain a record of physical fixed assets including the addition or deletion of assets.

Cause:

The Authority has not implemented a method to maintain a physical fixed asset ledger.

Effect:

The Authority is in noncompliance with N.J.A.C. 5:30-5.

Recommendation:

That the Authority implement and monitor the physical inventory of fixed assets.

Management's Proposed Action Plan:

The Authority is currently requesting quotes for a complete fixed asset appraisal for the current year. The Authority will also implement an annual update for fixed assets.

Finding #22-02:

Based on our inspection of the purchasing process, there were eighteen (18) instances that price quotations should have been obtained prior to making the purchase.

Criteria:

Contracts and agreements required to be advertised as per N.J.S.A. 40A:11.

Condition/Cause:

Ineffective internal controls over purchasing procedures.

Effect:

There were instances in which insufficient documentation of price quotations was attached to the requisition.

Recommendation:

That the requisition process comply with procedures outlined in the Local Public Contracts Law.

Management's Response:

The Authority will implement an internal control system for all quotes and bids as required by N.J.S.A. 40A:11.

PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2022

Finding #22-03:

Based on our inspection, not all vendors were issued an IRS Form 1099-NEC.

Criteria or specific requirement:

Internal Revenue Service instructions for filing form 1099-NEC to eligible vendors.

Condition and Context:

The Authority has not issued forms 1099-NEC to certain vendors paid in excess of $600.

Cause:

The Authority did not monitor the compliance Form 1099-NEC to certain vendors.

Effect:

The Authority is in noncompliance with IRS guidelines for reporting payments to vendors.

Recommendation:

That the Authority review and monitor reporting of payments made to vendors, specifically regarding the following Federal and New Jersey 1099 forms to vendors reporting annual payments.

Management's Proposed Action Plan:

The management of the Authority will review and monitor its compliance with the IRS and State of New Jersey requirements above.

***Comment #22-04:**

There were several instances that monies were not deposited within 48 hours to comply with N.J.S.A. 40A:5-15.

Recommendation:

That all monies collected must be deposited within 48 hours of receipt.

Management's Response:

The majority of the instances that monies were not deposited within 48 hours was due to the lack of available staffing to support the daily operations of the Authority.

Comment #22-05:

During the examination of purchase orders, the following was noted:

a. There were eight purchase orders unavailable for inspection.
b. 13 out of 25 purchase orders tested were not signed by the Executive Director.
c. 16 out of 25 purchase orders tested were not signed by the vendor.

Recommendation:

That proper purchasing procedures are implemented and maintained for all purchases made by the Authority.

Management's Response:

Purchasing procedures will be implemented and maintained for all purchases made by the Authority.

***Finding repeated from prior year**