

REPORT OF THE AUDIT SYNOPSIS
 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, 2018 AND 2017
 AS REQUIRED BY N.J.S.A. 40A:5A-16.

BALANCE SHEET

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 344,518	\$ 165,225
Leases receivable		2,559
Accounts receivable	87,398	191,851
Total current assets	431,916	359,635
Noncurrent assets:		
Capital assets:		
Land	1,723,338	1,723,338
Improvements and equipment, net	757,360	936,724
Total noncurrent assets	2,480,698	2,660,062
Total assets	2,912,614	3,019,697
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	\$ 983,464	\$ 1,640,110
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 764,495	\$ 586,938
Pension payable	61,918	61,030
Due to the Union City Board of Education	7,194	4,520
Accrued compensated absences	44,180	65,243
Accrued interest on bond	14,877	19,194
Bond payable due within one year	239,000	228,200
Total current liabilities	1,131,664	965,325
Long-term liabilities:		
Pension liability	1,235,659	1,533,561
Bond payable	512,700	751,709
Total long-term liabilities	1,738,359	2,285,270
Total liabilities	2,870,023	3,250,595
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	1,817,622	2,338,756
NET POSITION		
Invested in capital assets, net of related debt	1,728,998	1,680,162
Unrestricted	(2,520,563)	(2,610,697)
Total net position	\$ (791,567)	\$ (930,535)

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

REPORT OF THE AUDIT SYNOPSIS
 PARKING AUTHORITY OF THE CITY OF UNION CITY
 COUNTY OF HUDSON, STATE OF NEW JERSEY
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 FOR THE YEAR ENDED
 DECEMBER 31, 2018
 AS REQUIRED BY N.J.S.A. 40A:5A-16.

STATEMENT OF REVENUES, EXPENSES
 AND CHANGE IN NET POSITION

	12/31/2018
Operating revenues:	
City of Union City subsidy	\$ 274,465
Parking meters	1,334,413
Parking permits	366,977
Surcharge	568,150
Rental income	30,750
Miscellaneous income	130

continued 12/31/2018

Operating revenues:	
Total operating revenues	2,572,885
Operating expenses:	
Salaries and wages	1,267,338
Payroll taxes	122,686
Employee benefits	265,638
PERS annual appropriation	40,324
Office	56,928
Uniform	22,296
Meter repairs and maintenance	20,544
General repairs and maintenance	30,288
Vehicle maintenance	37,649
Parking lot maintenance	5,246
Utilities	69,244
Insurance	235,318
Legal fees	65,043
Accounting fees	63,910
Other professional fees	8,299
Advertising	2,248
Total operating expenses	2,312,999
Operating income	259,886
Non-operating revenue / (expense):	
Interest income from investments	1,521
Depreciation expense	(222,145)
Cancellation of receivable	(2,562)
Cancellation of payable	33,544
PERS amortization	110,472
Interest expense	(41,748)
Total non-operating revenue / (expense)	(120,918)
Change in net position	138,968
Net position, December 31, 2017	(930,535)
Net position, December 31, 2018	\$ (791,567)

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STATEMENT OF CASH FLOWS

	2018
Cash flows from operating activities:	
Cash received from operations	\$ 2,105,240
Subsidy from City of Union City - debt service	274,465
Payments to employees	(1,288,403)
Payments to vendors	(555,284)
Net cash provided (used) by operating activities	496,018
Cash flows from capital and related financing activities:	
Bonds payable	(228,200)
Interest paid on bonds	(46,265)
Net cash (used) by capital and related financing activities	(274,465)
Cash flows from investing activities:	
Cash disbursed for fixed assets	(42,781)
Interest received from investments	1,521
Net cash provided (used) by investing activities	(41,260)
Increase/(Decrease) in cash and cash equivalents	180,293
Cash and cash equivalents, January 1, 2018	164,225
Cash and cash equivalents, December 31, 2018	\$ 344,518

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(continued) **REPORT OF THE AUDIT SYNOPSIS**
PARKING AUTHORITY OF THE CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY
 (A Component Unit of the City of Union City)
FOR THE YEAR ENDED
DECEMBER 31, 2018
 AS REQUIRED BY N.J.S.A. 40A:5A-16.
STATEMENT OF CASH FLOWS

	2018
Reconciliation of change in net position to net cash provided by operating activities	
Change in Net Position	\$ 138,968
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Depreciation expense	222,145
Net loss/(gain) on investments	(1,521)
Interest expense	41,748
(Increase)/decrease in accounts receivable	41,748
(Decrease)/increase in accounts payable	107,012
(Decrease)/increase in pension payable	177,537
(Decrease)/increase in Union City Board of Education payable	888
(Decrease)/increase in accrued compensated absences	2,674
(Decrease)/increase in pension deferred outflows	(21,063)
(Increase)/decrease in pension liability	656,646
(Decrease)/increase in pension deferred inflows	(307,902)
	(521,134)
Net cash provided by operating activities	\$ 496,018

Corrective Action Plan in response to the year ended December 31, 2018 Annual Audit Report

Name of Authority: Union City Parking Authority
 County: Hudson
 Type of Audit: Independent Audit January 1, 2018 - December 31, 2018

FINDINGS AND RECOMMENDATIONS

- FINDING 18-1:** The Authority did not issue several vendors an IRS Form 1099.
- Recommendation:** That the Authority review and monitor reporting of payments made to vendors, specifically regarding the IRS 1099 forms to vendors reporting annual payments.
- Corrective Actions:** The Authority has sent all but two (2) 1099's for 2018. The Authority will review all vendors on an annual basis before issuing 1099's.
- Implementation Date:** Implemented.
- FINDING 18-2:** There were three (3) price quotations over the quotation threshold that the Authority did not receive quotes on.
- Recommendation:** That the Authority obtain quotations for all items over the threshold.
- Corrective Actions:** The Authority make certain that all purchases are reviewed and quotes are obtained as required.
- Implementation Date:** Currently being implemented.

COMMENTS AND RECOMMENDATIONS

- Comment 18-3:** 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.