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, 2025 AND 2024

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, 2025 AND 2024

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Union City Parking Authority

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Detective/Sargeant Ivan Palacios
Executive Director

November 6, 2026

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 annual comprehensive annual financial report (ACFR) of the Parking Authority of the City of Union City (the "Authority") for the years ended December 31, 2025 and 2024.

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 ACFR 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 ACFR 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.

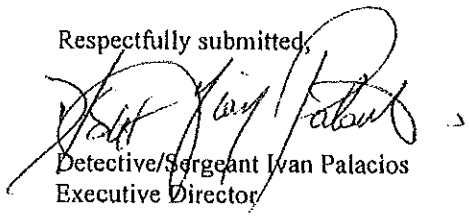
Annual Independent Audit

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, 2025 and 2024 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, 2025 and 2024, are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

Acknowledgments

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

Respectfully submitted,



Detective/Sergeant Ivan Palacios
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, 2025

Authority Members

Tifphani White, Chairwoman

Benigno Rosario, Vice-chairman

Daisy Rivera, Secretary

Teresa Adams, Commissioner

Omar Chaquor, Commissioner

Ligia Marte, Commissioner

Elsa Leonard, Commissioner

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INDEPENDENT AUDITOR'S REPORT

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

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, 2025 and 2024, 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 2025 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, 2025 and 2024, 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 9 to the financial statements, in the calendar year 2025 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 November 6, 2026 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
November 6, 2026

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS 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, 2025 and 2024, and the related statements of activities, cash flows, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2026.

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

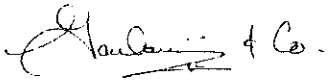
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 #25-01 through #25-02.

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
November 6, 2026

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, 2025

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, 2025. 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, 2025, 2024, 2023 (changes in operating revenues/expenses are not presented):

Increase/(Decrease)	December 31, 2025	2024	2023
Total Net Position	$ (843,874)	$ (1,271,142)	$ (982,344)
Cash	(106,084)	105,058	(79,645)
Net Capital assets	(3,328)	(4,455)	5,854
Total liabilities	679,127	1,216,512	748,766

Year ended December 31, 2025 compared to the period ended December 31, 2024. Net position decreased as the costs of health and liability insurance increased and the City of Union City no longer provides a subsidy. Cash decreased due to the rising costs of personnel, benefits and other operating expenses. Total liabilities increased mainly due to the payable to the City of Union City for health benefits and operating cash advances.

Year ended December 31, 2024 compared to the period ended December 31, 2023. Net position decreased as the costs of health and liability insurance increased and the City of Union City no longer provides a subsidy. The subsidy from the City was for debt held by the Authority, and since the debt was paid off, the subsidy was no longer needed. Cash increased since the Authority has not made any payments against the payable to the City of Union City. Total liabilities increased mainly due to the payable to the City of Union City for health benefits and operating cash advances.

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, 2025, 2024, and 2023 (changes in operating revenues/expenses are not presented):

	December 31,			2025	2024
	2025	2024	2023	to 2024	to 2023
Current assets	$ 130,957	$ 270,659	$ 194,935	-51.6%	38.8%
Capital assets	1,730,522	1,733,850	1,738,305	-0.2%	-0.3%
Total assets	1,861,479	2,004,509	1,933,240	-7.1%	3.7%
Deferred Outflows of Resources	131,737	150,385	215,385	-12.4%	-30.2%
Current liabilities	3,314,183	2,580,950	1,201,483	28.4%	114.8%
Long-term liabilities	933,472	987,578	1,150,533	-5.5%	-14.2%
Total liabilities	4,247,655	3,568,528	2,352,016	19.0%	51.7%
Deferred Inflows of Resources	158,709	155,640	94,741	2.0%	64.3%
Net position:					
Invested in capital assets, net of related debt	1,730,523	1,733,850	1,738,305	-0.2%	-0.3%
Unrestricted	(4,143,671)	(3,303,124)	(2,036,437)	-25.4%	-62.2%
Total net position	$ (2,413,148)	$ (1,569,274)	$ (298,132)	53.8%	-426.4%

Year ended December 31, 2025 compared to the period ended December 31, 2024. The decrease in current assets of 51.6% was the result of a lower cash balance as expenses increased during the year. Total liabilities increased by 19%, mainly due to an increase in accounts payable to the City of Union City.

Year ended December 31, 2024 compared to the period ended December 31, 2023. The increase in current assets of 38.8% was the result of a higher cash balance as payables were not paid down during the year. Total liabilities increased by 51.7%, mainly due to an increase in accounts payable 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, 2025, 2024, and 2023.

	2025	2024	2023	2025 to 2024	2024 to 2023
Parking revenues	$ 3,701,916	$ 2,731,211	$ 2,525,789	36%	8%
Rental and miscellaneous revenues	11,840	18,049	33,075	-34%	-45%
Total operating revenues	3,713,756	2,749,260	2,558,864	35%	7%
Non-operating revenues	47	139	285	-66%	-51%
PERS amortization	27,555	44,275	44,009	-38%	1%
Total revenues	3,741,358	2,793,674	2,603,158	34%	7%
Operating expenses	(4,581,904)	(4,061,609)	(3,578,216)	13%	14%
Non-operating expenses	(3,328)	(4,455)	(6,776)	-25%	-34%
Total expenses	(4,585,232)	(4,066,064)	(3,584,992)	13%	13%
(Decrease) increase in net assets	(843,874)	(1,272,390)	(981,834)	-34%	30%
Net position beginning of year	(1,569,274)	(298,132)	684,212	-426%	144%
Charge to operations	-	1,248	(510)		
Net position end of year	$ (2,413,148)	$ (1,569,274)	$ (298,132)	54%	426%

Year ended December 31, 2025 compared to the period ended December 31, 2024. Parking revenues have increased due to rate increases which became effective in September 2024. Operating expenses increased due to the addition of more parking enforcement officers as well as the increase in insurance premiums.

Year ended December 31, 2024 compared to the period ended December 31, 2023. Parking revenues have increased due to rate increases which became effective in September 2024. Operating expenses increased due to the addition of more parking enforcement officers as well as the increase in insurance premiums. Non-operating expenses decreased due to the parking deck becoming fully depreciated in 2023 while the other assets depreciation expense remained minimal.

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 2023	Additions	Year Ended December 31 2024	Additions	Year Ended December 31, 2025
Land	$ 1,723,338	$ -	$ 1,723,338	$ -	$ 1,723,338
Parking deck	4,080,678		4,080,678		4,080,678
Improvements	847,985		847,985		847,985
Equipment	1,213,797		1,213,797		1,213,797
Totals at historical cost	7,865,798	-	7,865,798	-	7,865,798
Less: accumulated depreciation	(6,127,493)	4,455	(6,131,948)	(3,328)	(6,135,276)
Net capital assets	$ 1,738,305	$ 4,455	$ 1,733,850	$ (3,328)	$ 1,730,522

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, 2025 AND 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 8,800	$ 114,884
Accounts receivable	119,185	155,775
Prepaid lease expense	2,972	-
Total current assets	130,957	270,659
Noncurrent assets:		
Capital assets:		
Land	1,723,338	1,723,338
Leasehold improvements and equipment (net of accumulated depreciation of $6,135,277 and $6,131,950 at 12/31/25 and 12/31/24)	7,184	10,512
Total noncurrent assets	1,730,522	1,733,850
Total assets	$ 1,861,479	$ 2,004,509
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferred outflows	$ 131,737	$ 150,385
LIABILITIES		
Current liabilities:		
Accounts payable	$ 83,274	$ 87,585
Accounts Payable - City of Union City	2,958,912	2,253,500
Due to the Union City Board of Education	14,567	11,087
Pension payable	103,731	98,897
Accrued compensated absences	153,699	129,881
Total current liabilities	3,314,183	2,580,950
Long-term liabilities:		
Net pension liability at current discount rate	933,472	987,578
Total long-term liabilities	933,472	987,578
Total liabilities	$ 4,247,655	$ 3,568,528
DEFERRED INFLOWS OF RESOURCES		
Pension deferred inflows	$ 158,709	$ 155,640
NET POSITION		
Invested in capital assets, net of related debt	1,730,523	1,733,850
Unrestricted	(4,143,671)	(3,303,124)
Total net position	$ (2,413,148)	$ (1,569,274)

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, 2025 AND 2024

	2025	2024
Operating revenues:		
Parking meters	$ 1,936,580	$ 1,582,785
Parking permits	598,879	412,990
Surcharge	1,166,457	735,436
Rental income	-	13,781
Miscellaneous income	11,840	4,268
Total operating revenues	3,713,756	2,749,260
Operating expenses:		
Salaries and wages	2,798,868	2,522,707
Payroll taxes	230,825	212,648
Employee benefits	358,754	289,070
PERS/DCRP	182,783	180,452
Office and uniform expenses	161,154	142,855
Meter repairs and maintenance	105,500	35,890
General repairs and maintenance	85,079	62,813
Vehicle maintenance	47,064	21,081
Vehicle lease expense	51,673	60,590
Utilities	85,155	87,009
Insurance	355,318	329,367
Legal fees	41,095	40,000
Accounting fees	69,910	67,410
Other professional fees	5,000	5,000
Board of Education 6th Street Lot Lease Fee	3,480	2,873
Advertising	246	1,844
Total operating expenses	4,581,904	4,061,609
Operating (loss)	(868,148)	(1,312,349)
Non-operating revenue/(expense):		
Interest income from investments	47	139
Depreciation expense	(3,328)	(4,455)
PERS amortization	27,555	44,275
Total non-operating revenue/(expense)	24,274	39,959
Change in net position	(843,874)	(1,272,390)
Cancelation/(Charge) to operations	-	1,248
Net position, beginning of year	(1,569,274)	(298,132)
Net position, end of year	$ (2,413,148)	$ (1,569,274)

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, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Cash received from operations	$ 4,107,803	$ 2,749,260
Payments to employees and vendors	(4,213,934)	(2,644,341)
Net cash provided (used) by operating activities	(106,131)	104,919
Cash flows from investing activities:		
Interest received from investments	47	139
Net cash provided (used) by investing activities	47	139
Increase(Decrease) in cash and cash equivalents	(106,084)	105,058
Cash and cash equivalents, beginning of year	114,884	9,826
Cash and cash equivalents, end of year	$ 8,800	$ 114,884
Reconciliation of operating (loss) income to net cash provided by operating activities		
Changes in Net Position	$ (843,874)	$ (1,272,390)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation expense	3,328	4,455
Net (Gain) on investments	(47)	(139)
(Increase)/decrease in accounts receivable	36,590	23,390
(Increase)/decrease in prepaid expenses	(2,972)	5,944
(Decrease)/increase in accounts payable	701,101	1,366,925
(Decrease)/increase in pension payable	4,834	(7,267)
(Decrease)/increase in Union City Board of Education payable	3,480	2,872
(Decrease)/increase in accrued compensated absences	23,818	18,185
(Increase)/decrease in pension deferred outflows	18,648	65,000
(Decrease)/increase in pension liability	(54,106)	(162,955)
(Decrease)/increase in pension deferred inflows	3,069	60,899
Net cash provided by operating activities	$ (106,131)	$ 104,919

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,* was 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, 2025.

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, 2025 and 2024 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, 2025 and 2024, $0 of the Authority's bank balance of $38,088 and $133,128 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, 2025 and 2024, 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

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, 2025 and December 31, 2024, the Authority disclosed a liability of $933,472 and $987,578, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. 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, 2025 and 2024. At June 30, 2025, the Authority's proportion was 0.0075900%, which was a decrease of 0.0003533% from its proportion measured as of June 30, 2024 of 0.0079433%.

For the period ended December 31, 2025 and 2024, the Authority recognized pension expense of $103,731 and $98,897, respectively. At June 30, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2025		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 26,615	$ 998	$ 19,783	$ 2,629
Changes of assumptions	147	10,754	1,227	11,236
Net difference projected and actual earnings on pension plan investments	-	77,839	-	45,791
Changes in proportion and differences between Authority and proportionate share of contributions	104,975	69,118	129,523	-
Total	$ 131,737	$ 158,709	$ 150,533	$ 59,656

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:

	Year Ended Dec. 31
2026	$ 47,380
2027	(8,479)
2028	144
2029	280
2030	114
Total	$ 39,439

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 5.15, 5.08, 5.08, 5.04, 5.13, and 5.16 years for the years for the 2025, 2024, 2023, 2022, 2021, and 2020, respectively.

Collective deferred outflows of resources	$ 1,093,964,592	$ 1,079,580,780
Collective deferred inflows of resources	1,921,744,319	1,611,322,898
Collective net pension liability (Non-State-Local Group)	12,404,749,906	13,702,423,985
Authority's portion of net pension liability	933,472	987,578
Authority's proportion %	0.0075900361%	0.0072679880%

Actuarial assumptions. The total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to June 30, 2025. The actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	3.25% – 7.75% based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Postretirement mortality rates were based on the PUB-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

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, 2025) 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, 2025 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.55%
Non-US Developed Market Equity	12.75%	8.77%
International Small CAP Equity	1.25%	8.77%
Emerging Market Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
US Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%

Discount rate. The discount rate used to measure the total pension liability was 7.00% and 7.00% and as of June 30, 2025 and 2024, respectively. 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 100% 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 District's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2025 and 2024, calculated using the discount rate of 7.00% and 7.00% respectively, as well as what the Borough's proportionate share of the 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%)	June 30, 2025 Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	$ 1,215,182	$ 933,472	$ 693,700

	1% Decrease (6.00%)	June 30, 2024 Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	$ 1,285,616	$ 987,578	$ 733,908

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 ten years of service, except for medical benefits that vest after 25 years of service or under disability provisions of PERS. Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 23 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. 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, 2025, 2024 and 2023 was as follows:

	Year Ended December 31 2023	Additions	Year Ended December 31 2024	Additions	Year Ended December 31, 2025
Land	$ 1,723,338	$ -	$ 1,723,338	$ -	$ 1,723,338
Parking deck	4,080,678		4,080,678		4,080,678
Improvements	847,985		847,985		847,985
Equipment	1,213,797		1,213,797		1,213,797
Totals at historical cost	7,865,798	-	7,865,798	-	7,865,798
Less: accumulated depreciation	(6,127,493)	(4,455)	(6,131,948)	(3,328)	(6,135,276)
Net capital assets	$ 1,738,305	$ (4,455)	$ 1,733,850	$ (3,328)	$ 1,730,522

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, 2025 and 2024 was $83,274 and $87,585, respectively. Pension payable to the State of New Jersey as of December 31, 2025 and 2024 was $103,731 and $98,897, respectively.

7. PARKING RATES

The Authority charges meter rates of twenty-five cents per twenty minutes 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 $90 for all municipal parking lots, except for the 38th Street parking garage, which is $100 per month. The Authority also issues business and employee permits for $75 per year. These permits are for businesses within the City and employees of the City and other governmental agencies.

8. INTERLOCAL GOVERNMENT SERVICE AGREEMENT

On February 16, 2000, the Board of Commissioners approved the Authority's participation in an Interlocal Government Service Agreement with the City. Under this agreement the Authority made a residual equity transfer to the City in the amount of $1,000,000 in exchange for previous services rendered and in anticipation of the City providing future services, and monthly surcharge revenues of two dollars per parking ticket processed through the City's Municipal Court. Services to be provided include adequate space for the operation of the Authority until at least January 1, 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, 2025 and December 31, 2024 was $1,166,457 and $735,436, respectively.

9. 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 was paying month-to-month and moved its location during 2024. Rental income for the years ended December 31, 2025 and December 31, 2024 was $0 and $13,781, respectively.

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 $3,480 and $2,872for collections during the year ended December 31, 2025 and 2024, respectively. The total owed to the Board under this agreement is $14,567 and $11,087 as of December 31, 2025 and 2024, 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.

10. 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.

	2025	2024
Invested in Capital Assets, net of related debt		
Net Capital Assets	$ 1,730,522	$ 1,733,850
Unrestricted	(4,143,671)	(3,303,124)
TOTAL NET POSITION	$ (2,413,148)	$ 1,569,274

11. 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, 2025 and 2024 was $153,699 and $129,881, 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.

12. 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 Alliant Insurance Program (APIP) 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.

13. SUBSEQUENT EVENTS

Management has reviewed subsequent events through November 6, 2026, 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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportionate of the net pension liability (asset)	0.00727%	0.00794%	0.00700%	0.00717%	0.00649%	0.00636%	0.00622%	0.00659%	0.00669%	0.01151%
Authority's proportionate share of the net pension liability (asset)	$ 987,578	$ 1,150,533	$ 1,056,057	$ 849,960	$ 1,057,674	$ 1,145,956	$ 1,225,659	$ 1,533,561	$ 1,981,753	$ 2,582,821
Authority's covered employee payroll	594,557	572,550	524,407	494,542	501,412	477,540	466,931	457,236	456,087	639,157
Authority's proportionate share of net pension liability (asset) as a percentage of its covered -employee payroll	166%	201%	201%	172%	211%	240%	262%	335%	435%	404%
Plan fiduciary net position as a percentage of the total pension liability (Local)	68.22%	65.23%	62.91%	55.35%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution*	$ 98,897	$ 106,164	$ 88,245	$ 84,025	$ 70,952	$ 61,863	$ 61,918	$ 61,030	$ 59,444	$ 98,919
Contributions in relation to the contractually required contributions*	(98,897)	(106,164)	(88,245)	(84,025)	(70,952)	(61,863)	(61,918)	(61,030)	(59,444)	(98,919)
Contributions deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered employee payroll	594,557	572,550	524,407	494,542	501,412	477,540	466,931	457,236	456,087	639,157
Contributions as a percentage of covered-employee payroll	16.63%	18.54%	16.83%	16.99%	14.15%	12.95%	13.26%	13.35%	13.03%	15.48%

See independent auditor's report and 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, 2025

	2025 Budget	2025 Actual
Revenues:		
Parking meter revenues	$ 1,868,000	$ 1,936,580
Parking permit revenues	600,000	598,879
Surcharge revenues	650,000	1,166,457
Lease/rental income	60,000	-
Interest income from investments	150	47
Miscellaneous income	-	11,840
Total revenues	3,178,150	3,713,803
Expenses:		
Salaries and wages	1,985,333	2,798,868
Employee benefits	151,878	358,754
General repairs and maintenance	294,000	237,643
Insurance and professional development	305,000	355,318
Office and uniform expense	165,000	161,154
PERS/DCRP appropriation	98,000	182,783
Consultant and professional fees	65,000	51,410
Miscellaneous	49,439	88,881
Legal fees	45,000	41,095
Audit fees	19,500	23,500
Payroll tax	-	230,825
Vehicle lease expense	-	51,673
Total Expenses	$ 3,178,150	4,581,904
Adjustments - GAAP basis:		
Revenues less expenses		(868,101)
Accrual of pension liability for part time employees		27,555
Depreciation and amortization		(3,328)
Net (decrease)/increase in net position - GAAP basis		$ (843,874)

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, 2024

	2024 Budget	2024 Actual
Revenues:		
Parking meter revenues	$ 1,868,000	$ 1,582,785
Parking permit revenues	600,000	412,990
Surcharge revenues	550,000	735,436
Lease/rental income	60,000	13,781
Interest income from investments	2,000	139
Miscellaneous income	-	4,268
Total revenues	3,080,000	2,749,399
Expenses:		
Salaries and wages	1,649,900	2,522,707
Employee benefits	453,710	289,070
General repairs and maintenance	305,000	119,784
Insurance and professional development	235,000	329,367
Office and uniform expense	165,000	225,921
PERS/DCRP appropriation	92,180	180,452
Consultant and professional fees	65,000	51,410
Miscellaneous	49,710	8,660
Legal fees	45,000	40,000
Audit fees	19,500	21,000
Payroll tax	-	212,648
Vehicle lease expense	-	60,590
Total Expenses	$ 3,080,000	4,061,609
Adjustments - GAAP basis:		
Revenues less expenses		(1,312,210)
Accrual of pension liability for part time employees		44,275
Depreciation and amortization		(4,455)
Net (decrease)/increase in net position - GAAP basis		$ (1,272,390)

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, 2025

Cash Balance as of December 31, 2024	$	114,884
Increased by receipts:		
Parking receipts		3,701,916
Interest receipts		47
Other receipts		11,840
Total receipts		3,713,803
Decreased by disbursements:		
Operating disbursements		3,819,887
Cash Balance as of December 31, 2025	$	8,800
Analysis of Cash Balance		
Cash and cash equivalents	$	8,800
Cash Balance as of December 31, 2025	$	8,800

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, 2024

Cash Balance as of December 31, 2023	$	9,826
Increased by receipts:		
Parking receipts		2,731,211
Interest receipts		139
Other receipts		18,049
Total receipts		2,749,399
Decreased by disbursements:		
Operating disbursements		2,644,341
Cash Balance as of December 31, 2024	$	114,884
Analysis of Cash Balance		
Cash and cash equivalents	$	114,884
Cash Balance as of December 31, 2024	$	114,884

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, 2025 AND 2024

Lot Number and Location	Purchase Price 2025	2024
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

	2025	2024	2023	2022	2021	2020	2019	2018	2017*	2016
Meter Revenues:										
Street and lot meters	$ 811,815	$ 779,819	$ 840,049	$ 842,208	$ 854,254	$ 654,839	$ 1,064,290	$ 1,060,215	$ 1,310,420	$ 1,207,021
Parking Deck - 38th Street	147,444	146,191	144,057	135,868	125,390	104,044	98,321	108,625	114,228	72,653
Park mobile	977,321	656,775	491,887	411,258	294,821	182,081	211,234	165,573	148,171	80,717
Total Meter Revenues	1,936,580	1,582,785	1,475,993	1,389,334	1,274,465	940,964	1,373,845	1,334,413	1,572,819	1,360,391
Parking Permits	598,879	412,990	391,560	412,396	406,007	244,807	337,453	366,977	290,766	482,095
Surcharge	1,166,457	735,436	658,236	589,706	598,728	309,121	599,625	566,150	562,680	237,815
Total	$ 3,701,916	$ 2,731,211	$ 2,525,789	$ 2,391,436	$ 2,279,200	$ 1,494,892	$ 2,310,923	$ 2,267,540	$ 2,426,265	$ 2,080,301

*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, 2025

	Unrestricted Funds	Invested in Capital Assets, net of related debt	Total Net Position
Operating revenues:			
Parking and surcharge revenue	$ 3,701,916	$ -	$ 3,701,916
Other revenue	11,840	-	11,840
	3,713,756	-	3,713,756
Operating expenses:			
Operating expenses	4,581,904	-	4,581,904
	4,581,904	-	4,581,904
Operating income/(loss):	(868,148)	-	(868,148)
Non-operating revenue (expense):			
Interest income from investments	47	-	47
PERS amortization	27,555		27,555
Depreciation expense		(3,327)	(3,327)
Purchase of fixed assets			-
	27,601	(3,327)	24,274
Change in net position	(840,547)	(3,327)	(843,874)
Net position - beginning of year	(3,303,124)	1,733,850	(1,569,274)
Charge to operations			-
Net position - end of year	$ (4,143,671)	$ 1,730,523	$ (2,413,148)

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, 2024

	Unrestricted Funds	Invested in Capital Assets, net of related debt	Total Net Position
Operating revenues:			
Parking and surcharge revenue	$ 2,731,211	$ -	$ 2,731,211
Other revenue	18,049	-	18,049
	2,749,260	-	2,749,260
Operating expenses:			
Operating expenses	4,061,609	-	4,061,609
	4,061,609	-	4,061,609
Operating income/(loss):	(1,312,349)	-	(1,312,349)
Non-operating revenue (expense):			
Interest income from investments	139	-	139
PERS amortization	44,275		44,275
Depreciation expense		(4,455)	(4,455)
Purchase of fixed assets			-
	44,414	(4,455)	39,959
Change in net position	(1,267,935)	(4,455)	(1,272,390)
Net position - beginning of year	(2,036,437)	1,738,305	(298,132)
Charge to operations	1,248		1,248
Net position - end of year	$ (3,303,124)	$ 1,733,850	$ (1,569,274)

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

COUNTY OF HUDSON, STATE OF NEW JERSEY
(A Component Unit of the City of Union City)
SCHEDULE OF PRIOR YEAR COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2025

24-01 RECOMMENDATION:

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

STATUS:

Corrective action has not been taken.

24-02 RECOMMENDATION:

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

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)
GENERAL COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2025

***Comment #25-01:**

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 #25-02:**

During the examination of purchase orders, 7 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.

***Comment repeated from prior year**