

**City of Yonkers Parking Authority and
Government Center Garage**

Combined Financial Statements

with Combining Supplementary Information

Years Ended December 31, 2012 and 2011

**City of Yonkers Parking Authority and
Government Center Garage**

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Independent Auditors' Report

The Board of Directors of the City of Yonkers Parking Authority and Government Center Garage

We have audited the accompanying statements of net position of the City of Yonkers Parking Authority and Government Center Garage ("Authority") as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of December 31, 2012 and 2011 and the respective changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April __, 2013 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
April 10, 2013

Yonkers Parking Authority

Management's Discussion and Analysis (MD&A)
December 31, 2012

Introduction

The management of the Yonkers Parking Authority and Government Center Garage (the "Authority") offers this overview and analysis of the financial activities of the Authority for the year ended December 31, 2012. This document should be read and considered in conjunction with the basic financial statements, which immediately follow this section, in order to enhance the understanding of the Authority's financial performance.

Financial Highlights and Comparative Information

Comparative revenues, expenses and changes in net position are summarized below. Refer to the Authority's basic financial statements for the complete Statement of Activities.

	Years Ended December 31,	
	2012	2011
Operating Revenues	\$ 5,199,873	\$ 4,993,399
Non-Operating Revenues	10,894	11,866
Total Revenues	5,210,767	5,005,265
Operating Expense	5,700,607	5,067,439
Non-Operating Expense	173,300	135,635
Total Expenses	5,873,907	5,203,074
Increase in Net Position	\$ (663,140)	\$ (197,809)

As of December 31, 2012, total assets reported by the Authority were \$7,076,300 and total liabilities were \$5,439,710. The Authority incurred a decrease in Net Position of \$663,140 for the year ended 2012. The reduction in net position is a result of increased operational expenses (professional fees), as well as personnel costs which include; unused rolled over vacation time (an increase of \$24,000), and an estimated accrued increase in salaries, due to union negotiations as well as the funding of the Executive Director position. Retirement costs in 2012 increased by an estimated \$112,000 compared to the previous year. These figures also include sixty seven thousand (\$67,000) dollars in GASB Statement No. 45 post employment benefit accrued liabilities.

Overview of the Financial Statements

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. The objective of these standards is to enhance the understandability and usefulness of the external financial reports issued by Public Authorities.

The financial statement presentation consists of a *Statement of Net Position*, a *Statement of Activities*, a *Statement of Cash Flows* and accompanying *Notes to Financial Statements*. These statements provide information on the financial position of the Authority and the financial activity and results of its operations during the year. A description of these statements follows:

The Statement of Net Position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating

The Statement of Activities presents information showing the change in the Authority's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement include items that will result in cash received or disbursed in future fiscal periods (e.g., the receipt of amounts due from other governments or the payment accrued for compensated absences).

The Statement of Cash Flows provides information on the major sources and uses of cash during the year. The statement of cash flows portrays net cash provided or used from operating activities, capital and related financing activities and investing activities.

Statement of Net Position (Condensed)

The statement of net position presents the financial position of Authority at the end of its fiscal year. A more detailed Statement of Net Position appears in the Authority's basic financial statements.

	December 31,	
	2012	2011
Current Assets	\$ 2,116,737	\$ 2,205,597
Capital Assets, Net	4,506,212	4,462,641
Other Non-Current Assets	453,351	461,808
Total Assets	7,076,300	7,130,046
Current Liabilities	424,318	475,721
Non-Current Liabilities	5,015,392	4,354,595
Total Liabilities	5,439,710	4,830,316
Net Position	\$ 1,636,590	\$ 2,299,730

Current Assets

Current assets as of December 31, 2012 of \$2,116,737 consist of cash, cash equivalents, short term investments, receivables, prepaids and deposits.

Current Liabilities

Currently liabilities consist mainly of unearned revenues of \$230,270, accrued expenses and taxes of \$145,802. The current portion of bonds payable is \$120,000. The decrease in current liabilities versus the prior year was due primarily to accrued expenses and taxes.

Non-Current Liabilities

The non-current liabilities consist of the amounts due in more than one year for Revenue Bonds Payable and Loan Payable, Compensated Absences and Other Post Employment Benefit Obligations payable. As of December 31, 2012, the non-current portion of loan payable was \$509,063, the non-current portion of bonds payable was \$1,935,811, the non-current portion of the compensated absences was \$134,840 and the GASB Statement No. 45 post employment benefit accrual was \$2,291,377. The total amount of non-current liabilities amounts to \$4,871,091.

Capital Assets, Net

The Authority established the following Capitalization Thresholds effective January 1, 2012 for the following groups of assets:

Office equipment	\$	1,000
Parking lot improvement		5,000
Capital Construction		2,000
Equipment - Other		1,000
Highway & Street Equipment		1,000
Motor vehicles		1,000

Assets that are capitalized will be depreciated over their estimated useful lives. Depreciation will be calculated on the straight-line basis, (with no salvage value), using estimated useful lives as follows:

Land	no depreciation
Office equipment	7 years
Parking lot improvement	40 years
Capital Construction	40 years
Equipment (Office and other)	7 years
Highway and Street Equipment	10 years
Motor vehicles	5 years

This resulted in a depreciation expense for the year ended December 31, 2012 of \$239,195.

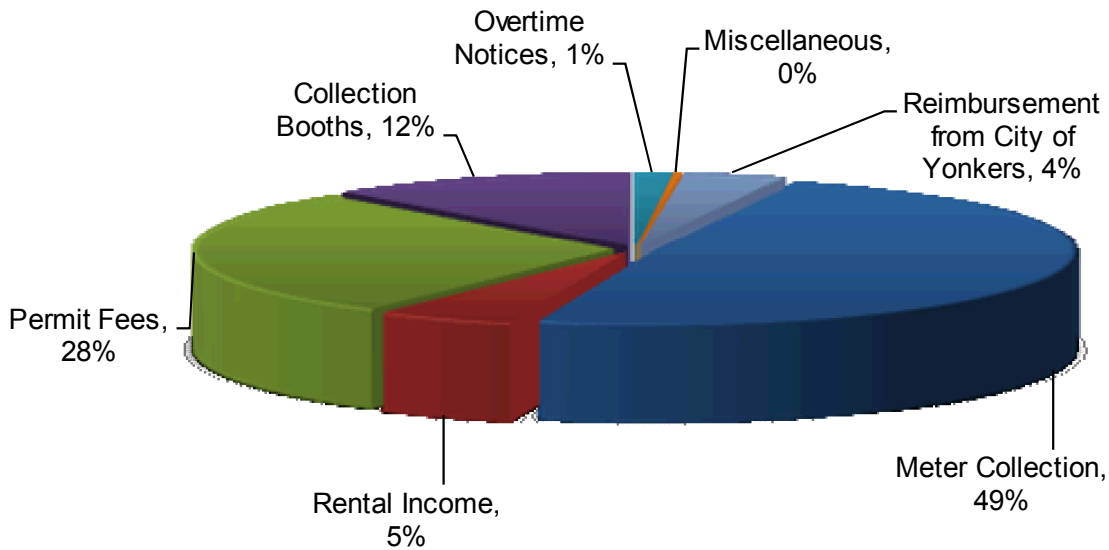
A comparative summary of capital assets is as follows:

	December 31,	
	2012	2011
Capital Assets:		
Land	\$ 698,232	\$ 698,232
Office Equipment	357,623	357,623
Automobile and Trucks	831,059	751,817
Parking Meters and Lot Equipment	2,023,503	1,973,279
Parking Lot and Garage Improvements	<u>5,754,145</u>	<u>5,600,845</u>
 Total Capital Assets	 <u>9,664,562</u>	 <u>9,381,796</u>
Less Accumulated Depreciation:		
Office Equipment	339,182	320,389
Automobile and Trucks	745,995	719,311
Parking Meters and Lot Equipment	1,816,693	1,764,713
Parking Lot and Garage Improvements	<u>2,256,480</u>	<u>2,114,742</u>
 Total Accumulated Depreciation	 <u>5,158,350</u>	 <u>4,919,155</u>
 Net Capital Assets	 <u>\$ 4,506,212</u>	 <u>\$ 4,462,641</u>

Statement of Activities

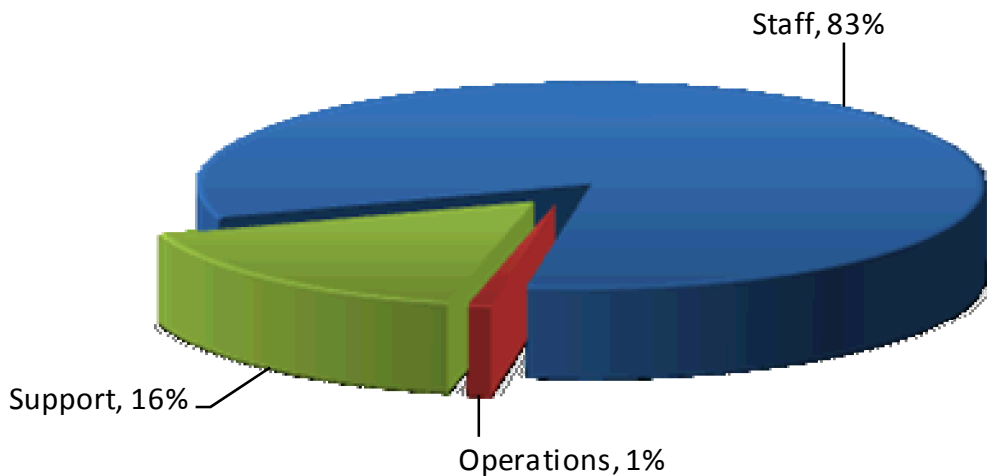
The statement of activities presents the Authority's results of operations. The Authority also includes supplemental information regarding details of revenues and expenses as it relates to the Authority's adopted budget. Refer to the Authority's basic financial statements for the complete listing. Total operating revenues of the Authority, for year ended December 31, 2012 were \$5,199,873.

Revenues 2012



Meter Collection represented 49% of total revenues. Revenues from Permit Fees administered by the Authority represented 28% of total revenues. Collection Booths represented 12% of total revenues. Overtime notices issued by our security personnel generated 1% of our revenues; rental income represented 5% and 4% of operating revenues was a reimbursement from the City of Yonkers.

Expenses 2012



Total expenses for the year were \$5,873,907. Operating expenses totaled \$5,700,607 and non-operating expenses totaled \$173,300. This translates to a total increase in expenses of \$670,833 as compared to expenses from the prior year. Staff Expenses represented 83% of the Authorities costs. Support Expenses represented 16% of total expenses while Operations Expense represented 1%.

Economic Factors that will affect the Future

Downtown Development

The multi-billion dollar Struever Fidelco Cappelli (SFC) development project, approved by the City Council, designed to change the face of the Yonkers downtown area has been stalled in the choke hold of the current economic environment. Consequently, the project's scope has been considerably reduced. Integral to the project are the Authority's three facilities: Getty Square/Chicken Island; Government Center Garage; and the Cacace Center parking facility; that have been earmarked for demolition and the land re-developed into other uses. The facilities, in question, generated over \$640,000 during 2012 representing a significantly large portion of the total revenues realized by the Authority. However, without a written and binding commitment from the City of Yonkers to replace the three facilities with viable parking management agreements for the projected development sites the loss of revenue from these facilities would negatively impact the operation of the Yonkers Parking Authority as it is today.

While the promise of socio-economic rewards associated with economic development of the level and scale envisioned by the Struever Fidelco Cappelli (SFC) project are significant, the Authority must be mindful of its position as well as that of the municipal government. The Yonkers Parking Authority will continue to carry out its mission statement of seeking to accommodate the parking needs of its residents, as well as, promote economic development and commerce within the City of Yonkers coordinating with other agencies and city departments to resolve parking issues, and improving parking convenience.

Larkin River Day – lighting / Warburton Garage

2012 witnessed the much anticipated completion of the day-lighting of the Saw Mill River project at the site of the former Larkin Plaza parking facility. Conversely, as a result of the Larkin Plaza parking facility closure in 2010, the Authority sustained a loss of over \$500,000 in annual revenues. The restoration of on-street parking meters within the Larkin Plaza area is helping to replace much needed meter revenues.

Construction of the Yonkers Larkin Garage, which contains 300 parking spaces, was completed in early 2013. The Authority had anticipated managing the facility as set forth in the engendering legislation of the Yonkers Parking Authority, as well as the Master Agreement with the City of Yonkers, including preliminary meetings with the National Development Council (NDC) and the City of Yonkers concerning the Authority's management of the Yonkers Larkin Garage which was constructed with public and private funding. Initial figures discussed during 2011 with city personnel, and its consultants, indicated that the Authority would operate the facility with an estimated annual personnel budget of \$140,000 and would also receive a management fee of \$60,000. However, management of the Garage was contracted to another entity.

Deteriorating Infrastructure

The physical deterioration of the Authority's facilities requires timely renovation to avoid more costly restorations in the future, whereas long overdue upgrades to the security systems are necessary to enhance operational security. The rolling stock within the Authority's fleet must be replaced to avoid costly repairs and to sustain ongoing operations programs. It is important to note, that the Authority over the past couple of years, has upgraded four vehicles from the fleet and undergone considerable capital improvements within several of our lots. Additionally, automated revenue control systems need upgrades to enhance revenue control procedures. Moreover, the shift from single-space parking meters to multi-space meter systems in targeted facilities will enhance parking operations. Some of these projects were budgeted in the 2012 capital program, but were delayed due to extenuating circumstances.

In order to maintain current levels of service delivery as well as to gauge necessary expenses a capital investment plan is implemented as part of the Authority's sustainment operations. While the Authority has budgeted for a considerable amount of long overdue and necessary capital upgrades in 2012 and subsequently in 2013 budgets; continued uncertainty of a significant portion of our future revenues demands a cautious approach in outlaying the funds for such expenses; necessary though they may be. Past practice indicates the use of reserve funds for capital expenses. However, given the current climate this reserve should be utilized only as an emergency reserve fund.

Economic Recession and Increased Costs

The global economic climate still remains murky. As a result, the Authority's revenues are projected to continue to be impacted negatively. While area businesses continue to struggle, the derivative effects of reduced retail traffic have directly impacted Authority meter revenues. Whereas unemployment still presents a challenge to the socio-economic fiber, parking permit revenues (specifically commuter parking) are projected to remain suppressed.

For a fourth year in a row, the New York State Employees' Retirement System Fund has imposed substantial increases to the employer's contribution to the pension system. However, the Authority has sought to maintain its financial stability by utilizing innovative ideas for increasing revenue.

Ongoing public/private developments throughout Yonkers, especially in the downtown area, promise a bright outlook for the future of the citizens of Yonkers. The projects, in question, will require additional parking resulting in potential new revenues for the Authority and likewise promising a positive outlook to the Authority's future.

Request for Information

This financial report provides a general overview of the Yonkers Parking Authority's fiscal health. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to Joseph Dalli, Deputy Executive Director / Chief Financial Officer, Yonkers Parking Authority, 8 Buena Vista Avenue, Yonkers NY 10701.

City of Yonkers Parking Authority and Government Center Garage

Combined Statements of Net Position
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 458,883	\$ 676,587
Investments	1,231,945	1,219,634
Due from City of Yonkers	208,005	123,803
Accounts receivable	18,340	20,990
Prepaid expenses	198,564	163,583
Deposits	1,000	1,000
Restricted cash	418,798	424,114
Deferred bond fees, net	34,553	37,694
Capital assets		
Not being depreciated	698,232	698,233
Being depreciated, net	3,807,980	3,764,408
	<u>7,076,300</u>	<u>7,130,046</u>
Total Assets		
LIABILITIES		
Accounts payable	48,246	54,171
Accrued expenses and taxes	145,802	53,463
Unearned revenues	230,270	232,181
Non-current liabilities		
Due within one year	144,301	135,906
Due in more than one year	4,871,091	4,354,595
	<u>5,439,710</u>	<u>4,830,316</u>
Total Liabilities		
NET POSITION		
Net investment in capital assets	2,386,388	2,229,134
Unrestricted	(749,798)	70,596
	<u>\$ 1,636,590</u>	<u>\$ 2,299,730</u>
Total Net Position		

See notes to combined financial statements.

City of Yonkers Parking Authority and Government Center Garage

Combined Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Permits, fees and other revenues	\$ 4,999,674	\$ 4,868,245
Reimbursement from City of Yonkers	200,199	125,154
Total Operating Revenues	<u>5,199,873</u>	<u>4,993,399</u>
OPERATING EXPENSES		
Staff	4,725,602	4,207,843
Operations	52,919	48,148
Support	922,086	811,448
Total Operating Expenses	<u>5,700,607</u>	<u>5,067,439</u>
Loss from Operations	<u>(500,734)</u>	<u>(74,040)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	10,894	11,866
Interest expense	<u>(173,300)</u>	<u>(135,635)</u>
Total Nonoperating Expenses	<u>(162,406)</u>	<u>(123,769)</u>
Change in Net Position	(663,140)	(197,809)
Net Position - Beginning of Year	<u>2,299,730</u>	<u>2,497,539</u>
Net Position - End of Year	<u>\$ 1,636,590</u>	<u>\$ 2,299,730</u>

See notes to combined financial statements.

City of Yonkers Parking Authority and Government Center Garage

Combined Statements of Cash Flows
Years Ended December 31,

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from permits, fees and other revenues	\$ 5,000,413	\$ 4,948,921
Reimbursement from City of Yonkers	115,997	69,451
Payments to suppliers	(773,575)	(1,182,422)
Payments to employees	(3,986,232)	(3,647,554)
Net Cash from Operating Activities	<u>356,603</u>	<u>188,396</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(282,766)	(95,935)
Proceeds from loan	-	525,270
Principal paid on loan	(7,906)	-
Interest paid on loan	(45,414)	-
Principal paid on revenue bonds	(115,000)	(105,000)
Interest paid on revenue bonds	(127,120)	(135,635)
Net Cash from Capital and Related Financing Activities	<u>(578,206)</u>	<u>188,700</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	10,894	11,866
Transfer from restricted cash	5,316	-
Purchase of current investments	(1,231,945)	(1,219,634)
Proceeds from sale and maturities of current investments	1,219,634	1,157,818
Net Cash from Investing Activities	<u>3,899</u>	<u>(49,950)</u>
Net Change in Cash and Cash Equivalents	(217,704)	327,146
Cash and Cash Equivalents - Beginning of Year	<u>676,587</u>	<u>349,441</u>
Cash and Cash Equivalents - End of Year	<u>\$ 458,883</u>	<u>\$ 676,587</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (500,734)	\$ (74,040)
Adjustment to reconcile loss from operations to net cash from operating activities		
Depreciation and amortization	242,336	247,017
Changes in operating assets and liabilities		
Due from the City of Yonkers	(84,202)	(55,703)
Accounts receivable	2,650	24,985
Prepaid expenses	(34,981)	(9,266)
Accounts payable	(5,925)	(35,307)
Accrued expenses and taxes	92,339	(523,935)
Unearned revenues	(1,911)	55,691
Compensated absences	20,783	-
Other post employment benefit obligations payable	626,248	558,954
Net Cash from Operating Activities	<u>\$ 356,603</u>	<u>\$ 188,396</u>

See notes to combined financial statements.

City of Yonkers Parking Authority and Government Center Garage

Notes to Combined Financial Statements
Years Ended December 31, 2012 and 2011

Note 1 - Summary of Significant Accounting Policies

Organization

The City of Yonkers Parking Authority ("Authority") was formed in 1964, with an intended life of 35 years, for the purpose of constructing, operating and maintaining the parking facilities in the City of Yonkers, New York ("City"). The termination date has been extended under the Public Authorities Law through the final redemption of any and all revenue bonds. The Authority is a public benefit corporation organized under the laws of the State of New York.

The City constructed a public parking facility known as the Government Center Garage ("Garage"). On November 1, 1978, and by amendment dated December 10, 1979, the City entered into an agreement with the Authority whereby the Authority operates and maintains the Garage. All operating revenues in excess of the Authority's cost of operation are retained by the Authority.

The City constructed a public parking facility known as the Buena Vista Garage ("Buena Vista"). In February 2004, the City entered into an agreement with the Authority whereby the Authority operates and maintains the Garage. If the reimbursable expenses exceed the receipts, then the City will reimburse the Authority. However, if the receipts exceed the reimbursable expenses then this surplus will be remitted to the City.

Basis of Presentation

The accompanying combined financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). These principles define the accounting for the operations of various fund types utilized by governmental entities, including the proprietary fund type which the Authority utilizes. Proprietary funds are described as follows:

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing board is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from the resources of the fund or through the issuance of debt, and such assets and liabilities are recorded in the fund. The Authority applies all applicable Financial Accounting Standards Board ("FASB") guidance in accounting and reporting for its operations.

In accordance with GAAP, the Authority utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

Principles of Combination

The accompanying combined financial statements include the accounts of the Authority, the Garage and Buena Vista. These entities are all under common control. All significant intercompany accounts and transactions have been eliminated in combination.

City of Yonkers Parking Authority and Government Center Garage

Notes to Combined Financial Statements (Continued)
Years Ended December 31, 2012 and 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Data

The Authority's administration prepares a proposed budget for the approval of the Board of Directors.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Capital Assets

Capital assets are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets as follows:

	<u>Years</u>
Office equipment	7
Automobiles and trucks	5
Parking meters and lot equipment	10
Parking lot and garage improvements	40

Expenditures for maintenance and repairs are charged to expense, and renewals and betterments are capitalized. Upon sale or retirement, the cost of the asset and the related accumulated depreciation are removed from the accounts and the resulting gain or loss is included in the results of operations.

Prepaid Expenses

Prepaid expenses consist of costs which have been satisfied prior to the end of the fiscal year, but represents items which will benefit subsequent periods.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements, were available to be issued, which date is April 10, 2013.

Note 2 - Cash and Cash Equivalents, Investments and Risk Disclosures

The Authority's investment policies are governed by New York State statutes. The Authority is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

City of Yonkers Parking Authority and Government Center Garage

Notes to Combined Financial Statements (Continued)
Years Ended December 31, 2012 and 2011

Note 2 - Cash and Cash Equivalents, Investments and Risk Disclosures (Continued)

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Authority has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Authority's name. The Authority's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2012.

Investments consist principally of certificates of deposit with original maturities of greater than three months, and are stated at cost, which approximate fair value. The Authority was only invested in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Note 3 - Capital Assets

Changes in the Authority's capital assets are as follows:

	Balance January 1, 2012	Additions	Balance December 31, 2012
Capital Assets, not being depreciated			
Land	\$ 698,232	\$ -	\$ 698,232
Capital Assets, being depreciated			
Office equipment	\$ 357,623	\$ -	\$ 357,623
Automobiles and trucks	751,817	79,242	831,059
Parking meters and lot equipment	1,973,279	50,224	2,023,503
Parking lot and garage improvements	5,600,845	153,300	5,754,145
Total Capital Assets, being depreciated	8,683,564	282,766	8,966,330

City of Yonkers Parking Authority and Government Center Garage

Notes to Combined Financial Statements (Continued)
 Years Ended December 31, 2012 and 2011

Note 3 - Capital Assets (Continued)

	Balance January 1, 2012	Additions	Balance December 31, 2012
Less Accumulated Depreciation for			
Office equipment	\$ 320,389	\$ 18,793	\$ 339,182
Automobiles and trucks	719,311	26,684	745,995
Parking meters and lot equipment	1,764,713	51,980	1,816,693
Parking lot and garage improvements	2,114,742	141,738	2,256,480
Total Accumulated Depreciation	<u>4,919,155</u>	<u>239,195</u>	<u>5,158,350</u>
Total Capital Assets, being depreciated, net	<u>\$ 3,764,409</u>	<u>\$ 43,571</u>	<u>\$ 3,807,980</u>
Capital Assets, net	<u>\$ 4,462,641</u>	<u>\$ 43,571</u>	<u>\$ 4,506,212</u>

Depreciation expense for the years ended December 31, 2012 and 2011 was \$239,195 and \$243,110 respectively.

Note 4 - Deferred Bond Fees

The Authority incurred fees of \$78,528 in relation to the issuance of revenue bonds. These amounts have been capitalized and are being amortized over the life of the bonds. Amortization expense for each of the years ended December 31, 2012 and 2011 totaled \$3,141. The accumulated amortization for 2012 and 2011 is \$43,975 and \$40,834, respectively.

Note 5 - Long-Term Liabilities

The following table summarizes changes in the Authority's long-term indebtedness for the year ended December 31, 2012:

	Balance January 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2012	Due Within One Year
Revenue bonds payable	\$ 2,180,000	\$ -	\$ 115,000	\$ 2,065,000	\$ 120,000
Unamortized original issue discount	(9,955)	-	(766)	(9,189)	-
	2,170,045	-	114,234	2,055,811	120,000
Other Non-current Liabilities					
Loan Payable	525,270	-	7,906	517,364	8,301
Compensated Absences	130,057	24,003	3,220	150,840	16,000
Other Post Employment Benefit Obligations Payable	1,665,129	758,885	132,637	2,291,377	-
	<u>\$ 4,490,501</u>	<u>\$ 782,888</u>	<u>\$ 257,997</u>	<u>\$ 5,015,392</u>	<u>\$ 144,301</u>

City of Yonkers Parking Authority and Government Center Garage

Notes to Combined Financial Statements (Continued)
Years Ended December 31, 2012 and 2011

Note 5 - Long-Term Liabilities (Continued)

Revenue Bonds

On June 16, 1999, the Authority issued \$3,105,000 of Revenue Bonds, Series 1999 A, maturing through June 15, 2024, bearing interest at rates ranging from 4.3%-6.0%. The bonds were sold at a discount of \$19,145 which is being amortized over 25 years. Amortization expense for each of the years ended December 31, 2012 and 2011 totaled \$766. The bonds are secured by the Authority's net revenue, as defined in the bond indentures. In addition, the Authority is required to meet certain covenants with regard to the ratio of net revenues to annual debt service. These covenants were met in both 2012 and in 2011.

The aggregate annual maturities of revenue bonds outstanding at December 31, 2012 are as follows:

2013	\$	120,000
2014		130,000
2015		135,000
2016		145,000
2017		155,000
2018 and thereafter		<u>1,380,000</u>
		2,065,000
Less unamortized original issue discount		<u>(9,189)</u>
	\$	<u>2,055,811</u>

Cash Restrictions

Upon issuance of the revenue bonds, the indentures required the establishment of a Debt Service Fund and a Debt Service Reserve Fund. For 2012 and 2011 these accounts are funded at \$418,798 and \$424,114, respectively, which is to be maintained with the trustee for the bonds. These amounts have been reflected as restricted cash in the combined statements of net position.

Loans Payable

Loans payable of \$517,364 reported by the Authority as of December 31, 2012 represents a loan from the City of Yonkers as consideration for a permit of use granted by the City. Commencing February 1, 2012, the repayment terms require thirty annual payments of \$34,170, which includes interest at 5% per annum.

The aggregate annual maturities of the loan outstanding at December 31, 2012 are as follows:

2013	\$	8,301
2014		8,716
2015		9,152
2016		9,610
2017		10,090
2018 and thereafter		<u>471,495</u>
	\$	<u>517,364</u>

City of Yonkers Parking Authority and Government Center Garage

Notes to Combined Financial Statements (Continued)
Years Ended December 31, 2012 and 2011

Note 5 - Long-Term Liabilities (Continued)

Compensated Absences

Vacation and personal time not utilized during the year is carried forward to subsequent years. Sick leave may be accumulated to a maximum of 180 days. The Authority, however, is not required to pay accumulated sick leave upon retirement or termination. The Authority has determined that the potential liability for vested or accumulated vacation and personal leave at December 31, 2012 and 2011 was \$150,840 and \$130,057, respectively.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Authority provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Authority may vary according to length of service. The cost of providing post employment health care benefits is shared between the Authority and the retired employee. Substantially all of the Authority's employees may become eligible for those benefits if they reach normal retirement age while working for the Authority. The Authority has recognized revenues and expenses of \$9,317 and \$10,934 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees for the period ending December 31, 2012 and 2011, respectively.

The Authority's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Authority is required to accrue the amounts necessary to finance OPEB as actuarially determined, which is equal to the balance not paid by plan members. Funding for OPEB has been established on a pay-as-you-go basis. The assumed rates of increase in post retirement benefits are as follows:

City of Yonkers Parking Authority and Government Center Garage

Notes to Combined Financial Statements (Continued)
 Years Ended December 31, 2012 and 2011

Note 5 - Long-Term Liabilities (Continued)

<u>Year Ended December 31,</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>	<u>Perscription Drug</u>
2013	8.25 %	7.00 %	7.50 %
2014	7.50	6.50	7.00
2015	7.00	6.00	6.50
2016	6.50	5.75	6.00
2017	6.00	5.50	5.50
2018	5.50	5.25	5.25
2019+	5.00	5.00	5.00

The amortization basis is the level dollar method with an open amortization approach with 26 years remaining in the amortization period. The actuarial assumptions included a 4.25% investment rate of return and a 3% inflation rate. The Authority currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of December 31, 2012 was as follows:

Active Employees	37
Retired Employees	<u>9</u>
Total	<u><u>46</u></u>

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2012	\$ 7,471,067
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability	<u><u>\$ 7,471,067</u></u>
Funded Ratio	<u><u>0.00%</u></u>
Covered Payroll (active plan members)	<u><u>\$ 2,617,000</u></u>
UAAL as a Percentage of Covered Payroll	<u><u>285.48%</u></u>
Annual Required Contribution	\$ 787,356
Interest on Net OPEB Obligation	70,768
Adjustment to Annual Required Contribution	<u>(99,239)</u>
Annual OPEB Cost	758,885
Contributions Made	<u>(132,637)</u>
Increase in Net OPEB Obligation	626,248
Net OPEB Obligation - Beginning of Year	<u>1,665,129</u>
Net OPEB Obligation - End of Year	<u><u>\$ 2,291,377</u></u>

City of Yonkers Parking Authority and Government Center Garage

Notes to Combined Financial Statements (Continued)
 Years Ended December 31, 2012 and 2011

Note 5 - Long-Term Liabilities (Continued)

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding year is as follows:

<u>Fiscal Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 758,885	13.08 %	\$ 2,291,377
2011	655,718	14.76	1,665,129
2010	622,842	10.13	1,106,175

Note 6 - Pension Plans

The Authority participates in the New York State and Local Employees' Retirement System ("System"). This System is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute, and benefits to employees, are governed by the New York State Retirement and Social Security law. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The System is non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to their years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and a regular pension contribution. System contributions for 2012, 2011 and 2010 were \$453,790, \$341,324 and \$269,349 respectively. Contribution rates for the plan's year ending March 31, 2013 and 2012 were as follows:

	<u>Tier</u>	<u>Rate</u>
2013	3	18.6%
	4	18.6
2012	3	15.8
	4	15.8

Note 7 - Unearned Revenues

Unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Authority has reported unearned revenues of \$230,270 and \$232,181 for permit fees received in advance for the years ended December 31, 2012 and 2011, respectively. The Authority amortizes such amounts into income as the permit fees are earned.

City of Yonkers Parking Authority and Government Center Garage

Notes to Combined Financial Statements (Continued)
Years Ended December 31, 2012 and 2011

Note 8 - Commitments and Contingencies

Leases and Permit of Use from New York State

The Authority leased one parking lot on a month-to-month basis at \$1,900 per month, in 2012 and 2011. Rent expense for the years ended December 31, 2012 and 2011 amounted to \$22,800.

Litigation

The Authority is a defendant in lawsuits arising from normal business activities. Management has reviewed pending litigation with legal counsel and believes that those actions are without merit or that the ultimate liability, if any, resulting from these actions will not be material to the combined financial statements.

Risk Management

The Authority purchases various conventional insurance policies to reduce its exposure to loss. The general liability policies maintained provide coverage up to \$1 million per occurrence and \$2 million in the general aggregate. The Authority's public officials' liability policy provides coverage of \$1 million per occurrence and \$1 million in the general aggregate. The Authority maintains a Flea Market general liability which provides coverage up to \$1 million per occurrence and \$2 million in the general aggregate. The Authority also maintains an umbrella liability policy which provides coverage up to \$5 million per occurrence and \$5 million in the general aggregate. Property insurance for fire loss is also maintained for the Authority's buildings and contents. The Blanket limit includes buildings and contents in the amount of \$1,219,489. Total liability coverage is \$9 million per occurrence and \$11 million in the aggregate.

Workers' compensation coverage is secured at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Authority purchases conventional health insurance (New York State Health Insurance Program, NYSHIP) from the New York State Department of Civil Service Employee Benefits Division.

Reimbursement from the City of Yonkers

The Authority is reimbursed for each month's deficits for charges for services and other miscellaneous expenses for the operations of Buena Vista. The balance of the deficit is provided by a contribution from the City. For the years ended December 31, 2012 and 2011, the City has contributed \$200,199 and \$125,154, respectively.

Note 9 - Reclassification

Certain amounts related to compensated absences in the 2011 Non-current liabilities have been reclassified to reflect the 2012 presentation of long term liabilities. The amounts of \$150,840 and \$130,057 in 2012 and 2011 respectively are reported as "Non-current liabilities". In the 2011 financial statements issued these amounts were reported as "Accrued Expenses".

City of Yonkers Parking Authority and Government Center Garage

Required Supplementary Information - Schedule of Funding Progress
 Other Post Employment Benefits
 Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2010	\$ -	\$ 5,139,847	\$ 5,139,847	- %	\$ 2,380,000	215.96 %
January 1, 2011	-	5,619,696	5,619,696	-	2,366,000	237.52
January 1, 2012	-	7,471,067	7,471,067	-	2,617,000	285.48

City of Yonkers Parking Authority and Government Center Garage

Supplementary Information
December 31,

	2012		
	Yonkers Parking Authority	Government Center Garage	Combined
Combining Schedules of Net Position			
ASSETS			
Cash and cash equivalents	\$ 458,133	\$ 750	\$ 458,883
Investments	1,231,945	-	1,231,945
Due (to) from City of Yonkers Parking Authority and Government Center Garage	244,635	(244,635)	-
Due from City of Yonkers	203,805	4,200	208,005
Accounts receivable	17,611	729	18,340
Prepaid expenses	191,906	6,658	198,564
Deposits	1,000	-	1,000
Restricted cash	418,798	-	418,798
Deferred bond fees, net	34,553	-	34,553
Capital assets			
Not being depreciated	698,231	-	698,231
Being depreciated, net	3,763,594	44,387	3,807,981
Total Assets	<u>7,264,211</u>	<u>(187,911)</u>	<u>7,076,300</u>
LIABILITIES			
Accounts payable	40,762	7,484	48,246
Accrued expenses and taxes	141,032	4,770	145,802
Unearned revenues	193,766	36,504	230,270
Non-current liabilities			
Due within one year	142,301	2,000	144,301
Due in more than one year	4,856,711	14,380	4,871,091
Total Liabilities	<u>5,374,572</u>	<u>65,138</u>	<u>5,439,710</u>
NET POSITION			
Net investment in capital assets	2,342,001	44,387	2,386,388
Unrestricted	(705,411)	(44,387)	(749,798)
Total Net Position	<u>\$ 1,636,590</u>	<u>\$ -</u>	<u>\$ 1,636,590</u>

See independent auditors' report.

2011		
Yonkers Parking Authority	Government Center Garage	Combined
\$ 675,837	\$ 750	\$ 676,587
1,219,634	-	1,219,634
265,884	(265,884)	-
109,813	13,990	123,803
20,990	-	20,990
163,583	-	163,583
1,000	-	1,000
424,114	-	424,114
37,694	-	37,694
698,232	-	698,232
3,462,349	302,060	3,764,409
<u>7,079,130</u>	<u>50,916</u>	<u>7,130,046</u>
48,208	5,963	54,171
48,579	4,884	53,463
209,183	22,998	232,181
133,906	2,000	135,906
4,339,524	15,071	4,354,595
<u>4,779,400</u>	<u>50,916</u>	<u>4,830,316</u>
1,927,074	302,060	2,229,134
372,656	(302,060)	70,596
<u>\$ 2,299,730</u>	<u>\$ -</u>	<u>\$ 2,299,730</u>

City of Yonkers Parking Authority and Government Center Garage

Supplementary Information (Continued)
 Years Ended December 31,

	2012						Variance with Final Budget Positive (Negative)
	Adopted Budget	Final Budget	Actual			Combined	
			Yonkers Parking Authority	Buena Vista Garage	Government Center Garage		
COMBINING SCHEDULES OF REVENUES AND EXPENSES							
OPERATING REVENUES							
Meter collections	\$ 2,470,794	\$ 2,470,794	\$ 2,540,879	\$ -	\$ -	\$ 2,540,879	\$ 70,085
Rental income	248,560	248,560	222,638	54,648	-	277,286	28,726
Permit fees	1,575,000	1,575,000	687,539	490,602	302,220	1,480,361	(94,639)
Collection booths	563,000	563,000	191,913	245,683	175,518	613,114	50,114
Overtime notices	97,000	97,000	70,095	-	-	70,095	(26,905)
Miscellaneous	26,000	26,000	17,939	-	-	17,939	(8,061)
Reimbursement from City of Yonkers	-	-	-	200,199	-	200,199	200,199
	<u>\$ 4,980,354</u>	<u>\$ 4,980,354</u>	<u>\$ 3,731,003</u>	<u>\$ 991,132</u>	<u>\$ 477,738</u>	<u>\$ 5,199,873</u>	<u>\$ 219,519</u>
OPERATING EXPENSES							
Staff							
Personnel	\$ 2,561,376	\$ 2,561,376	\$ 1,835,168	\$ 548,523	\$ 259,105	\$ 2,642,796	\$ (81,420)
Employee benefits	920,404	920,404	552,056	188,058	57,765	797,879	122,525
Payroll taxes	204,654	204,654	140,280	43,885	20,724	204,889	(235)
Retirement benefits	427,750	427,750	311,735	96,628	45,427	453,790	(26,040)
Other post employment benefits	-	-	626,248	-	-	626,248	(626,248)
	<u>\$ 4,114,184</u>	<u>\$ 4,114,184</u>	<u>\$ 3,465,487</u>	<u>\$ 877,094</u>	<u>\$ 383,021</u>	<u>\$ 4,725,602</u>	<u>\$ (611,418)</u>
Operations							
Telephone	\$ 31,000	\$ 31,000	\$ 26,841	\$ -	\$ -	\$ 26,841	\$ 4,159
Postage	2,000	2,000	1,697	-	-	1,697	303
Printing	1,000	1,000	-	-	-	-	1,000
Advertising	300	300	622	-	-	622	(322)
Office supplies	19,700	14,700	17,131	6,628	-	23,759	(9,059)
	<u>\$ 54,000</u>	<u>\$ 49,000</u>	<u>\$ 46,291</u>	<u>\$ 6,628</u>	<u>\$ -</u>	<u>\$ 52,919</u>	<u>\$ (3,919)</u>

2011						
Actual						
Adopted Budget	Final Budget	Yonkers Parking Authority	Buena Vista Garage	Government Center Garage	Combined	Variance with Final Budget Positive (Negative)
\$ 2,583,333	\$ 2,583,333	\$ 2,491,389	\$ -	\$ -	\$ 2,491,389	\$ (91,944)
299,642	299,642	245,888	39,026	-	284,914	(14,728)
1,500,000	1,500,000	671,903	452,833	297,547	1,422,283	(77,717)
390,000	230,000	106,458	247,071	201,632	555,161	325,161
95,000	95,000	84,765	-	-	84,765	(10,235)
6,500	6,500	29,733	-	-	29,733	23,233
-	-	-	125,154	-	125,154	125,154
<u>\$ 4,874,475</u>	<u>\$ 4,714,475</u>	<u>\$ 3,630,136</u>	<u>\$ 864,084</u>	<u>\$ 499,179</u>	<u>\$ 4,993,399</u>	<u>\$ 278,924</u>
\$ 2,422,295	\$ 2,422,295	\$ 1,635,978	\$ 494,000	\$ 236,762	\$ 2,366,740	\$ 55,555
739,871	739,871	552,632	144,999	54,592	752,223	(12,352)
193,541	193,541	131,831	38,398	18,373	188,602	4,939
355,472	355,472	236,938	69,637	34,749	341,324	14,148
-	-	558,954	-	-	558,954	(558,954)
<u>\$ 3,711,179</u>	<u>\$ 3,711,179</u>	<u>\$ 3,116,333</u>	<u>\$ 747,034</u>	<u>\$ 344,476</u>	<u>\$ 4,207,843</u>	<u>\$ (496,664)</u>
\$ 34,000	\$ 34,000	\$ 28,593	\$ -	\$ -	\$ 28,593	\$ 5,407
5,500	5,500	1,897	-	-	1,897	3,603
2,500	2,500	835	-	-	835	1,665
4,500	4,500	576	-	-	576	3,924
21,000	21,000	14,012	2,235	-	16,247	4,753
<u>\$ 67,500</u>	<u>\$ 67,500</u>	<u>\$ 45,913</u>	<u>\$ 2,235</u>	<u>\$ -</u>	<u>\$ 48,148</u>	<u>\$ 19,352</u>

(Continued)

City of Yonkers Parking Authority and Government Center Garage

Supplementary Information (Continued)
 Years Ended December 31,

	2012						Variance with Final Budget Positive (Negative)
	Adopted Budget	Final Budget	Actual			Combined	
			Yonkers Parking Authority	Buena Vista Garage	Government Center Garage		
Combining Schedules of Revenues and Expenses (Continued)							
OPERATING EXPENSES							
Support							
Insurance	\$ 91,000	\$ 91,000	\$ 102,363	\$ -	\$ -	\$ 102,363	\$ (11,363)
Utilities	174,600	174,600	60,125	47,196	55,789	163,110	11,490
Professional fees	65,000	65,000	92,477	-	3,500	95,977	(30,977)
Uniforms	9,800	9,800	5,909	2,207	1,067	9,183	617
Fuel	32,000	32,000	31,064	-	-	31,064	936
Rent	22,800	22,800	22,800	-	-	22,800	-
Service agreements	87,000	87,000	47,562	32,879	16,946	97,387	(10,387)
Repairs and maintenance	99,000	102,000	54,647	13,871	8,789	77,307	24,693
Facility maintenance	87,100	89,100	52,159	193	7,167	59,519	29,581
Depreciation and amortization	-	-	213,571	6,247	22,518	242,336	(242,336)
Tuition/board	4,000	4,000	2,050	-	-	2,050	1,950
Bank charges	23,500	23,500	13,068	4,737	-	17,805	5,695
Miscellaneous	2,750	2,750	915	80	190	1,185	1,565
Cooperative agreement expense	-	-	21,249	-	(21,249)	-	-
	<u>\$ 698,550</u>	<u>\$ 703,550</u>	<u>\$ 719,959</u>	<u>\$ 107,410</u>	<u>\$ 94,717</u>	<u>\$ 922,086</u>	<u>\$ (218,536)</u>
NONOPERATING REVENUES (EXPENSES)							
Interest income	\$ 11,000	\$ 11,000	\$ 10,894	\$ -	\$ -	\$ 10,894	\$ 106
Interest expense	(290,224)	(290,224)	(173,300)	-	-	(173,300)	(116,924)
	<u>\$ (279,224)</u>	<u>\$ (279,224)</u>	<u>\$ (162,406)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (162,406)</u>	<u>\$ (116,818)</u>

See independent auditors' report.

2011						
Adopted Budget	Final Budget	Actual			Combined	Variance with Final Budget Positive (Negative)
		Yonkers Parking Authority	Buena Vista Garage	Government Center Garage		
\$ 94,500	\$ 94,500	\$ 90,629	\$ -	\$ -	\$ 90,629	\$ 3,871
202,000	202,000	42,423	52,460	58,416	153,299	48,701
65,000	65,000	25,295	-	-	25,295	39,705
6,900	6,900	5,844	2,906	1,076	9,826	(2,926)
40,000	40,000	21,244	-	-	21,244	18,756
22,800	22,800	22,800	-	-	22,800	-
95,000	95,000	37,099	36,342	8,703	82,144	12,856
52,500	52,500	61,364	13,351	15,475	90,190	(37,690)
118,500	118,500	45,099	-	305	45,404	73,096
229,000	229,000	211,918	8,007	27,092	247,017	(18,017)
2,000	2,000	3,770	-	-	3,770	(1,770)
27,000	27,000	16,416	1,659	-	18,075	8,925
4,750	4,750	1,665	90	-	1,755	2,995
-	-	(43,636)	-	43,636	-	-
<u>\$ 959,950</u>	<u>\$ 959,950</u>	<u>\$ 541,930</u>	<u>\$ 114,815</u>	<u>\$ 154,703</u>	<u>\$ 811,448</u>	<u>\$ 148,502</u>
\$ 8,250	\$ 8,250	\$ 11,866	\$ -	\$ -	\$ 11,866	\$ (3,616)
(303,228)	(303,228)	(135,635)	-	-	(135,635)	(167,593)
<u>\$ (294,978)</u>	<u>\$ (294,978)</u>	<u>\$ (123,769)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (123,769)</u>	<u>\$ (171,209)</u>

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

**The Board of Directors of the
City of Yonkers Parking Authority and
Government Center Garage**

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, the financial statements of the City of Yonkers Parking Authority and Government Center Garage ("Authority") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated April 10, 2013.

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") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
April 10, 2013

**Independent Accountants' Report on Compliance with Section 2925(3)(1)
of the New York State Public Authorities Law**

**The Board of Directors of the
City of Yonkers Parking Authority and
Government Center Garage**

We have examined the Yonkers Parking Authority and Government Center Garage ("Authority") compliance with Section 2925(3)(1) of the New York State Public Authorities Law and Part 201 of Title Two of the New York Code of Rules and Regulations during the year ended December 31, 2012. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States and, accordingly, included examining on a test basis evidence supporting the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2012.

This report is intended solely for the information and use of management, the Board of Directors, officials of the Yonkers Parking Authority and Government Center Garage and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies, LLP
O'Connor Davies, LLP
Harrison, New York
April 10, 2013