

**CITY OF YONKERS PARKING AUTHORITY AND
GOVERNMENT CENTER GARAGE
COMBINED FINANCIAL STATEMENTS
WITH COMBINING SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined statements of net assets of the City of Yonkers Parking Authority and Government Center Garage ("Authority") as of December 31, 2011 and 2010, and the related combined statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These combined financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Authority as of December 31, 2011 and 2010, and the changes in its combined net assets and combined cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that 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.

O'CONNOR DAVIES, LLP

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Our audits were made 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.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

March 18, 2012

**Yonkers Parking Authority
Management's Discussion and Analysis (MD&A)
December 31, 2011**

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, 2011. 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 assets are summarized below. Refer to the Authority's basic financial statements for the complete Statement of Activities.

	Years Ended December 31,	
	2011	2010
Operating Revenues	\$ 4,993,399	\$ 5,610,559
Non-operating Revenues	11,866	7,819
Total Revenues	5,005,265	5,618,378
Operating Expense	5,067,439	5,024,749
Non-Operating Expense	135,635	138,803
Total Expenses	5,203,074	5,163,552
Increase in Net Assets	\$ (197,809)	\$ 454,826

As of December 31, 2011, total assets reported by the Authority were \$7,130,046 and total liabilities were \$4,830,316. The Authority incurred a decrease in Net Assets of \$197,809 for the year ended 2011. The decrease in net assets is due primarily to the affects of increased operational and personnel related costs as well as a decrease in revenues primarily due to the loss of Larkin Plaza in December of 2010 of an estimated \$500,000. However the Authority still maintains an accumulated fund balance of \$2,299,730.

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 Assets*, 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 Assets presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets during the most recent fiscal year. All changes in net assets 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 Assets (Condensed)

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

	December 31,	
	2011	2010
Current Assets	\$ 2,205,597	\$ 1,776,651
Capital Assets, Net	4,462,641	4,609,816
Other Non-Current Assets	461,808	464,949
Total Assets	7,130,046	6,851,416
Current Liabilities	592,778	1,078,423
Non-Current Liabilities	4,237,538	3,275,454
Total Liabilities	4,830,316	4,353,877
Net Assets	\$ 2,299,730	\$ 2,497,539

Current Assets

Current assets as of December 31, 2011 of \$2,205,597 consist of cash, cash equivalents, short term investments, receivables, prepaids and deposits.

Current Liabilities

Currently liabilities consist mainly of accrued expenses and taxes of \$592,778. The current portion of bonds payable is \$115,000. 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 Revenue Bonds Payable and Loans, net of the current portion and Other Post Employment Benefit Obligations payable. As of December 31, 2011, the non-current portion of loan payable was \$517,364, the non-current portion of bonds payable was \$2,055,045 and the GASB Statement No. 45 post employment benefit accrual was \$1,665,129. The total amount of non-current liabilities amounts to \$4,237,538.

Capital Assets, Net

The Authority established the following Capitalization Thresholds effective January 1, 2011 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, 2011 of \$243,110.

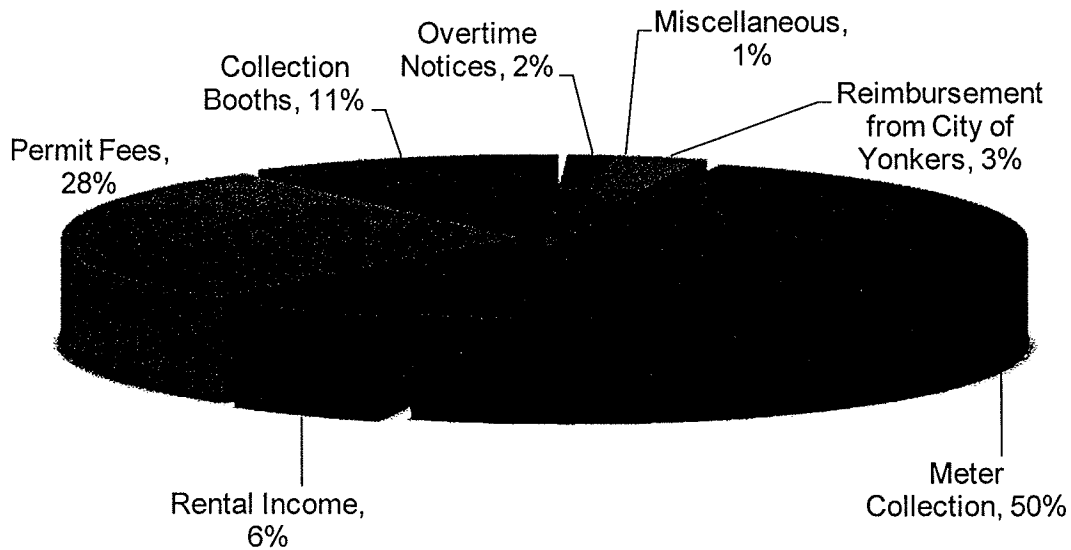
A comparative summary of capital assets is as follows:

	December 31,	
	2011	2010
Capital Assets:		
Land	\$ 698,232	\$ 698,232
Office Equipment	357,623	342,301
Automobile and Trucks	751,817	751,817
Parking Meters and Lot Equipment	1,973,279	1,892,666
Parking Lot and Garage Improvements	<u>5,600,845</u>	<u>5,600,845</u>
 Total Capital Assets	 <u>9,381,796</u>	 <u>9,285,861</u>
Less Accumulated Depreciation:		
Office Equipment	320,389	293,536
Automobile and Trucks	719,311	699,595
Parking Meters and Lot Equipment	1,764,713	1,711,239
Parking Lot and Garage Improvements	<u>2,114,742</u>	<u>1,971,675</u>
 Total Accumulated Depreciation	 <u>4,919,155</u>	 <u>4,676,045</u>
 Net Capital Assets	 <u>\$ 4,462,641</u>	 <u>\$ 4,609,816</u>

Statement of Activities

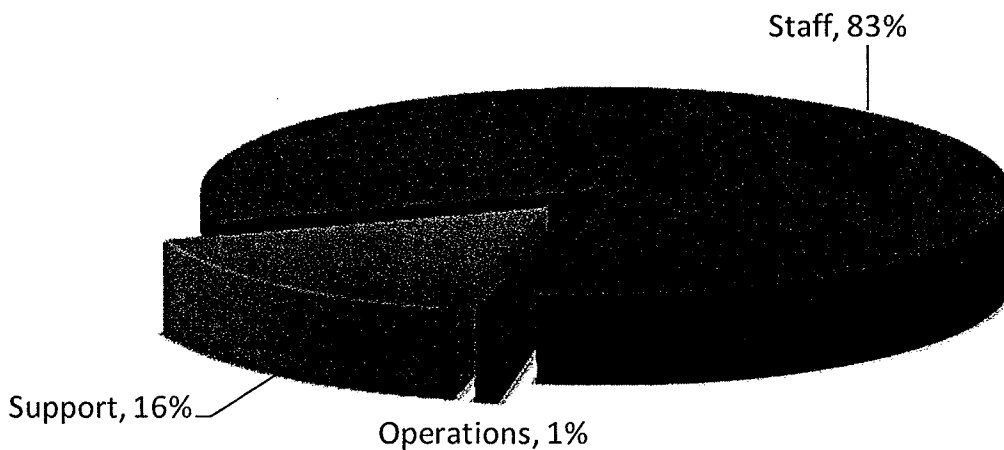
The statement of activities presents the Authority's results of operations. The Authority also includes supplemental information regarding details of revenues and expenses as it relates to the Authority's adopted budget. Refer to the Authority's basic financial statements for the complete listing. Total operating revenues of the Authority, for year ended December 31, 2011 were \$4,993,399.

Revenues 2011



Meter Collection represented 50% of total revenues. Revenues from Permit Fees administered by the Authority represented 28% of total revenues. Collection Booths represented 11% of total revenues. Overtime notices issued by our security personnel generated 2% of our revenues; rental income represented 6% and 3% of operating revenues was a reimbursement from the City of Yonkers.

Expenses 2011



Total expenses for the year were \$5,203,074. Operating expenses totaled \$5,067,439 and non operating expenses totaled \$135,635. This translates to a decrease in net assets of \$39,522 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 Struever Fidelco Cappelli (SFC) project, a multi-billion dollar development approved for our downtown has still not made its way out of the recession's grip. As a result, the project scope has been considerably reduced. The Authority has three facilities that will be impacted by this project: the Getty Square/Chicken Island, Government Center Garage, and Cacace parking facilities will be demolished and re-developed into other uses. These facilities generated a total of \$630,792 in 2011, a significantly large portion of the total revenues realized by the Authority. While the approved project still holds the key to significant economic development rewards, we will have to see in what the direction the new administration will steer this development as the economy gradually recovers.

Larkin Plaza / Larkin River Daylighting

The Authority saw over \$500,000 in revenue loss from the closure of the Larkin Plaza parking lot. While alternative resources were implemented to partially recoup some of these loses, we still realized a shortfall of over \$250,000. However, the good news is that the completion of the construction for the river daylighting project and the opening of the new park is expected early this summer. This is anticipated to have a positive economic impact on our downtown where-in the Authority should also derive financial benefits in increased parking revenues.

New Larkin/Warburton Garage

A 300 car garage is well under construction and expected to be opened over the next few months. 90 of the parking spaces are allotted to the residential development for its residents. The remainder of the spaces (210) will be utilized for Public Parking. The Authority anticipates being the managing agent of the facility as defined by Parking Authority state Law and the Master Agreement with the City of Yonkers. Preliminary figures discussed last year with city personnel and its consultants indicated that the Authority will be operating the facility with an estimated personnel budget of \$140,000 and will be granted a management fee of \$60,000. This development will generate an estimated \$200,000 for the Authority's cash flow.

Additional Revenue Sources

In an effort to boost the Authority's revenues, the Executive Board and Management are increasingly seeking additional revenue sources. In 2011 the Authority was notified that the Yonkers Flea Market was not going to be operating out of the Murray Skating Rink, a

decision made by the City's Parks and Recreation department due to lack of space to accommodate the scale of the operation. The Yonkers Flea Market's operation was also impeding on the skating rink's functions and other events. The Authority was notified that the Yonkers Flea Market needed new grounds, and both Management and Board agreed to accommodate. With the Flea Market operating within the Nepperhan Avenue lots at its current scale, we anticipate over \$30,000 in additional net revenues.

Deteriorating Infrastructure

As previously reported, in addition to the Authority's deteriorating facilities infrastructure, considerable upgrades are needed to the Authority's security systems and rolling stock/vehicle fleet. Additionally, the Parkadrome lot and the Pier Street facility require substantial capital investments in structural maintenance. Extensive upgrades to the Authority's security system are also needed to prevent complete failure of the surveillance system while additional cameras are needed to cover additional lots as required.

A capital investment plan was implemented to maintain the current level of service delivery. While past practice indicates the use of the reserve funds for such costs, this reserve should be utilized only as an emergency reserve fund. However, while the Authority has again budgeted for a considerable amount of overdue and necessary capital upgrades in its 2012 budget, the uncertainty of a significant portion of our future revenues requires a cautious approach as to dispensing such costs from our emergency reserve fund.

Economic Recession and Increased Costs

As stated last year, for the past three years, the global economic downturn has left no prisoner behind. As a result, the Authority's revenues are projected to continue to be impacted negatively. While businesses continue to struggle; the significant effects of reduced retail traffic are directly impacting our meter revenues, as well as, non-commuter and commuter lot revenues with a visible decrease. With unemployment still on the rise permit revenues are projected to continue to decrease. For a third year in a row, the New York State Employees' Retirement System Fund has imposed increases on the employer's contribution to the pension system. However, while the Authority has its fair share of struggles to face, as does every other public agency; the ongoing private development activities in our City, specifically in our downtown, will necessitate additional parking needs resulting in potential new revenues for the Authority. Those, along with smart decisions taken by the Board and innovative ideas for increasing revenue, over the past several years present a positive outlook to the Authority's future.

Request For Information

This financial report is designed to provide a general overview of the Authority's fiscal health for all those with interest in the government's finances. 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 ASSETS
DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 676,587	\$ 349,441
Investments	1,219,634	1,157,818
Due from City of Yonkers	123,803	68,100
Accounts receivable	20,990	45,975
Prepaid expenses	163,583	154,317
Deposits	1,000	1,000
Total Current Assets	<u>2,205,597</u>	<u>1,776,651</u>
Capital Assets:		
Not being depreciated	698,231	698,231
Being depreciated, net	3,764,410	3,911,585
Total Capital Assets	<u>4,462,641</u>	<u>4,609,816</u>
Other Assets:		
Restricted cash	424,114	424,114
Deferred bond fees, net	37,694	40,835
Total Other Assets	<u>461,808</u>	<u>464,949</u>
Total Assets	<u>7,130,046</u>	<u>6,851,416</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	54,171	89,478
Loan payable - current	7,906	-
Revenue bonds payable - current	115,000	105,000
Accrued expenses and taxes	183,520	707,455
Unearned revenues	232,181	176,490
Total Current Liabilities	<u>592,778</u>	<u>1,078,423</u>
Non-Current Liabilities:		
Loan payable, net of current portion	517,364	-
Revenue bonds payable, net of current portion	2,055,045	2,169,279
Other post employment benefit obligations payable	1,665,129	1,106,175
Total Non-Current Liabilities	<u>4,237,538</u>	<u>3,275,454</u>
Total Liabilities	<u>4,830,316</u>	<u>4,353,877</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	3,271,768	2,102,255
Unrestricted	(972,038)	395,284
Total Net Assets	<u>\$ 2,299,730</u>	<u>\$ 2,497,539</u>

See notes to combined financial statements.

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

**COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
Permits, fees, and other revenues	\$ 4,868,245	\$ 5,271,375
Reimbursement from City of Yonkers	125,154	339,184
	<u>4,993,399</u>	<u>5,610,559</u>
Operating Expenses:		
Staff	4,207,843	4,053,718
Operations	48,148	51,487
Support	811,448	919,544
	<u>5,067,439</u>	<u>5,024,749</u>
Income (Loss) from Operations	<u>(74,040)</u>	<u>585,810</u>
Nonoperating Revenues (Expenses):		
Interest income	11,866	7,819
Interest expense	<u>(135,635)</u>	<u>(138,803)</u>
Total Nonoperating Expenses	<u>(123,769)</u>	<u>(130,984)</u>
Change in Net Assets	(197,809)	454,826
Net Assets - Beginning of Year	<u>2,497,539</u>	<u>2,042,713</u>
Net Assets - End of Year	<u>\$ 2,299,730</u>	<u>\$ 2,497,539</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, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities:		
Receipts from permits, fees and other revenues	\$ 4,948,921	\$ 5,201,946
Reimbursement from City of Yonkers	69,451	389,556
Payments to suppliers	(1,182,422)	(978,326)
Payments to employees	<u>(3,647,554)</u>	<u>(3,543,596)</u>
Net Cash Provided by Operating Activities	<u>188,396</u>	<u>1,069,580</u>
Cash Flows from Capital and Related Financing Activities:		
Purchases of capital assets	(95,935)	(196,751)
Proceeds from loan	525,270	-
Principal paid on revenue bonds	(105,000)	(100,000)
Interest paid on revenue bonds	<u>(135,635)</u>	<u>(138,803)</u>
Net Cash Used in Capital and Related Financing Activities	<u>188,700</u>	<u>(435,554)</u>
Cash Flows from Investing Activities:		
Interest income	11,866	7,819
Transfer to restricted cash	-	(572)
Purchase of current investments	(1,219,634)	(1,157,818)
Proceeds from sale and maturities of current investments	<u>1,157,818</u>	<u>324,216</u>
Net Cash Used in Investing Activities	<u>(49,950)</u>	<u>(826,355)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	327,146	(192,329)
Cash and Cash Equivalents - Beginning of Year	<u>349,441</u>	<u>541,770</u>
Cash and Cash Equivalents - End of Year	<u>\$ 676,587</u>	<u>\$ 349,441</u>
Reconciliation of Income (Loss) from Operations to Net Cash Provided by Operating Activities:		
Income (loss) from operations	\$ (74,040)	\$ 585,810
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Depreciation and amortization	247,017	239,013
Changes in operating assets and liabilities		
Due from the City of Yonkers	(55,703)	50,372
Accounts receivable	24,985	(13,018)
Prepaid expenses	(9,266)	(106,816)
Accounts payable	(35,307)	60,508
Accrued expenses and taxes	(523,935)	(249,608)
Unearned revenues	55,691	(56,411)
Other post employment benefit obligations payable	<u>558,954</u>	<u>559,730</u>
Net Cash Provided by Operating Activities	<u>\$ 188,396</u>	<u>\$ 1,069,580</u>

See notes to combined financial statements.

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

NOTES TO COMBINED FINANCIAL STATEMENTS

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") pronouncements 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. Beginning with 2011 the combining schedules of revenues and expenses will include supplementary information for the Buena Vista Garage.

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

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 consists of costs which have been satisfied prior to the end of the fiscal year, but represents items which have 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 March 18, 2012.

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)

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, 2011

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

Major classifications of capital assets at December 31, 2011 and 2010 are as follows:

	Balance January 1, 2011	Additions	Balance December 31, 2011
	<u> </u>	<u> </u>	<u> </u>
Capital Assets, not being depreciated - Land	\$ 698,232	\$ -	\$ 698,232
Capital Assets, being depreciated:			
Office equipment	\$ 342,301	\$ 15,322	\$ 357,623
Automobiles and trucks	751,817	-	751,817
Parking meters and lot equipment	1,892,666	80,613	1,973,279
Parking lot and garage improvements	<u>5,600,845</u>	<u>-</u>	<u>5,600,845</u>
Total Capital Assets, being depreciated	<u>8,587,629</u>	<u>95,935</u>	<u>8,683,564</u>

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Note 3 - Capital Assets (Continued)

	<u>Balance January 1, 2011</u>	<u>Additions</u>	<u>Balance December 31, 2011</u>
Less Accumulated Depreciation for:			
Office equipment	293,536	26,853	320,389
Automobiles and trucks	699,595	19,716	719,311
Parking meters and lot equipment	1,711,239	53,474	1,764,713
Parking lot and garage improvements	<u>1,971,675</u>	<u>143,067</u>	<u>2,114,742</u>
Total Accumulated Depreciation	<u>4,676,045</u>	<u>243,110</u>	<u>4,919,155</u>
Total Capital Assets, being depreciated, net	<u>\$ 3,911,584</u>	<u>\$ (147,175)</u>	<u>\$ 3,764,409</u>
Capital Assets, net	<u>\$ 4,609,816</u>	<u>\$ (147,175)</u>	<u>\$ 4,462,641</u>
	<u>Balance January 1, 2010</u>	<u>Additions</u>	<u>Balance December 31, 2010</u>
Capital Assets, not being depreciated - Land	<u>\$ 593,232</u>	<u>\$ 105,000</u>	<u>\$ 698,232</u>
Capital Assets, being depreciated:			
Office equipment	\$ 323,564	\$ 18,737	\$ 342,301
Automobiles and trucks	697,640	54,177	751,817
Parking meters and lot equipment	1,877,079	15,587	1,892,666
Parking lot and garage improvements	<u>5,597,595</u>	<u>3,250</u>	<u>5,600,845</u>
Total Capital Assets, being depreciated	<u>8,495,878</u>	<u>91,751</u>	<u>8,587,629</u>
Less Accumulated Depreciation for:			
Office equipment	\$ 286,785	\$ 6,751	\$ 293,536
Automobiles and trucks	673,435	26,160	699,595
Parking meters and lot equipment	1,654,934	56,305	1,711,239
Parking lot and garage improvements	<u>1,825,786</u>	<u>145,889</u>	<u>1,971,675</u>
Total Accumulated Depreciation	<u>4,440,940</u>	<u>235,105</u>	<u>4,676,045</u>
Total Capital Assets, being depreciated, net	<u>\$ 4,054,938</u>	<u>\$ (143,354)</u>	<u>\$ 3,911,584</u>
Capital Assets, net	<u>\$ 4,648,170</u>	<u>\$ (38,354)</u>	<u>\$ 4,609,816</u>

Depreciation expense for the years ended December 31, 2011 and 2010 was \$243,110 and \$235,105 respectively.

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

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, 2011 and 2010 totaled \$3,141. The accumulated amortization for 2011 and 2010 is \$40,834 and \$37,693 respectively.

Note 5 - 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, 2011 and 2010 totaled \$766 and \$767 respectively. 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 2011 and in 2010.

The aggregate annual maturities of revenue bonds outstanding at December 31, 2011 are as follows:

2012	\$	115,000
2013		120,000
2014		130,000
2015		135,000
2016		145,000
2017 and thereafter		<u>1,535,000</u>
		2,180,000
Less unamortized original issue discount		<u>(9,955)</u>
	\$	<u>2,170,045</u>

Cash Restrictions

Upon issuance of the revenue bonds, the indentures required a restricted cash balance of \$424,114 in 2011 and 2010, 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 assets.

Note 6 - 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 \$232,181 and \$176,490 for permit fees received in advance for the years ended December 31, 2011 and 2010, respectively. The Authority amortizes such amounts into income as the permit fees are earned.

Note 7 - Liabilities

Loans Payable

Loans payable of \$525,270 reported by the Authority as of December 31, 2011 represents a loan to 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, including interest at 5% per annum.

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Note 7 - Liabilities (Continued)

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 2011, 2010, and 2009 were \$341,324, \$269,349 and \$142,502 respectively. Contribution rates for the plan's year ending March 31, 2012 and 2011 were as follows:

	<u>Tier</u>	<u>Rate</u>
<u>2012</u>	3	15.8%
	4	15.8
<u>2011</u>	3	11.3
	4	11.3

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, 2011 and 2010 was \$130,057 and \$128,585, respectively. These amounts are included in accrued expenses and taxes of the Authority.

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 \$10,934 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Note 7 - Liabilities (Continued)

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:

<u>Year Ended December 31,</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>	<u>Perscription Drug</u>
2012	6.50 %	6.50 %	8.00 %
2013	6.00	6.00	7.00
2014	5.50	5.50	6.00
2015+	5.00	5.00	5.00

The amortization basis is the level dollar method with an open amortization approach with 27 years remaining in the amortization period. The actuarial assumptions included a 4.25% investment rate of return, a 2.5% inflation rate and a 2.5% annual payroll growth 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, 2011 was as follows:

Active Employees	36
Retired Employees	<u>10</u>
Total	<u><u>46</u></u>

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Note 7 - Liabilities (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2011	\$ 5,619,696
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability	<u>\$ 5,619,696</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 2,366,000</u>
UAAL as a Percentage of Covered Payroll	<u>237.52%</u>
Annual Required Contribution	\$ 674,632
Interest on Net OPEB Obligation	47,012
Adjustment to Annual Required Contribution	<u>(65,926)</u>
Annual OPEB Cost	655,718
Contributions Made	<u>(96,763)</u>
Increase in Net OPEB Obligation	558,955
Net OPEB Obligation - Beginning of Year	<u>1,106,175</u>
Net OPEB Obligation - End of Year	<u>\$ 1,665,130</u>

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>
2009	\$ 591,154	7.56 %	\$ 546,445
2010	622,842	10.13	1,106,175
2011	655,718	14.76	1,665,130

The Authority first implemented the provisions of GASB Statement No. 45 for the fiscal year ended December 31, 2009.

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 2011 and 2010. Rent expense for the years ended December 31, 2011 and 2010 amounted to \$22,800.

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

NOTES TO COMBINED FINANCIAL STATEMENTS (Concluded)

Note 8 - Commitments and Contingencies

Permit of Use from City of Yonkers

A permit of use agreement was established in 2011 with the City of Yonkers under which the Authority will manage, maintain and operate the facility at 310 Saw Mill River Road on behalf of the City. The Authority will also pay the City \$34,169 annually for 30 years as consideration for the permit of use.

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 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 \$1,149,593. Total liability coverage is \$7 million per occurrence and \$8 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 the Buena Vista Garage. The balance of the deficit is provided by a contribution from the City. For the year ended December 31, 2011 and 2010, the City has contributed \$125,154 and \$339,184, respectively.

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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, 2009	\$ -	\$ 4,674,274	\$ 4,674,274	- %	\$ 2,140,000	218.42 %
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

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

**SUPPLEMENTARY INFORMATION
DECEMBER 31, 2011 AND 2010**

	2011		Combined
	Yonkers Parking Authority	Government Center Garage	
Combining Schedules of Net Assets			
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	\$ 675,837	\$ 750	\$ 676,587
Investments	1,219,634	-	1,219,634
Total Current Assets	1,895,471	750	1,896,221
Capital Assets:			
Not being depreciated	698,231	-	698,231
Being depreciated, net	3,462,350	302,060	3,764,410
	4,160,581	302,060	4,462,641
Other Assets:			
Due (to) from City of Yonkers Parking Authority and Government Center Garage	265,884	(265,884)	-
Due from City of Yonkers	109,813	13,990	123,803
Accounts receivable	20,990	-	20,990
Prepaid expenses	163,583	-	163,583
Deposits	1,000	-	1,000
Restricted cash	424,114	-	424,114
Deferred bond fees, net of accumulated amortization of \$113,475 and \$110,334	37,694	-	37,694
Total Other Assets	1,023,078	(251,894)	771,184
Total Assets	7,079,130	50,916	7,130,046
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	48,208	5,963	54,171
Loan payable - current	7,906	-	7,906
Revenue bonds payable - current	115,000	-	115,000
Accrued expenses and taxes	161,565	21,955	183,520
Unearned revenues	209,183	22,998	232,181
Total Current Liabilities	541,862	50,916	592,778
Non-Current Liabilities:			
Loan payable, net of current portion	517,364	-	517,364
Revenue bonds payable, net of current portion	2,055,045	-	2,055,045
Other post employment benefit obligations payable	1,665,129	-	1,665,129
Total Liabilities	4,779,400	50,916	4,830,316
<u>NET ASSETS</u>			
Invested in Capital Assets, net of related debt	2,969,708	302,060	3,271,768
Unrestricted	(669,978)	(302,060)	(972,038)
Total Net Assets	\$ 2,299,730	\$ -	\$ 2,299,730

See independent auditors' report.

2010		
Yonkers Parking Authority	Government Center Garage	Combined
\$ 348,691	\$ 750	\$ 349,441
1,157,818	-	1,157,818
<u>1,506,509</u>	<u>750</u>	<u>1,507,259</u>
698,231	-	698,231
3,582,433	329,152	3,911,585
<u>4,280,664</u>	<u>329,152</u>	<u>4,609,816</u>
278,443	(278,443)	-
68,100	-	68,100
45,975	-	45,975
154,317	-	154,317
1,000	-	1,000
424,114	-	424,114
<u>40,835</u>	<u>-</u>	<u>40,835</u>
<u>1,012,784</u>	<u>(278,443)</u>	<u>734,341</u>
<u>6,799,957</u>	<u>51,459</u>	<u>6,851,416</u>
84,151	5,327	89,478
-	-	-
105,000	-	105,000
685,265	22,190	707,455
152,548	23,942	176,490
<u>1,026,964</u>	<u>51,459</u>	<u>1,078,423</u>
-	-	-
2,169,279	-	2,169,279
1,106,175	-	1,106,175
<u>4,302,418</u>	<u>51,459</u>	<u>4,353,877</u>
1,773,103	329,152	2,102,255
724,436	(329,152)	395,284
<u>\$ 2,497,539</u>	<u>\$ -</u>	<u>\$ 2,497,539</u>

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

**SUPPLEMENTARY INFORMATION (Continued)
YEARS ENDED DECEMBER 31, 2011 AND 2010**

	2011						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	\$ 2,583,333	\$ 2,583,333	\$ 2,491,389	\$ -	\$ -	\$ 2,491,389	\$ (91,944)
Rental income	299,642	299,642	245,888	39,026	-	284,914	(14,728)
Permit fees	1,500,000	1,500,000	671,903	452,833	297,547	1,422,283	(77,717)
Collection booths	390,000	230,000	106,458	247,071	201,632	555,161	325,161
Overtime notices	95,000	95,000	84,765	-	-	84,765	(10,235)
Miscellaneous	6,500	6,500	29,733	-	-	29,733	23,233
Reimbursement from City of Yonkers	-	-	-	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>
Operating Expenses - Staff:							
Personnel	\$ 2,422,295	\$ 2,422,295	\$ 1,635,978	\$ 494,000	\$ 236,762	\$ 2,366,740	\$ 55,555
Employee benefits	739,871	739,871	552,632	144,999	54,592	752,223	(12,352)
Payroll taxes	193,541	193,541	131,831	38,398	18,373	188,602	4,939
Retirement benefits	355,472	355,472	236,938	69,637	34,749	341,324	14,148
Other post employment benefits	-	-	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>
Operating Expenses - Operations							
Telephone	\$ 34,000	\$ 34,000	\$ 28,593	\$ -	\$ -	\$ 28,593	\$ 5,407
Postage	5,500	5,500	1,897	-	-	1,897	3,603
Printing	2,500	2,500	835	-	-	835	1,665
Advertising	4,500	4,500	576	-	-	576	3,924
Office supplies	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>

2010

Actual

<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Yonkers Parking Authority</u>	<u>Government Center Garage</u>	<u>Combined</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 2,393,000	\$ 2,388,000	\$ 2,287,271	\$ -	\$ 2,287,271	\$ (100,729)
223,000	223,000	315,003	-	315,003	92,003
1,650,000	1,650,000	1,232,828	268,483	1,501,311	(148,689)
720,010	720,010	704,963	196,401	901,364	181,354
90,000	90,000	109,845	-	109,845	19,845
21,500	21,500	156,581	-	156,581	135,081
<u>245,221</u>	<u>245,221</u>	<u>339,184</u>	<u>-</u>	<u>339,184</u>	<u>93,963</u>
<u>\$ 5,342,731</u>	<u>\$ 5,337,731</u>	<u>\$ 5,145,675</u>	<u>\$ 464,884</u>	<u>\$ 5,610,559</u>	<u>\$ 272,828</u>
\$ 2,764,670	\$ 2,764,670	\$ 2,134,775	\$ 244,447	\$ 2,379,222	\$ 385,448
748,572	748,572	644,054	12,038	656,092	92,480
217,406	217,406	169,680	19,645	189,325	28,081
321,739	321,739	240,579	28,770	269,349	52,390
<u>-</u>	<u>-</u>	<u>559,730</u>	<u>-</u>	<u>559,730</u>	<u>(559,730)</u>
<u>\$ 4,052,387</u>	<u>\$ 4,052,387</u>	<u>\$ 3,748,818</u>	<u>\$ 304,900</u>	<u>\$ 4,053,718</u>	<u>\$ (1,331)</u>
\$ 40,000	\$ 40,000	\$ 34,494	\$ -	\$ 34,494	\$ 5,506
4,580	4,580	2,488	-	2,488	2,092
2,500	2,500	488	-	488	2,012
5,500	5,500	-	-	-	5,500
<u>25,000</u>	<u>25,000</u>	<u>13,973</u>	<u>44</u>	<u>14,017</u>	<u>10,983</u>
<u>\$ 77,580</u>	<u>\$ 77,580</u>	<u>\$ 51,443</u>	<u>\$ 44</u>	<u>\$ 51,487</u>	<u>\$ 26,093</u>

(Continued)

CITY OF YONKERS PARKING AUTHORITY AND GOVERNMENT CENTER GARAGE

**SUPPLEMENTARY INFORMATION (Continued)
YEARS ENDED DECEMBER 31, 2011 AND 2010**

	2011						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	\$ 94,500	\$ 94,500	\$ 90,629	\$ -	\$ -	\$ 90,629	\$ 3,871
Utilities	202,000	202,000	42,423	52,460	58,416	153,299	48,701
Professional fees	65,000	65,000	25,295	-	-	25,295	39,705
Uniforms	6,900	6,900	5,844	2,906	1,076	9,826	(2,926)
Fuel	40,000	40,000	21,244	-	-	21,244	18,756
Rent	22,800	22,800	22,800	-	-	22,800	-
Service agreements	95,000	95,000	37,099	36,342	8,703	82,144	12,856
Repairs and maintenance	52,500	52,500	61,364	13,351	15,475	90,190	(37,690)
Facility maintenance	118,500	118,500	45,099	-	305	45,404	73,096
Depreciation and amortization	229,000	229,000	211,918	8,007	27,092	247,017	(18,017)
Tuition/board	2,000	2,000	3,770	-	-	3,770	(1,770)
Bank charges	27,000	27,000	16,416	1,659	-	18,075	8,925
Miscellaneous	4,750	4,750	1,665	90	-	1,755	2,995
Cooperative agreement expense	-	-	(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>
Nonoperating Revenues (Expenses):							
Interest income	\$ 8,250	\$ 8,250	\$ 11,866	\$ -	\$ -	\$ 11,866	\$ (3,616)
Interest expense	(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>

See independent auditors' report.

2010

<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>			<u>Variance with Final Budget Positive (Negative)</u>
		<u>Yonkers Parking Authority</u>	<u>Government Center Garage</u>	<u>Combined</u>	
\$ 96,500	\$ 96,500	\$ 68,079	\$ -	\$ 68,079	\$ 28,421
237,000	237,000	109,460	67,942	177,402	59,598
80,000	80,000	52,279	15,979	68,258	11,742
17,000	17,000	8,727	783	9,510	7,490
24,000	24,000	31,579	-	31,579	(7,579)
23,000	23,000	22,800	-	22,800	200
30,000	30,000	92,854	4,990	97,844	(67,844)
183,500	183,500	61,093	10,228	71,321	112,179
104,000	104,000	84,874	4,669	89,543	14,457
190,500	190,500	208,658	30,355	239,013	(48,513)
10,000	10,000	5,826	-	5,826	4,174
10,000	10,000	37,186	-	37,186	(27,186)
4,000	4,000	1,183	-	1,183	2,817
-	-	(24,994)	24,994	-	-
<u>\$ 1,009,500</u>	<u>\$ 1,009,500</u>	<u>\$ 759,604</u>	<u>\$ 159,940</u>	<u>\$ 919,544</u>	<u>\$ 89,956</u>
\$ 6,000	\$ 6,000	\$ 7,819	\$ -	\$ 7,819	\$ (1,819)
(243,000)	(243,000)	(138,803)	-	(138,803)	(104,197)
<u>\$ (237,000)</u>	<u>\$ (237,000)</u>	<u>\$ (130,984)</u>	<u>\$ -</u>	<u>\$ (130,984)</u>	<u>\$ (106,016)</u>

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**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***

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

We have audited the financial statements of the Yonkers Parking Authority and Government Center Garage ("Authority") as of and for the year ended December 31, 2011, and have issued our report thereon dated March 18, 2012. 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.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Board of Directors, and the New York State Office of the Comptroller and 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
March 18, 2012

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

To 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, 2011. 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, 2011.

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
March 18, 2012

O'CONNOR DAVIES, LLP

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