

**THE PARKING AUTHORITY
OF THE CITY OF CAMDEN**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2015**

THE PARKING AUTHORITY OF THE CITY OF CAMDEN

CONTENTS

List of Officials

	PAGE
Independent Auditor's Report	1
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	5

Required Supplementary Information – Part I

Management's Discussion and Analysis	7
--------------------------------------	---

Exhibits

Basic Financial Statements:

Comparative Statement of Net Position	A	13
Comparative Statement of Revenues, Expenses & Changes in Net Position	B	15
Comparative Statement of Cash Flows	C	16
Notes to the Financial Statements		17

Required Supplementary Information – Part II

Schedules

Comparative Statement of Operating Revenues & Cost Funded by Operating Revenues Compared to Budget	1	37
Analysis of Parking Fees Receivable	2	40
Analysis of Due from Susquehanna Center	3	40
Analysis of Accrued Interest Receivable	4	41
Analysis of Reserve for Susquehanna Center Improvements	5	41
Schedule of the Authority's Proportionate Share of the Net Pension Liability – PERS	6	42
Schedule of the Authority's Contributions – PERS	7	42

Required Supplementary Information – Part III

Notes to the Required Supplementary Information	43
---	----

THE PARKING AUTHORITY OF THE CITY OF CAMDEN

CONTENTS (continued)

Comments and Recommendation:

Contracts and Agreements Required to be Advertised	45
Contracts and Agreements Requiring Solicitation of Quotations	46
Examination of Bills	46
Payroll Fund	46
Budget	46
Acknowledgement	46

THE PARKING AUTHORITY OF THE CITY OF CAMDEN

BOARD OF COMMISSIONERS

AS OF DECEMBER 31, 2015

Jose Martinez, Jr.
Chairman

Shaneka M. Boucher
Vice Chairman

Angel L. Alamo
Commissioner

Barry Moore
Commissioner

Falio Leyba Martinez
Commissioner

OTHER OFFICIALS

Willie E. Hunter, Sr.
Executive Director

Marc Riondino, Esquire
Board Secretary and Board Solicitor

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2015



BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

INDEPENDENT AUDITOR'S REPORT

To the Chairman and Members of the
Parking Authority of the City of Camden
County of Camden
Camden, New Jersey 08103

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the Parking Authority of the City of Camden, a component unit of the City of Camden, in the County of Camden, State of New Jersey, as of and for the fiscal years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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; and in compliance with audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and the aggregate remaining fund information of the Parking Authority of the City of Camden as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended December 31, 2015 the Authority implemented the adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. My opinion on the financial statements is not modified relating to this change in accounting principle.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information, as listed on the table of contents, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parking Authority of the City of Camden's basic financial statements. The Introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied 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 standard generally accepted in the United States of America. In my opinion the combining and individual non-major financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated March 30, 2016 on my consideration of the Parking Authority of the City of Camden's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Respectfully submitted,

Brent W. Lee
Certified Public Accountant

Cinnaminson, New Jersey
March 30, 2016

Page Intentionally Left Blank



BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

**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 Chairman and Members of the
Parking Authority of the City of Camden
County of Camden
Camden, New Jersey 08103

I have audited, 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; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, business-type activities and the aggregate remaining fund information of the Parking Authority of the City of Camden, County of Camden, State of New Jersey, as of and for the fiscal year ended December 31, 2015, and related notes to the financial statements, which collectively comprise the Parking Authority of the City of Camden's basic financial statements, and have issued my report thereon dated March 30, 2016.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Parking Authority of the City of Camden's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Parking Authority of the City of Camden's internal control. Accordingly, I do not express an opinion on the effectiveness of the Parking Authority of the City of Camden's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My 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 my audit I did not identify deficiencies in internal control that I 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 Parking Authority of the City of Camden statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of General Comments section as Finding 2015-01.

Purpose of this Report

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

Respectfully submitted,

Brent W. Lee
Certified Public Accountant

Cinnaminson, New Jersey
March 30, 2016

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

INTRODUCTION

The Parking Authority of the City of Camden, hereinafter referred to as the “Authority” presents their Annual Financial Report in accordance with the Statements of Governmental Accounting Standard No. 34 entitled, “Basic Financial Statement – Management’s Discussion and Analysis – for State and Local Governments” hereinafter referred to as GASB34, and related standards.

MISSION

The Authority’s mission since being created over 50 years ago is ongoing in coordination with the Mayor and the members of City Council toward the provision and improvement of parking throughout the City of Camden. In keeping with our mission, the Parking Authority continues to look toward the existing and future parking needs and interest of the Camden community. Our facilities and services enhance commerce throughout the City. Our various programs, such as the Residential Parking Program, Credit Card Payment System, Pay-By-Cell, Monthly Parking Specials, and the Overnight Parking Program (available only at the Waterfront Garage and Rand Transportation Terminal) help to protect the parking privileges of all. The foundation of the Authority’s Handicapped Parking Program is the American with Disabilities Act. Ensuring compliance with this Act also falls within the Authority’s scope. Wherever the need, we endeavor to meet the need with safe, convenient and affordable parking. This includes both short term event oriented parking and long term solutions for commercial and industrial activity.

RESPONSIBILITY AND CONTROL

The Authority has retained Brent W. Lee & Company LLC, to conduct an independent audit of the financial statements for the calendar year ended December 31, 2015. The Authority is responsible for furnishing financial statements and pertinent data for the auditor’s review and analysis.

The aforementioned financial statements above present the financial position, results of operations and cash flow for the calendar year ended December 31, 2015 in accordance with Generally Accepted Accounting Principles.

SUMMARY OF ORGANIZATION AND BUSINESS

The Authority was established by ordinance of the Council of the City of Camden (the City) and is charged with the operation of certain parking garages, parking lots and the meters throughout the City. The Authority currently operates twenty six (26) surface lots and two (2) garage facilities comprising a total parking capacity in excess of 9,500 spaces. The Authority also collects revenues from approximately 900 parking meters located throughout the City’s central business district and conducts various parking enforcement activities on behalf of the City. The City believes that these are essential governmental functions and that the Authority, operating independently, can perform them efficiently and effectively.

ACCOMPLISHMENTS:

The Authority completed its acquisition of property located on Delaware Avenue with a parking capacity of 110 vehicles in March 2015. This property will enable the Authority to generate additional revenue because it will now be owned by the Authority. Previously the property was used on a rental or revenue sharing basis with the previous owner. The Authority renewed its agreements with the Adventure

Aquarium to continue to operate two (2) parking lots for daily visitors at the Adventure Aquarium. Rates were slightly increased to reflect increased costs.

The Authority was the parking operator for the Camden Riversharks minor league baseball team. The baseball team folded after the 2015 season and no new team has been signed to occupy the Stadium at Campbell's Field. This represents an opportunity loss.

The Authority continues to represent the County of Camden, Development of Recreation to operate their entire event parking for events on the Camden Waterfront.

The Authority had a very active Waterfront event parking season in 2015. The addition of the Tall Ships three (3) day event added to an existing schedule that included 41 events at the Susquehanna center along with events at the Battleship New Jersey and annual Fourth of July and New Year's Eve Fireworks displays.

The Authority continues to be the collection agent for the City of Camden Parking surcharge.

The Authority is continuing its efforts to increase the parking capacity for the Riverfront area. Plans for a new parking garage continue to move forward but are currently hampered by site cost concerns and the effects of a likely temporary decrease in parking capacity during the construction phase. Management is working to alleviate concerns of all parties to make this long term solution a reality.

The Authority has entered into agreements with Rutgers to sell various lots for the site of the new Rutgers Nursing Science Building. The sale was consummated in April 2016 for a gross price of \$970,000. Rutgers retains the option to purchase an additional lot.

PARKING FEES:

Parking rates are still below market, but the Authority has continued implementing minimal increases as existing contracts expire. Economic factors continue to exert pressure to keep costs and revenue increases to a minimum.

REVENUE ANALYSIS:

Actual revenue for 2015 was \$4,858,813 which is a 1.28% or \$60,986 increase compared to the 2015 budget amount of \$4,797,827 and a 1.9% or \$91,001 increase compared to 2014 actual amount of \$4,767,812.

METER REVENUE:

Actual Meter Revenue for 2015 was \$1,004,596 which is a 5.4% or \$51,830 increase compared to the 2015 budget amount of \$952,766 and a 3.7% or \$35,674 increase from 2014 actual amount of \$968,922.

REVENUE FROM PARKING LOTS:

Actual Parking Lot Revenue for 2015 was \$1,955,590 which is a -1.2% or \$24,191 decrease compared to the 2015 budget amount of \$1,979,781 and a 6.6% or \$129,899 increase compared to 2014 actual of \$1,888,858.

WATERFRONT GARAGE REVENUE:

Actual Garage Revenue for 2015 was \$596,154 which is a 33% or \$151,117 increase compared to the 2015 budget amount of \$445,037 and a -3.7% or \$21,959 decrease compared to 2014 actual of \$618,113.

TRANSPORTATION TERMINAL REVENUE:

Actual Terminal Revenue for 2015 was \$501,719 which is a -24.6% or \$163,665 decrease compared to the budget amount of \$665,384 and a -9.4% or \$51,990 decrease compared to the 2014 actual of \$553,709.

SUSQUEHANNA BANK CENTER REVENUE:

Actual Susquehanna Bank Center Revenue for 2015 was \$508,645 which is a 9.7% or \$45,165 increase compared to the 2015 budget amount of \$463,480 and an 11.9% or \$54,196 increase compared to the 2014 actual of \$454,449.

OTHER REVENUE:

Actual Other Revenue for 2015 was \$292,108 which is a -13% or \$43,636 decrease compared to the 2015 budget of \$336,744 and a 1.2% or \$3,348 increase compared to the 2014 actual of \$288,760.

EXPENSE ANALYSIS:

Actual expenses for 2015 were \$7,375,826 which is a 51.7% or \$2,514,792 increase compared to the 2015 budget amount of \$4,861,034 and a 63.6% or \$2,867,294 increase compared to the 2014 actual of \$4,508,532.

OTHER EXPENSES:

Actual Other Expenses for 2015 was \$3,429 which is a 25% or \$1,142 decrease compared to the 2015 budget amount of \$4,571 and a 0% or \$0 increase compared to the 2014 actual amount of \$3,429.

SALARY & WAGES:

Actual Salary & Wages Expenses for 2015 was \$1,398,186 which is a 1.4% or \$19,490 increase compared to the 2015 budget amount of \$1,378,696 and a 1.4% or \$18,904 increase compared to the 2014 actual amount of \$1,379,282.

FRINGE & BENEFITS:

Actual Fringe & Benefit Expenses for 2015 was \$1,316,094 which is a 54.8% or \$465,859 increase compared to the 2015 budget amount of \$850,235 and a 53% or \$455,452 increase compared to the 2014 actual amount of \$860,642.

ADMINISTRATION:

Actual Administration Expenses for 2015 was \$626,894 which is a 3% or \$17,942 increase compared to the 2015 budget amount of \$608,952 and an 8.7% or \$59,537 decrease compared to the 2014 actual amount of \$686,431.

COST TO PROVIDE SERVICES:

Actual Cost to Provide Services Expenses for 2015 was \$1,179,866 which is a 34.0% or \$607,236 decrease compared to the 2015 budget amount of \$1,787,102 and a 7.2% or \$91,890 decrease compared to the 2014 actual amount of \$1,271,756.

CAPITAL OUTLAYS:

Actual Capital Outlay for 2015 was \$2,851,357 which is a 100% or \$2,851,357 increase compared to the 2015 budget amount of \$0 and an 828.8% or \$2,544,364 increase compared to the 2014 actual of \$306,993.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	2015	2014
ASSETS		
Unrestricted Current Assets	\$7,343,267	\$7,718,866
Restricted Current Assets	269,184	223,121
Net Property, Plant & Equipment	8,110,835	6,998,389
	<hr/>	<hr/>
Total Assets	15,723,286	14,940,375
	<hr/>	<hr/>
DEFERRED OUTFLOW OF RESOURCES		
Pension Deferred Outflow	451,866	
	<hr/>	
Total Deferred Outflows	451,866	
	<hr/>	
Total Assets and Deferred Outflows of Resources	16,175,152	14,940,375
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities Payable From Unrestricted Assets	524,857	476,423
Current Liabilities Payable From Restricted Assets	120,000	
Long-Term Liabilities Payable From Unrestricted Assets	3,529,919	80,963
Long-Term Liabilities Payable From Restricted Assets	480,000	600,000
	<hr/>	<hr/>
Total Liabilities	4,654,776	1,157,386
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Service Concession Arrangements	3,815	780
Pension Deferred Inflows	470,757	
	<hr/>	
Total Deferred Inflow of Resources	474,572	780
	<hr/>	<hr/>
NET POSITION		
Net Investement in Capital Assets	7,510,835	6,398,389
Restricted for:		
Reserve (Deficit) for Susqhehanna Center Improvements	269,184	223,121
Unrestricted Net Position	3,265,785	7,160,799
	<hr/>	<hr/>
Total Net Position	11,045,804	13,782,309
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Net Position	\$16,175,152	\$14,940,475
	<hr/>	<hr/>

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015**

	2015	2014
Operating Revenues:		
Parking Fees	\$4,015,215	\$4,024,603
Other Operating Revenues	800,753	743,209
	<hr/>	<hr/>
Total Operating Revenue	4,815,968	4,767,812
	<hr/>	<hr/>
Operating Expenses:		
Administration:		
Salaries & Wages	1,398,186	1,379,282
Fringe Benefits	1,316,094	860,642
General & Administrative	626,894	686,431
	<hr/>	<hr/>
Total Administration	3,341,174	2,926,355
	<hr/>	<hr/>
Cost of Providing Services	843,215	882,060
	<hr/>	<hr/>
Total Operating Expenses	4,184,389	3,808,415
	<hr/>	<hr/>
Operating Income Before Other Operating Expenses	631,579	959,397
	<hr/>	<hr/>
Other Operating Expenses:		
Depreciation and Amortization	336,651	389,696
	<hr/>	<hr/>
Operating Income (Loss) After Other Operating Expenses	294,928	569,701
	<hr/>	<hr/>
Nonoperating Income (Expense):		
Interest on Investments & Deposits	9,612	9,317
Interest Expense	(3,429)	(3,429)
Gain (Loss) on Acquisition/Disposition of Assets		
Net Change in Reserve for Susquehanna Center Improvements	46,063	60,414
	<hr/>	<hr/>
Total Nonoperating Revenue (Expense)	52,246	66,302
	<hr/>	<hr/>
Net Income (Loss) Before Contributions	347,174	636,003
Contributed Capital	25,000	
	<hr/>	<hr/>
Change in Net Position	372,174	636,003
Net Position - Beginning of Year, As Restated	10,673,630	13,146,305
	<hr/>	<hr/>
Net Position - End of Year	11,045,804	13,782,308
	<hr/> <hr/>	<hr/> <hr/>

Page Intentionally Left Blank

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2015 AND 2014**

ASSETS	2015	2014
Current Assets:		
Unrestricted Assets:		
Cash & Cash Equivalents	\$7,060,799.60	\$7,504,437.63
Change fund	10,125.00	10,125.00
Parking Fees Receivable (Net of Allowance for Doubtful Accounts, \$1,833 in 2015 and \$1,833 in 2014)	148,540.99	173,748.93
Due From Susquehanna Center	83,801.91	17,234.34
Due From City of Camden	40,000.00	13,319.72
Total Unrestricted Current Assets	<u>7,343,267.50</u>	<u>7,718,865.62</u>
Restricted Assets:		
Cash & Cash Equivalents	258,933.98	220,278.85
Reserve for Improvements Receivable	10,250.17	2,841.99
Total Restricted Current Assets	<u>269,184.15</u>	<u>223,120.84</u>
Property, Plant & Equipment (Note 5):		
Property, Plant & Equipment	14,102,613.50	12,717,306.18
Less: Accumulated Depreciation	5,991,778.82	5,718,917.10
Net Property, Plant & Equipment	<u>8,110,834.68</u>	<u>6,998,389.08</u>
Total Assets	<u>15,723,286.33</u>	<u>14,940,375.54</u>
DEFERRED OUTFLOW OF RESOURCES		
Pension Deferred Outflows	<u>451,866.00</u>	
Total Deferred Outflows of Resources	<u>451,866.00</u>	
Total Assets and Deferred Outflows of Resources	<u>\$16,175,152.33</u>	<u>14,940,375.54</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2015 AND 2014**

LIABILITIES	2015	2014
Current Liabilities Payable From Unrestricted Assets:		
Accounts Payable & Accrued Expenses	495,533.07	450,667.66
Security Deposits	11,038.00	10,898.00
Interest Payable	18,285.71	14,857.14
Total Current Liabilities Payable From Unrestricted Assets	<u>524,856.78</u>	<u>476,422.80</u>
Current Liabilities Payable From Restricted Assets:		
Note Payable	<u>120,000.00</u>	
Total Current Liabilities Payable From Restricted Assets	<u>120,000.00</u>	<u>-</u>
Long-Term Liabilities:		
Long-Term Liabilities Payable From Unrestricted Assets:		
Compensated Absences Payable	87,098.13	80,863.51
Net Pension Payable	3,442,821.00	
Total Long-Term Liabilities Payable From Unrestricted Assets	<u>3,529,919.13</u>	<u>80,863.51</u>
Long-Term Liabilities Payable From Restricted Assets:		
Note Payable	<u>480,000.00</u>	<u>600,000.00</u>
Total Long-Term Liabilities Payable From Restricted Assets	<u>480,000.00</u>	<u>600,000.00</u>
Total Liabilities	<u>4,654,775.91</u>	<u>1,157,286.31</u>
DEFERRED INFLOWS OF RESOURCES		
Service Concession Arrangements	3,815.00	780.50
Pension Deferred Inflows	<u>470,757.00</u>	
Total Deferred Inflows of Resources	<u>474,572.00</u>	<u>780.50</u>
NET POSITION		
Net Investment in Capital Assets	7,510,834.68	6,398,389.08
Restricted for:		
Reserve/(Deficit) for Susquehanna Center Improvements	269,184.15	223,120.84
Unrestricted:		
Designated for Subsequent Year's Expenditures		
Unrestricted	<u>3,265,785.59</u>	<u>7,160,798.81</u>
Total Net Position	<u>11,045,804.42</u>	<u>13,782,308.73</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$16,175,152.33</u>	<u>14,940,375.54</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
COMPARATIVE STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS DECEMBER 31, 2015 AND 2014**

	2015	2014
Operating Revenues:		
Parking Fees	\$4,015,214.38	4,024,603.11
Other Operating Revenues	800,753.38	743,208.87
	<hr/>	<hr/>
Total Operating Revenues	4,815,967.76	4,767,811.98
	<hr/>	<hr/>
Operating Expenses:		
Personnel and Administration:		
Salaries & Wages	1,398,185.87	1,379,281.79
Fringe Benefits	1,316,094.33	860,641.70
General & Administrative	626,893.74	686,431.13
	<hr/>	<hr/>
Total Personnel and Administration	3,341,173.94	2,926,354.62
	<hr/>	<hr/>
Cost of Providing Services	843,215.13	882,059.83
	<hr/>	<hr/>
Total Operating Expenses	4,184,389.07	3,808,414.45
	<hr/>	<hr/>
Operating Income Before Other Operating Expenses	631,578.69	959,397.53
	<hr/>	<hr/>
Other Operating Expenses:		
Depreciation & Amortization	336,651.12	389,696.04
	<hr/>	<hr/>
Total Other Operating Operating Expenses	336,651.12	389,696.04
	<hr/>	<hr/>
Operating Income/(Loss) After Other Operating Expenses	294,927.57	569,701.49
	<hr/>	<hr/>
Nonoperating Income/(Expenses):		
Interest on Investments & Deposits	9,612.38	9,317.28
Interest Expense	(3,428.57)	(3,428.57)
Net Change in Reserve for Susquehanna Center Improvements	46,063.31	60,413.64
	<hr/>	<hr/>
Total Nonoperating Revenue/(Expenses)	52,247.12	66,302.35
	<hr/>	<hr/>
Net Income/(Loss) Before Contributions	347,174.69	636,003.84
Capital Contributions	25,000.00	
	<hr/>	<hr/>
Change in Net Position	372,174.69	636,003.84
Net Position - Beginning of Year, As Restated (Note 15)	10,673,629.73	13,146,304.89
	<hr/>	<hr/>
Net Position - End of Year	\$11,045,804.42	13,782,308.73
	<hr/>	<hr/>

The accompanying Notes to the Financial Statements are an integral part of these Statements.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS DECEMBER 31, 2015 AND 2014**

	2015	2014
Cash Flows from Operating Activities:		
Cash Received From Customers	\$4,743,554.17	4,705,688.79
Cash Paid to Employees	(1,398,185.87)	(1,379,281.79)
Cash Paid to Supplies & Employees	(2,378,501.60)	(2,389,483.31)
Net Cash Provided by Operating Activities	<u>966,866.70</u>	<u>936,923.69</u>
Cash Flows From Capital & Related Financing Activities:		
Receipts/(Disbursements) from Susquehanna Center Reserve	71,063.31	60,413.64
Additions to Property, Plant & Equipment	(1,449,096.72)	(305,523.59)
Net Cash Used in Capital & Related Financing Activities	<u>(1,378,033.41)</u>	<u>(245,109.95)</u>
Cash Flow from Investing Activities:		
Interest on Investments	9,612.38	9,317.28
Interest Expense	(3,428.57)	(3,428.57)
Change in Cash & Cash Equivalents	(404,982.90)	697,702.45
Cash & Cash Equivalents at Beginning of Year	7,734,841.48	7,037,139.03
Cash and Cash Equivalents at End of Year	<u><u>\$7,329,858.58</u></u>	<u><u>7,734,841.48</u></u>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:

Operating Income	\$294,927.57	\$569,701.49
Provided by Operating Activities:		
Depreciation & Amortization Expense	336,651.12	389,696.04
Changes in Operating Assets & Liabilities:		
Parking Fees Receivable	25,207.94	(33,356.63)
Due From Susquehanna Center	(73,975.75)	2,557.66
Due From City of Camden	(26,680.28)	(13,319.72)
Security Deposits	140.00	118.00
Prepaid Insurance		13,330.86
Accounts Payable	397,898.41	14,373.27
Other Payable	3,428.57	3,428.57
Deferred Revenue	3,034.50	(18,004.50)
Compensated Absences Payable	6,234.62	8,398.65
Net Cash Provided by Operating Activities	<u><u>\$966,866.70</u></u>	<u><u>936,923.69</u></u>

The accompanying Notes to the Financial Statements are an integral part of these Statements.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Reporting Entity

The Parking Authority of the City of Camden is a public corporate and politic of the State of New Jersey and was created by an ordinance passed by the Council of the City of Camden. The Authority was created to promote public safety, convenience and welfare by providing sufficient off-street parking facilities and through administration of parking meters.

The Camden City Parking Authority is a component unit of the City of Camden as described in Governmental Accounting Standards Board Statement No. 14 due to the existence of a service agreement between the Authority and the City. These financial statements would be either blended or discreetly present as part of the City's financial statements if the City reported using generally accepted accounting principles applicable to governmental entities.

Note 2. Summary of Significant Accounting Policies

The accompanying financial statements of the Camden City Parking Authority have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The Authority has implemented these standards for the fiscal year-ending December 31, 2002 and future periods. With the implementation of GASB Statement 34, the Authority has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the Authority has implemented the following GASB Statements in the current fiscal year: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures*; Statement 45 – *Post Employment Benefits Other than Pensions*; and Statement 67 – *Financial Reporting for Pension Plans*.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets was renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Whereas the provisions of this Statement are

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. Summary of Significant Accounting Policies (continued):

effective for financial statements for periods beginning after December 15, 2011, the Authority has implemented this Statement for the year ended December 31, 2012.

In March 2012, The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. Provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012, the Authority has implemented this Statement for the fiscal year ended December 31, 2013.

During 2015 the Authority adopted GASB Statement 68 *Accounting and Financial Reporting for Pensions*; this statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. It replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Government Employers* as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The primary effect of this statement is to recognize a liability in the financial statements prepared using the economic resources measurement focus and accrual basis of accounting for its proportionate share of the collective net pension liability of all employers for benefits provided through the pension plan. This Statement had a significant effect on the Authority's financial statements for fiscal year ended December 31, 2015

During 2015 the Authority adopted GASB Statement 71 *Pension Transition for Contributions made Subsequent to the measurement Date-An Amendment of GASB Statement No. 68*, this statement requires a state or local government employer to recognize a net pension liability measured as of a date no earlier than the end of its prior fiscal year. If a state or local government employer or non employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition , Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non employer contributing entity that arise from other types of events. At transition to Statement 68, if it's not practical for an employer or non employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any , made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows or resources and deferred inflows of resources related to pensions be

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. Summary of Significant Accounting Policies (continued):

reported at transition only if it is practical to determine all such amounts. The provisions of this statement are applied simultaneously with GASB 68.

GASB Statement 72 *Fair Value Measurement and Application*, this Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Authority does not expect this statement to impact its financial statements. The statement is effective for periods beginning after June 30, 2015.

GASB Statement 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The statement is effective for periods beginning after June 30, 2015.

GASB Statement 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* the objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Authority is evaluating this statement to determine its impact the financial statements.

GASB Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. Summary of Significant Accounting Policies (continued):

accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter period equity, and creating additional transparency. The Authority is evaluating this statement to determine its impact the financial statements.

GASB Statement 77 Tax Abatement Disclosures This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement requires governments that enter into tax abatement agreements to disclose brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients and the gross dollar amount of taxes abated during the period. The Authority is evaluating this statement to determine its impact on the financial statements.

The accompanying financial statements present the financial position of the Authority, the results of operations of the Authority and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 2015, and for the year then ended.

Basis of Presentation, Fund Accounting

The financial statements of the Authority have been prepared in accordance with generally accepted accounting principles applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of net income, financial position and cash flows.

Enterprise funds are used to account for activities that are operated in a manner similar to private business enterprises.

Basis of Accounting

Enterprise Funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

Government Accounting Standards Board - Statement No. 20

The Authority is required to follow all statements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 20 was issued to give guidance in determining Generally Accepted Accounting Principles (GAAP) for governmental proprietary funds. It provides that all proprietary fund activities follow all Financial Accounting Standards Board (FASB) Statements issued prior to November 30, 1989, unless they conflict with GASB standards. It also provides that the governmental unit must elect whether to follow FASB Statement issued after that date.

The Parking Authority has elected not to follow FASB pronouncements issued after November 30, 1989.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. Summary of Significant Accounting Policies (continued):

Budgets and Budgetary Accounting

The Parking Authority of the City of Camden must adopt an annual budget in accordance with *N.J.A.C.5:31-2*. *N.J.A.C.5:31-2* requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for notes payable and capital outlays. Depreciation expense is included the budget appropriations.

The legal level of budgetary control is established at the detail shown on the statement of Revenues, Expenses and Changes in Retained Earnings. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not effected.

There are no statutory requirements that budgetary line items not be overexpended. However, certain budget line items were overexpended.

The Authority records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

Investments

The Authority considers all marketable securities purchased with an initial maturity of three months or more as investments.

Investments are stated at market value. Investment income includes interest and dividend income, realized gains and losses on the sale of investments, and changes in the fair value of investment held by the Authority.

Contributed Capital

Contributed Capital consists primarily of the Waterfront Parking Garage located at Delaware Avenue and Federal Street. The parking garage was contributed by the City of Camden.

Inventory of Supplies

The costs of inventories of supplies are recorded as expenditures at the time the individual items are purchased. The Authority has determined that inventories were immaterial as of year-end.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. Summary of Significant Accounting Policies (continued):

Property, Plant and Equipment

Property, Plant and Equipment primarily consists of expenditures to acquire, construct, place in operation and improve the facilities of the Authority.

Expenditures are capitalized when they meet the following requirements:

- 1) Cost of \$2,000.00 or more.
- 2) Useful life of more than one year.
- 3) Asset is not affected by consumption

Interest costs incurred during construction are not capitalized into the cost of the asset.

Depreciation

Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	Years
Buildings	30-40
Furniture, Fixtures & Equipment	5-15

A half-year of depreciation is taken in the year of acquisition.

Net Position:

Net Position is distributed into three categories:

Net Investments in Capital Assets - The Authority's equity in Property, Plant and Equipment, which, consequently cannot be appropriated to support operations.

Unrestricted - Represents cumulative earnings that are currently available and may be appropriated for any lawful purpose. Unrestricted net assets are calculated by taking total net assets less restricted net assets and invested in capital assets, net of related debt. Included is working capital, which is provided by current assets less current liabilities payable from current assets. (See Note 8 for calculation)

Restricted - Represents reserve funds set aside as part of an agreement for use of the Authority's parking facilities by the Susquehanna Center. For the year ended December 31, 2015 funds collected by the Authority in accordance with this agreement exceeded the amount of funds expended to date by \$269,184.15 (see Note 9).

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. Summary of Significant Accounting Policies (continued):

Income Taxes

The Authority operates as defined by Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Note 3. Stewardship, Compliance and Accounting Ability

A. Compliance with finance related legal and contractual provisions

The Authority has no material violations of finance related legal and contractual provisions.

B. Budgetary Compliance

The Authority adopts an operating budget on another comprehensive basis of accounting, which is not the same basis of accounting as that used to account for the actual results or operations on an accrual basis. The following items indicate the primary differences between the budgetary basis and the GAAP basis.

Cash outlay's to acquire or construct capital assets is included as a non-operating budget appropriation.

The budget to actual schedules are presented in the Authority's audit report. Also included is a reconciliation of Excess Revenues Over Expenses - Budgetary Basis to Net Income - GAAP basis.

Note 4. Cash and Cash Equivalents and Investments

The Authority is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2015, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	\$7,036,554.08
New Jersey Cash Management Fund	<u>293,304.50</u>
Total Deposits & Investments	<u>\$7,329,858.58</u>

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 4. Cash and Cash Equivalents and Investments (continued):

Reconciliation of Statement of Net Position:

Current:

Unrestricted Assets:

Cash & Cash Equivalents	\$7,060,799.60
Change Fund	10,125.00

Restricted Assets:

Cash & Cash Equivalents	<u>258,933.98</u>
-------------------------	-------------------

Total Reconciliation of Statement of Net Position \$7,329,858.58

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$7,483,689.36 at December 31, 2015. Of the bank balance \$500,000.00 was fully insured by depository insurance and \$6,983,689.36 was secured by a collateral pool held by the bank, but not in the Authority's name, as required by New Jersey New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described below.

Investment Interest Rate Risk – The Authority has not formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2015, are provided in the above schedule.

Investment Credit Risk – The Authority has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Authority or bonds or other obligations of the local unit or units within which the Authority is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Authority;
- Local Governments investment pools;

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 4. Cash and Cash Equivalents and Investments (continued):

- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities.

Concentration of Investment Credit Risk – The Authority places no limit on the amount it may invest in any one issuer. At December 31, 2015, the Authority had no investments.

Governmental Unit Deposit Protection Act (GUDPA)

The Authority has deposited cash in 2015 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Authority invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 4. Cash and Cash Equivalents and Investments (continued):

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The Authority should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

**Note 5. Property,
Plant and Equipment**

During the year ended December 31, 2015 the following changes in Property, Plant and Equipment occurred:

	Balance January 1, 2014	Additions	Adjustments/ Deletions	Balance December 31, 2015
Land	\$2,932,954.50	315,000.00	\$1,401,000.00	\$1,846,954.50
Buildings	6,779,615.52			6,779,615.52
Furniture, Fixtures & Equipment:				
General	1,048,732.68	\$ 90,535.00	52,050.00	1,087,217.68
Routes	87,173.40			87,173.40
Violations	117,314.50		13,000.00	104,314.50
Terminal	12,169.00			12,169.00
Waterfront	308,730.88			308,730.88
Leasehold Improvements	1,099,697.55	25,000.00		1,124,697.55
Capitalize Professional Services	330,918.15	2,420,822.32		2,751,740.47
Subtotal	12,717,306.18	2,851,357.32	1,466,050.00	14,102,613.50
Less: Accumulated Depreciation	5,718,917.10	336,651.12	63,789.40	5,991,778.82
Total	<u>\$6,998,389.08</u>	<u>\$2,514,706.20</u>	<u>1,402,260.60</u>	<u>\$8,110,834.68</u>

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 5. Property, Plant and Equipment (continued):

Additions:	
Susquehanna Reserve	\$ 25,000.00
Operating Budget	<u>2,826,357.32</u>
Total	<u>\$2,851,357.32</u>

B. Contributed Capital

Below is an analysis of contributed capital for the year ended December 31, 2015:

Balance January 1, 2014	\$ 3,150,408.41
Capital Contributions for the Year	25,000.00
Depreciation on Contributed Assets	<u>(187,055.35)</u>
Balance December 31, 2015	<u>\$ 2,988,353.06</u>

Note 6. Pension Note

Description of System and Vesting

All eligible authority employees participate in the contributory defined benefit public employee retirement system established by state statute. The Public Employees Retirement System (PERS) is sponsored and administered by the State of New Jersey and considered a cost-sharing multiple employer plan.

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage.

At December 31, 2015 the Authority reported a liability of \$3,442,821.00 for its proportionate share of the net pension liability as measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The authority's proportion of the net pension liability was based on a projection of the authority's long – term share of contributions to the pension plan relative to the projected contributions of all participating authorities, actuarially determined. At June 30, 2015, the authority's proportion was .007% which decreased slightly by .001% from its proportion measured as of June 30, 2014.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Note (continued):

basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended December 31, 2015 the Authority recognized pension expense of \$540,089.48. At December 31, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 82,134	
Changes of assumptions	369,732	
Net difference between projected and actual earnings on pension plan investments		55,354
Changes in proportion and differences between District contributions and proportionate share of contributions		415,403
Total	<u>\$ 451,866</u>	<u>\$ 470,757</u>

\$451,866.00 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as shown below. The amounts represent the Authority's proportionate share of deferred outflows of resources and deferred inflows of resources.

Year ended December 31 :	
2016	(15,153.00)
2017	(15,153.00)
2018	(15,153.00)
2019	(15,153.00)
2020	(15,153.00)
Thereafter	<u>56,876.00</u>
Total	<u>\$ (18,889.00)</u>

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Note (continued):

Additional Information

Collective local balances at December 31, 2014 and 2015 are as follows

	12/31/2014	12/31/2015
Collective Deferred outflows of resources	\$ 952,194,675	3,578,755,666
Collective Deferred inflows of resources	1,479,224,662	993,410,455
Collective net pension liability	18,722,735,003	22,447,996,119
Authority's Proportion	0.00171%	0.00153%

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation rate	3.04%
Salary increases:	2.15 – 4.40%
2012-2021	based on age
Thereafter	3.15 – 5.40%
	based on age

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Note (continued):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Pension Note (continued):

2015			
	<u>At 1% decrease (3.90%)</u>	<u>At current discount rate (4.90%)</u>	<u>At 1% increase (5.90%)</u>
State	27,802,122,942	23,722,135,537	20,314,768,782
Local	27,900,112,533	22,447,996,119	17,876,981,108
	<u>55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>

2014			
	<u>At 1% decrease (4.39%)</u>	<u>At current discount rate (5.39%)</u>	<u>At 1% increase (6.39%)</u>
State	23,772,450,916	20,127,103,950	17,069,920,644
Local	23,553,838,159	18,722,735,003	14,665,837,859
	<u>47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>

Description of System and Vesting

Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include financial statements and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Contribution Requirements

The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 6.5%, effective October 1, 2011, of employees' annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. The Authority's contributions to P.E.R.S. for the years ending December 31, 2015, 2014 and 2013 were \$141,323, \$134,235 and \$132,100, respectively, equal to the required contributions for each year.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. Liabilities

A. Compensated Absences

Authority employees may accumulate unused sick days with no restrictions. Unused sick leave at retirement lapses. Vacation days not used during the year may not be carried forward without authorization of the Executive Director. Upon separation from the Authority, the employee is paid for all accrued vacation time at their current hourly rate. The estimated liability for compensated absences at December 31, 2015 is \$45,907.57.

B. Severance Pay

Authority employees who terminate their employment voluntarily because of a retirement program of the Parking Authority or the State of New Jersey or who has passed away while in Parking Authority employment or have their jobs abolished for purpose of economy will receive severance pay. This severance pay will be based on the number of years of service and will be paid at the employee's regular rate according to the following schedule:

Years of Service	Weeks Pay
5-15	1
15-20	2
Over 20	3

The Authority has accrued expenses totaling \$41,190.56 for severance pay.

C. Promissory Note

On August 9, 2010 the Authority entered into an agreement with Camden City Redevelopment Agency to purchase property at Block 150, Lot 35.01 located on Federal Street in Camden City. The purchase price was for \$1,104,250 of which \$600,000 consist of a promissory note with an annual interest rate of 5% to

Camden City Redevelopment Agency. The financial statements reflect accrued interest payable of \$18,285.71 at December 31, 2015 that is related to this promissory note.

The annual payments are according to the following schedule:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
8/27/16	\$120,000	-	\$120,000
8/27/17	120,000	24,000	144,000
8/27/18	120,000	18,000	138,000
8/27/19	120,000	12,000	132,000
8/27/20	<u>120,000</u>	<u>6,000</u>	<u>126,000</u>
Total	<u>\$600,000</u>	<u>60,000</u>	<u>\$660,000</u>

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Segment Information of Enterprise Funds

Working Capital

The Authority's working capital is calculated as follows:

Current Assets	\$7,368,267.50
Current Liabilities Payable from Current Assets	<u>(482,011.93)</u>
Total Working Capital	<u>\$6,886,255.57</u>

Note 9. Contractual Agreements

A. Live Nation

The Authority has entered into an agreement with Live Nation to provide parking facilities for the use of the Susquehanna Center at the Camden Waterfront. The agreement allows Live Nation to operate the parking facilities in return for the Authority receiving a percentage of the gross parking revenues. The initial term of the parking agreement is thirty-one years with two successive lease options for twenty and ten years respectively.

The agreement also calls for an additional 2.5% of gross parking revenues to be paid to the Authority and segregated in a separate reserve fund. The moneys in the reserve fund are to be utilized by the Authority to provide the necessary installation and replacement of capital items at the parking facilities utilized by Live Nation. Amounts held in the reserve fund at the end of the parking agreement shall be distributed equally to both Live Nation and the Authority. At December 31, 2015, revenues earned from the reserve-exceeded expenditures by \$ 269,184.15.

B. Operating Leases

On October 1, 2013 the Authority entered into an operating lease for a copier. As of December 30, 2015 the minimum lease payments for the operating lease are as follows:

Fiscal Year Ending November 30	Minimum Annual Lease Payments
2016	\$ 1,397.16
2017	<u>1,047.87</u>
Total	<u>\$ 2,445.03</u>

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 10. Economic Dependency

The Authority generates a large portion of its revenue (estimated at between 30% - 40%) from events held at two different public facilities in the general vicinity of its Waterfront Garage. One of these facilities, "the Aquarium", has constructed its own parking facility. The effect of this facility on the Authority's revenue is not known at this time. As of June of 2005, the Authority has entered into a contract with "The Aquarium" to be the operator of the Aquarium parking facility. Based upon a fixed parking rate of \$10.00 per car the Authority retains \$3.00 per car.

The Authority also generates a large portion of its revenue (estimated at between 15% - 25%) from the New Jersey Transit Building known as the Walter Rand Transportation Terminal. Currently the Authority is the operator of the parking facility without having a fully executed agreement with NJ Transit. The Authority pays NJ Transit \$37,500 per quarter and in return the Authority retains 100% of the parking fees.

Note 11: Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required PERS, to fund post-retirement medical benefits for those State employees who retire after reaching 60 and accumulating 25 years of credited service. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the PERS system. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

State Health Benefits Plan Description

The Parking Authority of the City of Camden contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1990, The Parking Authority of the City of Camden authorized participation in the SHBP's post-retirement benefit program through a resolution. At this particular time the Authority is unable to locate and identify the actual

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 11. Post-retirement Benefits (continued):

resolution. The Authority adopted the provision of Chapter 88, Public Laws of 1974 as amended by Chapter 436, P.L. 1981 to permit local public employers to pay the premium charges for certain eligible pensioners and their dependents and to pay Medicare charges for such retirees and their spouses covered by the New Jersey Health Benefits Program. In 2011 Authority employees began making health benefit contributions of 1.5% of their base salaries towards the health benefit costs.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-jul2011.pdf.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to The Parking Authority of the City of Camden on a monthly basis. As a participating employer the Authority will pay and remit to the State treasury contributions to cover the full cost of premiums for eligible pensioners on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with provisions of chapter 75, Public Laws of 1972.

The Parking Authority of the City of Camden contributions to SHBP for the years ended December 31, 2015, 2014, and 2013, were \$97,018.21, \$85,095.83, and \$85,536.22 respectively, which equaled the required contributions for each year. There were seven (7) retired participants eligible at December 31, 2015, 2014 and 2013.

Note 12: Litigation

The Authority is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Authority, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 13: Redevelopment Agreement

On September 12, 2013 the Authority entered into an agreement with the City of Camden Redevelopment Agency (CCRA) to purchase six lots from CCRA for \$1,200,000 of which the Authority paid \$300,000 at settlement and the remaining \$900,000 which may be owed to CCRA based on various contingent conditions set forth in the agreement based on possible Future-Parking Projects developed on these lots. As of December 31, 2015 the Authority has not recorded a liability of \$900,000 due to the uncertainty on when any Future-Parking Projects will commence.

Note 14: Unrestricted Net Position Appropriated

Of the \$3,333,630.44 unrestricted and undesignated net position at December 31, 2015, \$216,525.00 was appropriated and anticipated as revenue in the 2016 budget as adopted.

Note 15: Retroactive Restatement of Net Position

The Authority adopted GASB No. 68 – Accounting and Financial Reporting for Pensions – An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the Authority to record its proportional share of the State of New Jersey’s net pension liability on the face of its financial statements as of December 31, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the Authority was adjusted to reflect the beginning balance of the net position liability. Since the measurement date of the net pension liability is December 31, 2015, the restatement adjustments to Net Position relate to the beginning net pension liability measured as of December 31, 2014. Also, in accordance with GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, the Authority restated its Net Position for pension contributions made after the beginning net pension liability measurement date of December 31, 2014 (Deferred Outflows).

Net Position (Per Exhibit A, December 31, 2014)	\$ 13,782,308.73
Restatement of:	
Net Pension Liability	(3,209,606.00)
Pension Deferred Outflows	<u>100,927.00</u>
Net Position - Per Exhibit A, December 31, 2014 (As Restated)	<u>\$ 10,673,629.73</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART II

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
COMPARATIVE STATEMENT OF OPERATING REVENUES AND COST FUNDED BY
OPERATING REVENUES COMPARED TO BUDGET
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	DECEMBER 31, 2015				DECEMBER 31, 2014			
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Operating Revenues:								
Parking Fees:								
Meters	\$952,766.00	952,766.00	1,004,596.01	51,830.01	\$951,090.00	951,090.00	968,922.88	17,832.88
Parking Lots	1,979,781.00	1,979,781.00	1,912,745.37	(67,035.63)	1,753,958.00	1,753,958.00	1,883,857.91	129,899.91
Waterfront Garage	445,037.00	445,037.00	596,153.92	151,116.92	394,389.00	394,389.00	618,113.09	223,724.09
Transportation Terminal	665,384.00	665,384.00	501,719.08	(163,664.92)	590,904.00	590,904.00	553,709.23	(37,194.77)
Residential Parking					2,850.00	2,850.00		(2,850.00)
Total	4,042,968.00	4,042,968.00	4,015,214.38	(27,753.62)	3,693,191.00	3,693,191.00	4,024,603.11	331,412.11
Other Operating Revenues:								
Susquehanna Center Revenues	463,480.00	463,480.00	508,645.45	45,165.45	412,680.00	412,680.00	454,448.91	41,768.91
Other	336,744.00	336,744.00	292,107.93	(44,636.07)	294,044.00	294,044.00	288,759.96	(5,284.04)
Total Other Operating Revenues	800,224.00	800,224.00	800,753.38	529.38	706,724.00	706,724.00	743,208.87	36,484.87
Total Operating Revenues	4,843,192.00	4,843,192.00	4,815,967.76	(27,224.24)	4,399,915.00	4,399,915.00	4,767,811.98	367,896.98
Nonoperating Revenues:								
Interest on Investments & Deposits	9,304.00	9,304.00	9,612.38	308.38	40,440.00	40,440.00	9,317.28	(31,122.72)
Total Budget Revenues	4,852,496.00	4,852,496.00	4,825,580.14	(26,915.86)	4,440,355.00	4,440,355.00	4,777,129.26	336,774.26
Salaries & Wages:								
Collections	73,204.00	73,204.00	44,989.78	28,214.22	78,204.00	78,204.00	54,020.12	24,183.88
Maintenance	329,416.00	329,416.00	329,415.75	0.25	232,452.00	232,452.00	345,254.71	(112,802.71)
Facilities	461,622.00	461,622.00	509,325.81	(47,703.81)	474,360.00	474,360.00	474,770.66	(410.66)
Office	227,101.00	227,101.00	227,101.55	(0.55)	403,784.00	403,784.00	258,954.17	144,829.83
Violations	287,353.00	287,353.00	287,352.98	0.02	343,716.00	343,716.00	246,282.13	97,433.87
Total Salaries & Wages	1,378,696.00	1,378,696.00	1,398,185.87	(19,489.87)	1,532,516.00	1,532,516.00	1,379,281.79	153,234.21

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
COMPARATIVE STATEMENT OF OPERATING REVENUES AND COST FUNDED BY
OPERATING REVENUES COMPARED TO BUDGET
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	DECEMBER 31, 2015				DECEMBER 31, 2014			
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Fringe Benefits:								
Payroll Taxes	134,772.00	134,772.00	112,910.67	21,861.33	131,772.00	131,772.00	128,912.29	2,859.71
Prescription/Dental Insurance	18,516.00	18,516.00	16,168.16	2,347.84	18,516.00	18,516.00	15,074.25	3,441.75
Pension	152,528.00	152,528.00	540,089.48	(387,561.48)	152,028.00	152,028.00	172,237.82	(20,209.82)
Health Insurance	533,075.00	533,075.00	635,941.77	(102,866.77)	608,024.00	608,024.00	532,305.91	75,718.09
Other - Uniforms	11,344.00	11,344.00	10,984.25	359.75	7,464.00	7,464.00	12,111.43	(4,647.43)
Total Fringe Benefits	850,235.00	850,235.00	1,316,094.33	(465,859.33)	917,804.00	917,804.00	860,641.70	57,162.30
General & Administrative:								
Travel and Conferences	100.00	100.00	1,713.19	(1,613.19)	100.00	100.00	245.58	(145.58)
Employee Training	219.00	219.00	779.00	(560.00)	1,273.00	1,273.00	219.05	1,053.95
Supplies & Printing	95,752.00	95,752.00	79,574.18	16,177.82	69,540.00	69,540.00	95,405.81	(25,865.81)
Advertisement	4,086.00	4,086.00	1,481.49	2,604.51	3,672.00	3,672.00	1,749.53	1,922.47
Publication & Dues	880.00	880.00	150.00	(730.00)	880.00	880.00	2,086.34	(1,206.34)
Postage & Freight	411,667.00	411,667.00	1,844.81	(1,433.19)	379,683.00	379,683.00	450,819.95	(71,136.95)
Professional Fees	13,074.00	13,074.00	449,790.61	(436,716.61)	21,838.00	21,838.00	120.00	21,718.00
Bank Charges	46,548.00	46,548.00	2,513.63	44,034.37	21,613.00	21,613.00	50,241.07	(28,628.07)
Computer Expense	35,494.00	35,494.00	49,706.13	(14,212.13)	14,460.00	14,460.00	56,827.34	(56,827.34)
Bad Debt Expense	1,132.00	1,132.00	32,028.15	(30,896.15)	2,039.00	2,039.00	21,616.35	(7,156.35)
Telephone			7,312.55	(7,312.55)			7,100.11	(5,061.11)
Miscellaneous	608,952.00	608,952.00	626,893.74	(17,941.74)	515,098.00	515,098.00	686,431.13	(171,333.13)
Total General & Administrative	591,469.00	591,469.00	340,088.58	251,380.42	388,520.00	388,520.00	307,112.70	81,407.30
Cost of Providing Service:								
Operating Leases - Rent	475,935.00	475,935.00	230,286.94	245,648.06	228,907.00	228,907.00	227,708.94	1,198.06
Insurance	15,163.00	15,163.00	4,453.60	10,709.40	9,960.00	9,960.00	10,442.41	(482.41)
Vehicle Maintenance	74,897.00	74,897.00	35,278.24	39,618.76	59,783.00	59,783.00	41,750.68	18,032.32
Maintenance	285,469.00	285,469.00	176,815.54	108,653.46	183,468.00	183,468.00	211,420.12	(27,952.12)
Utilities	137.00	137.00	6,508.45	(6,371.45)	90.00	90.00	413.00	(323.00)
Signage								

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
COMPARATIVE STATEMENT OF OPERATING REVENUES AND COST FUNDED BY
OPERATING REVENUES COMPARED TO BUDGET
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	DECEMBER 31, 2015				DECEMBER 31, 2014			
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Cost of Providing Service (continued):								
Elevator	15,125.00	15,125.00	11,129.50	3,995.50	9,935.00	9,935.00	29,752.00	(19,817.00)
Gasoline	13,768.00	13,768.00	8,986.67	4,781.33	9,044.00	9,044.00	2,927.73	6,116.27
Equipment Rental	24,484.00	24,484.00	7,103.84	17,380.16	17,520.00	17,520.00	13,963.25	3,556.75
Snow Removal Costs	38,071.00	38,071.00	22,563.77	15,507.23	25,008.00	25,008.00	36,569.00	(11,561.00)
Depreciation	252,584.00	252,584.00	336,651.12	(84,067.12)	302,584.00	302,584.00	389,696.04	(87,112.04)
Total Cost of Providing Service	1,787,102.00	1,787,102.00	1,179,866.25	607,235.75	1,234,819.00	1,234,819.00	1,271,755.87	(36,936.87)
Total Operating Appropriations	4,624,985.00	4,624,985.00	4,521,040.19	103,944.81	4,200,237.00	4,200,237.00	4,198,110.49	2,126.51
Nonoperating Appropriations:								
Interest Expense	4,571.00	4,571.00	3,428.57	1,142.43	4,571.00	4,571.00	3,428.57	1,142.43
Pilot Payment - City of Camden	231,478.00	231,478.00		231,478.00	210,240.00	210,240.00		210,240.00
Capital Outlays			2,851,357.32	(2,851,357.32)			306,993.14	(306,993.14)
Total Nonoperating Appropriations	236,049.00	236,049.00	2,854,785.89	(2,618,736.89)	214,811.00	214,811.00	310,421.71	(95,610.71)
Total Operating & Nonoperating Appropriations	4,861,034.00	4,861,034.00	7,375,826.08	(2,514,792.08)	4,415,048.00	4,415,048.00	4,508,532.20	(93,484.20)
Excess Revenues Over Expenditures	(\$8,538.00)	(8,538.00)	(2,550,245.94)	(2,541,707.94)	\$25,307.00	25,307.00	268,597.06	243,290.06
Adjustments to Reconcile Excess Revenues Over Expenditures to GAAP Basis for Change in Net Position:								
Excess Expenditures Over Revenues			(\$2,550,245.94)				\$268,597.06	
Add:								
Additions to Property, Plant & Equipment			2,851,357.32				306,993.14	
Net Change in Reserve for Susquehanna Center Improvements			46,063.31				60,413.64	
Capital Contributions			25,000.00					
Change in Net Position (Exhibit B)			\$372,174.69				\$636,003.84	

SCHEDULE 2

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
ANALYSIS OF PARKING FEES RECEIVABLE
AS OF DECEMBER 31, 2015**

Balance January 1, 2015		\$173,748.93
Increased by:		
Accrued		<u>4,015,214.38</u>
Subtotal		4,188,963.31
Decreased by:		
Collections	\$4,038,589.22	
Bad Debt Expense		
Allowance for Doubtful Accounts	<u>1,833.10</u>	<u>4,040,422.32</u>
Balance December 31, 2015		<u><u>\$148,540.99</u></u>

SCHEDULE 3

**ANALYSIS OF DUE FROM SUSQUEHANNA CENTER
AND RESERVE FOR IMPROVEMENTS RECEIVABLE
AS OF DECEMBER 31, 2015**

Balance January 1, 2015		\$20,076.33
Increased by:		
Event Revenue Accrued	\$583,721.50	
Miscellaneous Revenue Accrued	2,000.00	
Reserve for Improvements Accrued	<u>70,840.19</u>	<u>656,561.69</u>
Subtotal		676,638.02
Decreased by:		
Event Revenue - Per Agreement With Susquehanna Center	517,153.93	
Miscellaneous Revenue - Per Agreement With Susquehanna Center	2,000.00	
Reserve for Improvements - Per Agreement With Susquehanna Center	<u>63,432.01</u>	<u>582,585.94</u>
Balance December 31, 2015		<u><u>94,052.08</u></u>
Analysis of Balance:		
Unrestricted Assets:		
Event Revenue Receivable		\$83,801.91
Restricted Assets:		
Reserve Receivable		<u>10,250.17</u>
Total		<u><u>\$94,052.08</u></u>

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
ANALYSIS OF ACCRUED INTEREST RECEIVABLE
AS OF DECEMBER 31, 2015**

SCHEDULE 4

Balance January 1, 2015	\$ -
Increased by:	
Interest Earned	<u>(9,612.38)</u>
Subtotal	(9,612.38)
Decreased by:	
Interest Received	<u>9,612.38</u>
Balance December 31, 2015	<u><u>\$ -</u></u>

**ANALYSIS OF RESERVE FOR SUSQUEHANNA CENTER IMPROVEMENTS
AS OF DECEMBER 31, 2015**

SCHEDULE 5

Balance January 1, 2015		\$223,120.84
Increased by:		
Received From Susquehanna Center	\$60,590.02	
Due From Susquehanna Center	\$10,250.17	
Interest Earnings	<u>223.12</u>	<u>71,063.31</u>
Subtotal		294,184.15
Decreased by:		
Capital Outlay		<u>25,000.00</u>
Balance December 31, 2015		<u><u>\$269,184.15</u></u>

SCHEDULE 6

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - PERS ***

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's Proportion of the Net Pension Liability (Asset)	0.02390%	0.02297%	0.02456%
Authority's Proportionate Share of the Net Pension Liability (Asset)	\$11,036,397	\$8,924,296	9,434,272
Authority's covered employee payroll	\$1,407,854	\$1,369,103	\$1,141,273
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.92%	48.72%

SCHEDULE 7

**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - PERS
SCHEDULE OF CONTRIBUTIONS ***

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially Determined Contribution	\$141,323	\$134,235	\$132,100
Contributions in relation to the Actuarially Determined Contributions	<u>141,323</u>	<u>134,235</u>	<u>132,100</u>
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered-Employee Payroll	\$1,407,854	\$1,369,103	\$1,377,731
Contributions as a Percentage of Covered - Employee Payroll	10.038%	9.805%	9.588%

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

REQUIRED SUPPLEMENTARY INFORMATION – PART III

THE PARKING AUTHORITY OF THE CITY OF CAMDEN AUTHORITY

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015**

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

Additional detailed information about the pension plans is available in the separately issued State of New Jersey Public Employees' Retirement System – Schedules of Employer Allocations and Schedules of Pension Amounts by Employer at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>

Page Intentionally Left Blank

GENERAL COMMENTS AND RECOMMENDATIONS



BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

To the Chairman and Members of the
The Parking Authority of the City of Camden
Camden, New Jersey 08103

I have audited the financial accounts and transactions of the Parking Authority of the City of Camden in the County of Camden for the year ended December 31, 2015. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

It is pointed out that the governing body of the Authority has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The minutes indicate that bids were requested by public advertising for the following items:

Demolition of Building and Restoration of Garage

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any instances where individual payments, contracts or agreements in excess of \$2,625 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate. The results of the examination did not disclose any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Fund

The examination of the payroll account included the detailed computation of various deductions or other credits from the payroll of the Authority employees and ascertained that the accumulated withholdings were disbursed to the proper agencies.

Budget

Finding 2015-01:

The Authority's 2015 adopted Budget was not timely submitted for certification to the Director of the Division of Local Government Services, Department of Community Affairs of the State of New Jersey in order for the adopted Budget to be compared with the previously approved Budget.

Recommendation:

The Authority should file their Budgets in a timely manner in order to be in compliance with the requirements of law and rules and regulations of the Local Finance Board.

Acknowledgment

I received the complete cooperation of all officials and employees of the Authority and I greatly appreciate the courtesies extended to the audit team.

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing my recommendations, please call me.

Brent W. Lee
Certified Public Accountant

Cinnaminson, New Jersey
March 30, 2016