



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

March 12, 2012

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

I have audited the financial statements of the Parking Authority of the City of Camden for the year ended December 31, 2011. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated October 3, 2011. Professional standards also require that I communicate to you the following information related to my audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, I have advised management about the appropriateness of accounting principles and their application. The significant accounting policies used by the Parking Authority of the City of Camden are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2011. I noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements of the auditor's report. I am pleased to report that no such disagreements arose during the course of the audit.

Other Audit Findings or issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditor. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

This information is intended solely for the use of the Parking Authority of the City of Camden's management and members and is not intended to be and should not be used by anyone other than those specified.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Brent W. Lee", written in a cursive style.

Brent W. Lee, CPA

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

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2011**

THE PARKING AUTHORITY OF THE CITY OF CAMDEN

BOARD OF COMMISSIONERS

AS OF DECEMBER 31, 2011

Angel L. Alamo
Chairman

Michael B. Jordan
Vice Chairman

Sanders Kendrick, Jr.
Commissioner

Barry Moore
Commissioner

Falio Leyba Martinez
Commissioner

OTHER OFFICIALS

Vacant
1/1/12 - 12/23/11

James Zullo / Len Bier
Effective 12/26/11
Interim Executive Director

Nyetta Fields
Board Secretary

Daniel A. Bernardin, Esquire
Board Solicitor

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>	3

Required Supplementary Information – Part I

Management's Discussion and Analysis	5
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Exhibits

Basic Financial Statements:

Comparative Statement of Net Assets	A	11
Comparative Statement of Revenues, Expenses & Changes in Net Assets	B	12
Comparative Statement of Cash Flows	C	13
Notes to the Financial Statements		15

Required Supplementary Information – Part II

Schedules

Comparative Statement of Operating Revenues & Cost Funded by Operating Revenues Compared to Budget	1	29
Analysis of Parking Fees Receivable	2	32
Analysis of Due from Susquehanna Center	3	32
Analysis of Accrued Interest Receivable	4	33
Analysis of Reserve for Susquehanna Center Improvements	5	33

Comments and Recommendation:

Contracts and Agreements Required to be Advertised	35
Contracts and Agreements Requiring Solicitation of Quotations	36
Acknowledgement	36

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

FOR THE YEAR ENDED DECEMBER 31, 2011

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis



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 Burlington
Camden, New Jersey 08103

I have audited the accompanying statement of net assets of the Parking Authority of the City of Camden, a component unit of the City of Camden, County of Camden, State of New Jersey, as of and for the year ended December 31, 2011, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Parking Authority of the City of Camden's management. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of the Parking Authority of the City of Camden as of December 31, 2010, were audited by other auditors whose report dated March 18, 2011, expressed an unqualified opinion on those statements.

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 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Parking Authority of the City of Camden, a component unit of the City of Camden, County of Camden, State of New Jersey, as of December 31, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America and as prescribed by the Local Finance Board and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 12, 2012, on my consideration of the Parking Authority of the City of Camden's internal control over financial reporting and 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 our testing, and not to provide an opinion on internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

609-456-8804
3008 New Albany Rd., Cinnaminson, NJ 08077

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in 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 me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Parking Authority of the City of Camden's financial statements as a whole. The introductory and supplementary sections are presented for purposes of additional analysis and are not a required part of the financial statements. The 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 standards generally accepted in the United States of America and as prescribed by the Local Finance Board and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and supplemental 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.

Respectfully submitted,



Brent W. Lee
Certified Public Accountant

Cinnaminson, New Jersey
March 12, 2012



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
Camden, New Jersey 08103

I have audited the financial statements of the Parking Authority of the City of Camden, a component unit of the City of Camden, County of Camden, State of New Jersey, as of and for the year ended December 31, 2011, and have issued my report thereon dated March 12, 2012. 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Parking Authority of the City of Camden's internal control over financial reporting as a basis for designing my auditing procedures 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 Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. 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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

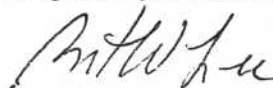
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Parking Authority of the City of Camden's financial 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 our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

This report is intended solely for the information and use of the Parking Authority of the City of Camden's management, and others within the organization, the Division of Local Government Services, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Brent W. Lee
Certified Public Accountant

Cinnaminson, New Jersey
March 12, 2012

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

INTRODUCTION

The Parking Authority of the City of Camden, hereinafter referred to as the "Authority" presents their Annual Financial Report developed in accordance with the Statement 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 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 parking needs and interest of the Camden community. Our facilities and services enhance commerce throughout the City. Our various programs, Residential Parking Program, Credit Card Payment System, Monthly Parking Specials, Parking Meter Swipe Cards, 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 Americans 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.

RESPONSIBILITY AND CONTROL

The Authority has retained Brent W. Lee, Certified Public Accountants, to conduct an independent audit of the financial statement for the calendar year ended December 31, 2011.

The Authority is responsible for furnishing financial statements and pertinent data for the auditor's review and analysis.

In management's opinion, the financial statements above present fairly, in all material aspects, the financial position, results of operations and cash flow for the calendar year ending in accordance with generally accepted accounting principles and in conformity with the existing bond resolution.

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 meters throughout the City. The Authority currently operates eleven (11) surface lots and two (2) garage facilities comprising a total parking capacity of approximately 6,140 vehicles. The Authority also collects revenues from the approximately 900 parking meters located throughout the City's central business district and conducts various parking enforcement activities (ticket writing, towing, booting if necessary, etc.) on behalf of the City. The City believes that these are essential governmental functions and that the Authority, operating independently, can perform more efficiently and economically than if the City were to assume direct responsibility for them.

ACCOMPLISHMENTS

The Authority has 150 parking meters that accept a smart card payment in the Rutgers University area. The Authority has extended smart card meters to the Rowan University, Camden County College, and other areas in downtown Camden. The smart card works like a prepaid phone card in that the money is deducted each time an individual utilizes the card. The Authority is now considering the installation of "multi-space" parking machines in various downtown locations. We will continue to upgrade all of our parking meters.

The Authority is operating under a 2 year parking agreement to operate three (3) parking lots for daily visitors for the Adventure Aquarium that expires May 2012. We are currently negotiating a new agreement. In addition, all Aquarium staff is currently parking in the Waterfront Garage at a reduced monthly rate.

The Authority is the parking operator for the Camden Riversharks minor league baseball team. Since the opening of The Riversharks Stadium at Campbell's Field, it has provided more activities at the Camden Waterfront. Approximately 70 games are played each year. The Authority renewed its contract with the Camden Riversharks to manage stadium parking.

For the past several years, the Authority was awarded an agreement with the County of Camden, Department of Recreation to operate their entire event parking on the Camden Waterfront. Events include a Sunset Jazz series and WXPB's 3 day music event.

Since the opening of the Battleship New Jersey, the Authority has provided parking for their visitors and staff. The Authority offered a \$1.00 discounted parking rate to Battleship visitors. To offset Battleship expenses, the Authority rebated \$2.00 per vehicle to the Home Port Alliance until April 2013. The Authority offered free parking to all Battleship New Jersey staff and volunteers through April 2013. The Authority signed a one year contract with Home Port Alliance.

The Authority approved a shared services agreement with the City of Camden Police Department for the coordination of police protection for the area near the waterfront lots managed by the Authority. In connection with the agreement, the Authority made a contribution to the City of Camden for approximately \$219,000.

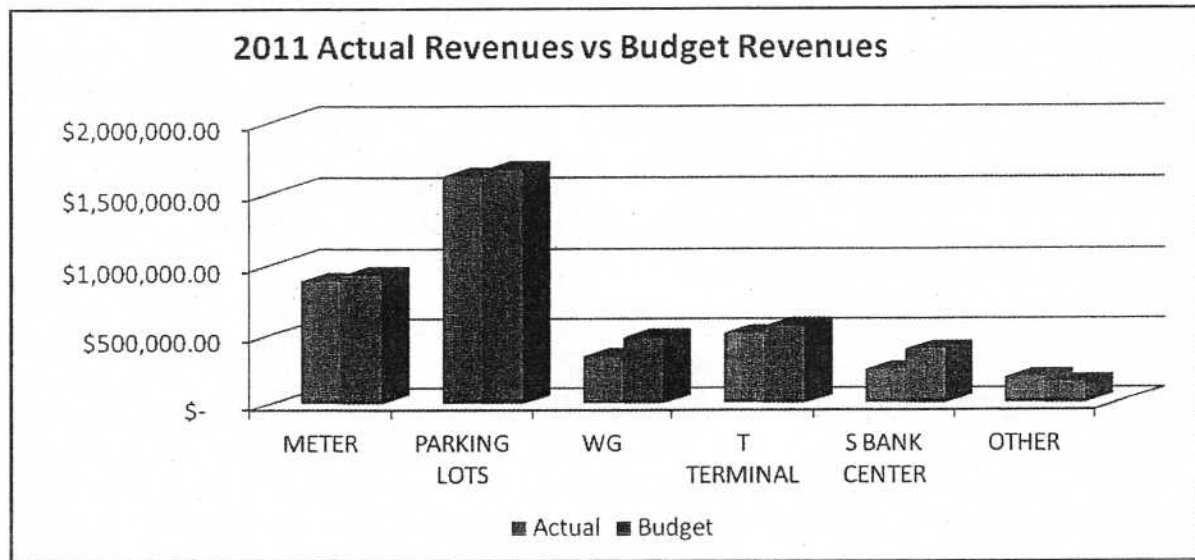
Cooper University Hospital is expanding in the City of Camden. They completed and opened a ten-story patient pavilion, and along with the Camden County Improvement Authority, opened a 1600 car parking center with ground-floor commercial space. Other plans for Cooper include a Biomedical Research Facility, a Medical School Building, a Medical Office Building and a Cancer Institute. With all of the above plans, the Camden Parking Authority completed a parking study in the area to determine future parking needs not only for Cooper projects but also for the residents that live in the immediate area.

For the past three Summer seasons (2009 - 2011), the Parking Authority along with the Adventure Aquarium, Camden Town Center, NJ Economic Development Authority and Camden County have worked to improve landscaping along the Camden Waterfront and downtown areas. We plan to continue this effort in 2012.

PARKING FEES:

Parking rates are significantly below market. A \$5.00 monthly parking increase has been budgeted for 2010, and a \$1.00 increase in daily parking has been budgeted for 2010. Due to the slowdown in the economy and Cooper Hospital new garage located about three blocks from Monthly parking has decreased.

REVENUES (ACTUAL TO BUDGET):



REVENUE ANALYSIS:

Actual revenue for 2011 was \$3,821,931, a 10% or \$385,710 decrease compared to 2011 budget amount of \$4,232,201 and an 8% or \$294,585 decrease compared to 2010 actual amount of \$4,116,517.

METER REVENUE:

Actual Meter Revenue for 2011 was \$886,232, a 5% or \$41,534 decrease compared to 2011 budget amount of \$927,766 and a 3% or \$22,629 decrease compared to 2010 actual of \$908,861.

REVENUE FROM PARKING LOTS:

Actual Parking Lot Revenue for 2011 was \$1,619,436, a 3% or \$46,337 decrease compared to 2011 budget amount of \$1,665,773 and a 5% or \$78,779 decrease compared to 2010 actual of \$1,698,215.

WATERFRONT GARAGE REVENUE:

Actual Garage Revenue for 2011 was \$343,393, a 40% or \$136,856 decrease compared to 2011 budget amount of \$480,249 and a 15% or \$49,889 decrease compared to 2010 actual of \$393,283.

TRANSPORTATION TERMINAL REVENUE:

Actual Terminal Revenue for 2011 was \$507,344, a 11% or \$53,944 decrease compared to 2011 budget amount of \$561,288 and a 6% or \$30,553 decrease compared to 2010 actual of \$537,896.

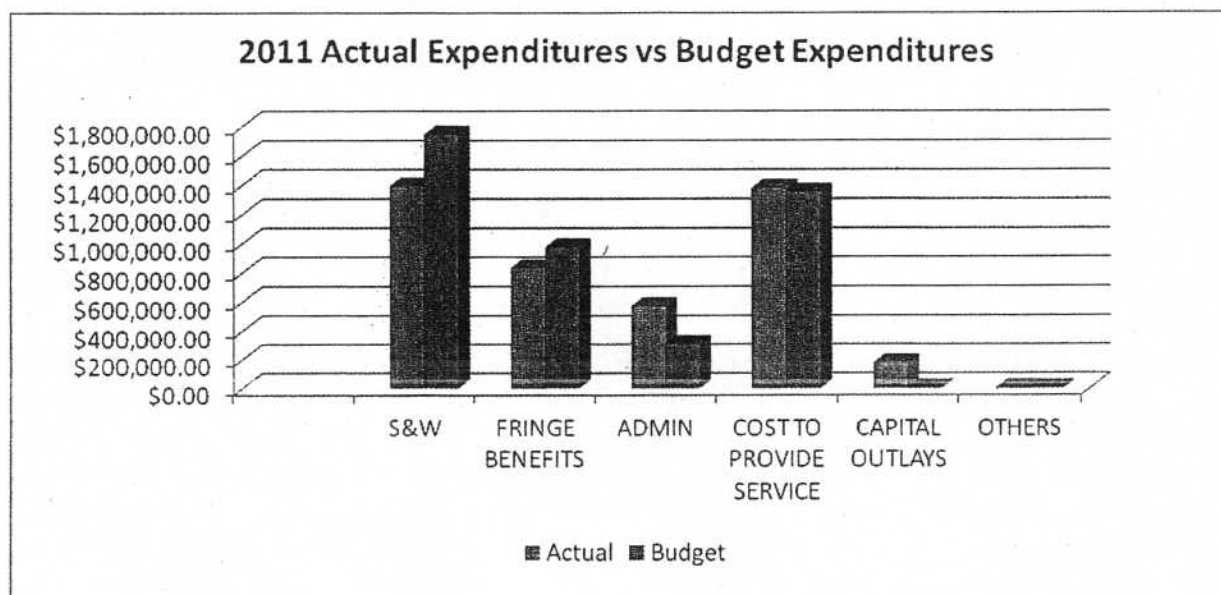
SUSQUEHANNA BANK CENTER REVENUE:

Actual Susquehanna Bank Center Revenue for 2011 was \$246,122, a 60% or \$146,970 decrease compared to 2011 budget amount of \$393,092 and a 49% or \$119,951 decrease compared to 2010 actual of \$366,073.

OTHER REVENUE:

Actual Other Revenue for 2011 was \$188,450, a 21% or \$39,931 increase compared to 2011 budget amount of \$148,519 and a 11% or \$20,058 increase compared to 2010 actual of \$168,392.

EXPENDITURES (BUDGET TO ACTUAL):



EXPENSE ANALYSIS:

Actual expenses for 2011 was \$4,361,019, a 0.0% or \$20,820 decrease compared to 2011 budget amount of \$4,381,839 and a 15% or \$672,986 decrease compared to 2010 actual of \$5,034,005.

OPERATING EXPENSES:

Actual Other Expenses for 2011 was \$2,286, a 100% or \$2,286 increase compared to 2011 budget amount of \$0 and a 100% or \$1,143 increase compared to 2010 actual of \$1,143.

SALARY & WAGES:

Actual Salary & Wage Expenses for 2011 was \$1,392,982, a 25% or \$352,358 decrease compared to 2011 budget amount of \$1,745,340 and a 15% or \$75,979 decrease compared to 2010 actual of \$1,468,961.

FRINGE & BENEFITS:

Actual Fringe & Benefit Expenses for 2011 was \$833,957, a 17 % or \$141,539 decrease compared to 2011 budget amount of \$975,496 and a 37% or \$36,431 increase compared to 2010 actual of \$797,526.

ADMINISTRATION:

Actual Administration Expenses for 2011 was \$572,000, a 46% or \$263,031 Increase compared to 2011 budget amount of \$308,970 and a 48% or \$273,512 increase compared to 2010 actual of \$298,488.

COST TO PROVIDE SERVICES:

Actual Cost to Provide Service Expenses for 2011 was \$1,380,462, a 2% or \$28,429 Increase compared to 2011 budget amount of \$1,352,033 and a 8% or \$108,994 increase compared to 2010 actual of \$1,271,468.

CAPITAL OUTLAYS:

Actual capital Outlay Expense for 2011 was \$179,332, a decrease compared to 2010 actual of \$1,196,420.

FINANCIAL ANALYSIS:

Pursuant to the requirements of Governmental Accounting Standards Board (GASB 34), the management of Authority offers the readers of the Authority's financial of the infrastructure. The appraised value of the infrastructure has been incorporated into the financial statements. Change in accounting principles prompted the Authority to obtain an independent appraisal of its financial activities of the Authority for the years ended December 31, 2011 and 2010. The statements a narrative overview and analysis

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Assets	2011	2010
Unrestricted Current Assets	\$ 6,453,422.03	\$ 6,390,285.13
Restricted Current Assets	\$ 168,065.15	\$ 161,779.49
Capital Assets	\$ 5,278,482.23	\$ 5,436,435.42
Total Assets	\$ 11,899,969.41	\$ 11,988,500.04
Liabilities		
Current Liabilities	\$ 392,733.33	\$ 344,116.13
Long-Term Liabilities	\$ 649,854.30	\$ 671,614.13
Total Liabilities	\$ 1,042,587.63	\$ 1,015,730.26
Net Assets		
Invested in Capital Assets (Net of Related Debt)	\$ 4,678,482.23	\$ 4,836,435.42
Restricted Retained Earnings	\$ 168,065.12	\$ 161,779.49
Unrestricted Retained Earnings	\$ 6,010,834.40	\$ 5,974,554.87
Total Net Assets	\$ 10,857,381.78	\$ 10,972,769.78

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEARS ENDING DECEMBER 31, 2011

	2011	2010
Operating Revenues	\$ 3,790,977.11	\$ 4,072,719.77
Operating Expenses	\$ 3,960,309.49	\$ 3,836,442.59
Operating Income/(Loss)	(169,332.38)	236,277.18
Non-operating Revenue/(Expenses)	\$ 26,279.38	\$ 91,157.72
Net Income	\$ (143,053.00)	\$ 327,434.90
Additions to Contribution Capital	\$ 27,665.00	\$ 4,281.00
Change in Net Assets - January 1	\$ (115,388.00)	\$ 331,715.90
Net Assets - January 1	\$ 10,972,769.78	\$ 10,641,053.88
Net Assets, December 31	\$ 10,857,381.78	\$ 10,972,769.78

The operating Income in 2011 Decreased by \$281,742.66 compared to 2010

The net assets in 2011 decreased by \$115,388.00 compared to 2010.

This increase was mainly due to the Authority Keeping overall expenditures down.

Comments

As per the Authority Budget Message, a number of proposed parking structures are still on the drawing board, in 2009 deficiencies for Susquehanna Entertainment Center parking decreased thanks to the New Jersey Economic Development Authority,. In addition we are working to develop a site owed by the Camden Redevelopment Agency by building a parking structure. The economy in the City of Camden will continue to grow. The State court system still needs to expand which means more public parking location are or will be added to the City Master Plan.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

ASSETS	2011	2010
Current Assets:		
Unrestricted Assets:		
Cash & Cash Equivalents	\$6,354,426.59	\$6,204,125.51
Change fund	3,765.00	3,765.00
Parking Fees Receivable (Net of Allowance for Doubtful Accounts, \$1,833 in 2011 and \$3,935 in 2010)	84,390.90	72,758.00
Due From Susquehanna Center		97,420.59
Other Accounts Receivable		1,833.10
Prepaid Expenses	10,839.53	10,382.93
Total Unrestricted Current Assets	6,453,422.02	6,390,285.13
Restricted Assets:		
Cash & Cash Equivalents	168,065.16	150,852.10
Reserve for Improvements Receivable		10,927.39
Total Restricted Current Assets	168,065.16	161,779.49
Property, Plant & Equipment (Note 5):		
Property, Plant & Equipment	10,830,881.78	10,729,057.55
Less: Accumulated Depreciation	5,552,399.55	5,292,622.13
Net Property, Plant & Equipment	5,278,482.23	5,436,435.42
Total Assets	11,899,969.41	11,988,500.04
LIABILITIES		
Current Liabilities Payable From Unrestricted Assets:		
Accounts Payable & Accrued Expenses	361,434.76	323,878.27
Interest Payable	3,428.57	1,142.86
Deferred Revenue	27,870.00	19,095.00
Total Current Liabilities Payable From Unrestricted Assets	392,733.33	344,116.13
Long-Term Liabilities		
Compensated Absences/Severance Payable	49,854.30	71,614.13
Note Payable	600,000.00	600,000.00
Total Long-Term Liabilities	649,854.30	671,614.13
Total Liabilities	1,042,587.63	1,015,730.26
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	4,678,482.23	4,836,435.42
Restricted for:		
Reserve/(Deficit) for Susquehanna Center Improvements	168,065.16	161,779.49
Unrestricted Net Assets	6,010,834.39	5,974,554.87
Total Net Assets	\$10,857,381.78	10,972,769.78

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 ASSETS
FOR THE YEARS DECEMBER 31, 2011 AND 2010

	2011	2010
Operating Revenues:		
Parking Fees	\$3,356,405.04	3,538,254.96
Other Operating Revenues	434,572.07	534,464.81
Total Operating Revenues	<u>3,790,977.11</u>	<u>4,072,719.77</u>
Operating Expenses:		
Administration:		
Salaries & Wages	1,392,982.25	1,468,960.88
Fringe Benefits	833,956.92	797,525.90
General & Administrative	352,908.63	298,488.30
Total Administration	<u>2,579,847.80</u>	<u>2,564,975.08</u>
Cost of Providing Services	<u>1,062,276.30</u>	<u>1,005,723.01</u>
Total Operating Expenses	<u>3,642,124.10</u>	<u>3,570,698.09</u>
Operating Income Before Other Operating Expenses	<u>148,853.01</u>	<u>502,021.68</u>
Other Operating Expenses:		
Depreciation & Amortization	<u>318,185.39</u>	<u>265,744.50</u>
Total Other Operating Operating Expenses	<u>318,185.39</u>	<u>265,744.50</u>
Operating Income/(Loss) After Other Operating Expenses	<u>(169,332.38)</u>	<u>236,277.18</u>
Nonoperating Income/(Expenses):		
Interest on Investments & Deposits	30,954.15	43,796.83
Interest Expense	(2,285.71)	(1,142.86)
Pilot Payment - City of Camden	(219,092.23)	
Gain/(Loss) on Sale of Assets	210,417.50	
Net Change in Reserve for Susquehanna Center Improvements	<u>6,285.67</u>	<u>48,503.75</u>
Total Nonoperating Revenue/(Expenses)	<u>26,279.38</u>	<u>91,157.72</u>
Net Income/(Loss) Before Contributions and Transfers	<u>(143,053.00)</u>	<u>327,434.90</u>
Additions to Capital Contributions	<u>27,665.00</u>	<u>4,281.00</u>
Change in Net Assets	<u>(115,388.00)</u>	<u>331,715.90</u>
Net Assets/(Deficit) - January 1	<u>10,972,769.78</u>	<u>10,641,053.88</u>
Net Assets - December 31	<u><u>10,857,381.78</u></u>	<u><u>10,972,769.78</u></u>

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, 2011 AND 2010**

	2011	2010
Cash Flows from Operating Activities:		
Cash Received From Customers	\$3,898,300.29	3,988,729.15
Cash Paid to Employees	(1,392,982.25)	(1,468,960.88)
Cash Paid to Supplies & Employees	(2,231,516.08)	(2,113,140.70)
Net Cash Provided by Operating Activities	<u>273,801.96</u>	<u>406,627.57</u>
Cash Flows From Capital & Related Financing Activities:		
Receipts/(Disbursements) from Susquehanna Center Reserve	33,950.67	48,503.75
Note Payable		600,000.00
Pilot Payment - City of Camden	(219,092.23)	
Gain/(Loss) on Sale of Assets	210,417.50	
Additions to Property, Plant & Equipment	(160,232.20)	(1,192,139.00)
Net Cash Used in Capital & Related Financing Activities	<u>(134,956.26)</u>	<u>(543,635.25)</u>
Cash Flow from Investing Activities:		
Interest on Investments	30,954.15	43,796.83
Interest Expense	(2,285.71)	(1,142.86)
Change in Cash & Cash Equivalents	167,514.14	(94,353.71)
Cash & Cash Equivalents at Beginning of Year	<u>6,358,742.61</u>	<u>6,453,096.32</u>
Cash and Cash Equivalents at End of Year	<u><u>\$6,526,256.75</u></u>	<u><u>6,358,742.61</u></u>

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

Operating Income	(\$169,332.38)	\$236,277.18
Provided by Operating Activities:		
Depreciation & Amortization Expense	318,185.39	265,744.50
Changes in Operating Assets & Liabilities:		
Parking Fees Receivable	(11,632.90)	(12,160.50)
Due From Susquahanna Center	108,347.98	(61,765.12)
Other Accounts Receivable	1,833.10	
Prepaid Insurance	(456.60)	(298.83)
Accounts Payable	37,556.49	3,576.97
Other Payable	2,285.71	1,142.85
Deferred Revenue	8,775.00	(10,065.00)
Compensated Absences Payable	(21,759.83)	(15,824.49)
Net Cash Provided by Operating Activities	<u><u>\$273,801.96</u></u>	<u><u>406,627.56</u></u>

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

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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, 2011

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* and Statement 45 – *Post Employment Benefits Other than Pensions*.

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, 2011, 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

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

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

Basis of Presentation, Fund Accounting

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.

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

THE PARKING AUTHORITY OF THE CITY OF CAMDEN

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2011

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

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.

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.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

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

Net Assets:

Net Assets are distributed into three categories:

Invested in Capital Assets, Net of Related Debt - 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, 2011 funds collected by the Authority in accordance with this agreement exceeded the amount of funds expended to date by \$168,065.16 (see Note 9).

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.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 3. Stewardship, Compliance and Accounting Ability (continued):

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, 2011, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	\$6,233,748.98
New Jersey Cash Management Fund	<u>292,507.77</u>
Total Deposits & Investments	<u>\$6,526,256.75</u>
Reconciliation of Statement of Net Assets:	
Current:	
Unrestricted Assets:	
Cash & Cash Equivalents	\$6,354,426.59
Change Fund	3,765.00
Restricted Assets:	
Cash & Cash Equivalents	<u>168,065.16</u>
Total Reconciliation of Statement of Net Assets	<u>\$6,526,256.75</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$6,611,952.43 at December 31, 2011. Of the bank balance \$500,000.00 was fully insured by depository insurance and \$6,111,952.43 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.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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, 2011, 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;
- 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, 2011, the Authority had no investments.

Governmental Unit Deposit Protection Act (GUDPA)

The Authority has deposited cash in 2011 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 PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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.

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.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 5. Property, Plant and Equipment

During the year ended December 31, 2011 the following changes in Property, Plant and Equipment occurred:

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2011
Land	\$1,251,054.50		\$ 19,100.00	\$1,231,954.50
Buildings	6,779,615.52			6,779,615.52
Furniture, Fixtures & Equipment:				
General	1,366,752.11	51,729.70	45,039.97	1,373,441.84
Routes	79,246.00			79,246.00
Violations	148,783.35		13,368.00	135,415.35
Terminal	12,169.00			12,169.00
Waterfront	188,894.25			188,894.25
Leasehold Improvements	857,903.67	127,602.50		985,506.17
Capitalize Professional Services	44,639.15			44,639.15
Subtotal	10,729,057.55	179,332.20	77,507.97	10,830,881.78
Less: Accumulated Depreciation	5,292,622.13	318,185.39	58,407.97	5,552,399.55
Total	<u>\$5,436,435.42</u>	<u>\$ (138,853.19)</u>	<u>19,100.00</u>	<u>\$5,278,482.23</u>
Additions:				
Susquehanna Reserve		\$ 27,665.00		
Operating Budget		<u>151,667.20</u>		
Total		<u>\$ 179,332.20</u>		

B. Contributed Capital

Below is an analysis of contributed capital for the year ended December 31, 2011:

Balance January 1, 2011	\$ 3,802,401.99
Capital Contributions for the Year	27,665.00
Depreciation on Contributed Assets	<u>(191,337.02)</u>
Balance December 31, 2011	<u>\$ 3,638,729.97</u>

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 6. Pension Plan

The Camden City Parking Authority contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) administered by the State of New Jersey, Division of Pensions and Benefits. It provides retirement, disability, medical and death benefits to plan members and beneficiaries. The State of New Jersey P.E.R.S. program was established as of January 1, 1955. The program was established under the provisions of *N.J.S.A.43:15A* which assigns authority to establish and amend benefit provisions to the plan's board of trustees. P.E.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

Funding Policy

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey administrative code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

Plan members are required to contribute 5.5% of their annual covered salary for P.E.R.S through September 30, 2011 and 6.5% thereafter, and the Camden City Parking Authority is required to contribute at an actuarially determined rate. The current rate represents approximately 9.8% for P.E.R.S. of annual covered payroll. The contribution requirements of plan members and the Camden City Parking Authority are established and may be amended by the plan's board of trustees. The Parking Authority's contributions to P.E.R.S. for the years ending December 31, 2011, 2010 and 2009 were \$140,807.00, \$109,359.00 and \$77,288.00, respectively, equal to the required contributions for each year.

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, 2011 is \$8,581.10.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 7. Liabilities (continued):

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 \$41,273.20 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 \$3,428.57 at December 31, 2011 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>	6,000	<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 (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 8. Segment Information of Enterprise Funds

Working Capital

The Authority's working capital is calculated as follows:

Current Assets	\$6,453,422.02
Current Liabilities Payable from Current Assets	(392,733.33)
Total Working Capital	<u>\$6,060,688.69</u>

Note 9. Contractual Agreement

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, 2011, revenues earned from the reserve-exceeded expenditures by \$ 168,065.16.

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 \$2.38 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

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 11: Post-Retirement Benefits (continued):

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, 2010, there were 72,874 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. 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 Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and TPAF. The State paid \$251.1 million toward Chapter 126 benefits for 27,135 eligible retired members in Fiscal Year 2010.

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 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-aug2010.pdf.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
(A Component Unit of the City of Camden)
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 11: Post-Retirement Benefits (continued):

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, 2011, 2010, and 2009, were \$62,031.02, \$41,396.96, and \$46,862.58 respectively, which equaled the required contributions for each year. There were eight (8) retired participants eligible at December 31, 2010, 2009, and 2008.

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.

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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, 2011 AND 2010

	DECEMBER 31, 2011				DECEMBER 31, 2010			
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Operating Revenues:								
Parking Fees:								
Meters	\$927,766.00	927,766.00	886,232.19	(41,533.81)	\$882,332.00	882,332.00	908,860.96	26,528.96
Parking Lots	1,665,773.00	1,665,773.00	1,619,435.86	(46,337.14)	1,732,834.00	1,732,834.00	1,698,215.32	(34,618.68)
Waterfront Garage	480,249.00	480,249.00	343,393.47	(136,855.53)	497,011.00	497,011.00	393,282.53	(103,728.47)
Transportation Terminal	561,288.00	561,288.00	507,343.52	(53,944.48)	638,531.00	638,531.00	537,896.15	(100,634.85)
Residential Parking	1,480.00	1,480.00		(1,480.00)	2,813.00	2,813.00		(2,813.00)
Total	3,636,556.00	3,636,556.00	3,356,405.04	(280,150.96)	3,753,521.00	3,753,521.00	3,538,254.96	(215,266.04)
Other Operating Revenues:								
Susquehanna Center Revenues	393,092.00	393,092.00	246,121.99	(146,970.01)	255,684.00	255,684.00	366,072.87	110,388.87
Other	4,009.00	147,039.00	188,450.08	41,411.08	396.00	396.00	168,391.94	167,995.94
Total Other Operating Revenues	397,101.00	540,131.00	434,572.07	(105,558.93)	256,080.00	256,080.00	534,464.81	278,384.81
Total Operating Revenues	4,033,657.00	4,176,687.00	3,790,977.11	(385,709.89)	4,009,601.00	4,009,601.00	4,072,719.77	63,118.77
Nonoperating Revenues:								
Interest on Investments & Deposits	198,544.00	55,514.00	30,954.15	(24,559.85)	210,530.00	210,530.00	43,796.83	(166,733.17)
Total Budget Revenues	4,232,201.00	4,232,201.00	3,821,931.26	(410,269.74)	4,220,131.00	4,220,131.00	4,116,516.60	(103,614.40)
Salaries & Wages:								
Collections	46,159.00	46,159.00	46,282.47	(123.47)	47,362.00	47,362.00	45,373.49	1,988.51
Maintenance	238,541.00	238,541.00	283,848.25	(45,307.25)	343,845.00	343,845.00	269,463.42	74,381.58
Facilities	408,428.00	408,428.00	388,639.08	19,788.92	355,321.00	355,321.00	395,310.27	(39,989.27)
Office	561,285.00	561,285.00	339,229.50	222,055.50	495,277.00	495,277.00	425,228.59	70,048.41
Violations	490,927.00	490,927.00	334,982.95	155,944.05	363,626.00	363,626.00	333,585.11	30,040.89
Total Salaries & Wages	1,745,340.00	1,745,340.00	1,392,982.25	352,357.75	1,605,431.00	1,605,431.00	1,468,960.88	136,470.12

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, 2011 AND 2010

	DECEMBER 31, 2011				DECEMBER 31, 2010			
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Fringe Benefits:								
Payroll Taxes	134,980.00	134,980.00	127,593.62	7,386.38	127,879.00	127,879.00	136,203.48	(8,324.48)
Prescription/Dental Insurance	157,288.00	157,288.00	161,142.91	(3,854.91)	166,470.00	166,470.00	160,031.43	6,438.57
Pension	151,497.00	151,497.00	151,500.81	(3.81)	51,472.00	51,472.00	124,808.06	(73,336.06)
Health Insurance	516,430.00	516,430.00	387,557.40	128,872.60	452,113.00	452,113.00	368,620.75	83,492.25
Other - Uniforms	15,301.00	15,301.00	6,162.18	9,138.82	15,300.00	15,300.00	7,862.18	7,437.82
Total Fringe Benefits	975,496.00	975,496.00	833,956.92	141,539.08	813,234.00	813,234.00	797,525.90	15,708.10
General & Administrative:								
Travel and Conferences	5,000.00	5,000.00	2,316.00	2,684.00	3,005.00	3,005.00	2,422.00	583.00
Employee Training	2,000.00	2,000.00	299.97	1,700.03	687.00	687.00	400.00	287.00
Supplies & Printing	48,766.00	48,766.00	50,558.86	(1,792.86)	62,651.00	62,651.00	45,935.58	16,715.42
Advertisement	800.00	800.00	2,079.02	(1,279.02)	770.00	770.00	772.86	(2.86)
Publication & Dues	1,650.00	1,650.00	270.00	1,380.00	1,223.00	1,223.00	1,720.00	(497.00)
Postage & Freight	2,438.00	2,438.00	1,977.90	460.10	2,628.00	2,628.00	2,402.31	225.69
Professional Fees	180,553.00	180,553.00	228,939.72	(48,386.72)	131,150.00	131,150.00	187,273.16	(56,123.16)
Bank Charges	12,738.00	12,738.00	13,562.93	(824.93)	10,755.00	10,755.00	12,434.49	(1,679.49)
Computer Expense	22,547.00	22,547.00	28,497.91	(5,950.91)	55,700.00	55,700.00	23,253.13	32,446.87
Bad Debt Expense			1,833.10	(1,833.10)			3,935.00	(3,935.00)
Telephone	17,210.00	17,210.00	20,290.64	(3,080.64)	21,729.00	21,729.00	16,335.50	5,393.50
Special Events								
Pilot Payment - City of Camden	219,092.00	219,092.00	219,092.23	(0.23)				
Miscellaneous	15,268.00	15,268.00	2,282.58	12,985.42	13,579.00	13,579.00	1,604.27	11,974.73
Total General & Administrative	528,062.00	528,062.00	572,000.86	(43,938.86)	303,877.00	303,877.00	298,488.30	5,388.70
Cost of Providing Service:								
Operating Leases - Rent	436,005.00	436,005.00	422,107.09	13,897.91	423,803.00	423,803.00	428,029.52	(4,226.52)
Insurance	206,356.00	206,356.00	210,331.59	(3,975.59)	200,704.00	200,704.00	206,624.30	(5,920.30)
Vehicle Maintenance	15,000.00	15,000.00	13,114.11	1,885.89	9,650.00	9,650.00	13,142.48	(3,492.48)
Maintenance	57,148.00	57,148.00	46,032.68	11,115.32	55,584.00	55,584.00	61,101.86	(5,517.86)
Utilities	178,576.00	178,576.00	209,338.49	(30,762.49)	103,109.00	103,109.00	162,505.86	(59,396.86)
Signage	665.00	665.00	970.00	(305.00)			98.00	(98.00)

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, 2011 AND 2010

	DECEMBER 31, 2011				DECEMBER 31, 2010			
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Cost of Providing Service (continued):								
Elevator	16,344.00	16,344.00	15,843.01	500.99	13,530.00	13,530.00	17,316.16	(3,786.16)
Gasoline	7,417.00	7,417.00	9,842.10	(2,425.10)	8,628.00	8,628.00	5,270.31	3,357.69
Equipment Rental	12,533.00	12,533.00	17,337.53	(4,804.53)			12,911.25	(12,911.25)
Towing Costs	1,184.00	1,184.00	2,626.82	(1,442.82)	722.00	722.00	2,403.27	(1,681.27)
Snow Removal Costs	50,000.00	50,000.00	114,732.88	(64,732.88)	23,189.00	23,189.00	96,320.00	(73,131.00)
Depreciation	370,805.00	370,805.00	318,185.39	52,619.61	275,328.00	275,328.00	265,744.50	9,583.50
Total Cost of Providing Service	1,352,033.00	1,352,033.00	1,380,461.69	(28,428.69)	1,114,247.00	1,114,247.00	1,271,467.51	(157,220.51)
Total Operating Appropriations	4,600,931.00	4,600,931.00	4,179,401.72	421,529.28	3,836,789.00	3,836,789.00	3,836,442.59	346.41
Nonoperating Appropriations:								
Interest Expense			2,285.71	(2,285.71)			1,142.86	
Capital Outlays			179,332.00	(179,332.00)			1,196,420.00	(1,196,420.00)
Total Nonoperating Appropriations			181,617.71	(181,617.71)			1,197,562.86	(1,196,420.00)
Total Operating & Nonoperating Appropriations	4,600,931.00	4,600,931.00	4,361,019.43	239,911.57	3,836,789.00	3,836,789.00	5,034,005.45	(1,196,073.59)
Excess Revenues Over Expenditures	(\$368,730.00)	(368,730.00)	(539,088.17)	(170,358.17)	\$383,342.00	383,342.00	(917,488.85)	(1,299,687.99)
Adjustments to Reconcile Excess Revenues Over Expenditures to GAAP Basis Operating Income:								
Excess Expenditures Over Revenues			(539,088.17)				(917,488.85)	
Add:								
Additions to Property, Plant & Equipment			179,332.00				1,196,420.00	
Interest Expense			2,285.71				1,142.86	
Pilot Payment - City of Camden			219,092.23					
Less:								
Interest Revenue			(30,954.15)				(43,796.83)	
Operating Income/(Loss) After Other Operating Expenses (Exhibit B)			(\$169,332.38)				236,277.18	

SCHEDULE 2

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
ANALYSIS OF PARKING FEES RECEIVABLE
AS OF DECEMBER 31, 2011

Balance January 1, 2011		\$72,758.00
Increased by:		
Accrued		<u>3,356,405.04</u>
Subtotal		3,429,163.04
Decreased by:		
Collections	\$3,342,939.04	
Allowance for Doubtful Accounts	<u>1,833.10</u>	<u>3,344,772.14</u>
Balance December 31, 2011		<u><u>\$84,390.90</u></u>

SCHEDULE 3

ANALYSIS OF DUE FROM SUSQUEHANNA CENTER
AND RESERVE FOR IMPROVEMENTS RECEIVABLE
AS OF DECEMBER 31, 2011

Balance January 1, 2011		\$108,347.98
Increased by:		
Event Revenue Accrued	\$234,292.17	
Miscellaneous Revenue Accrued	11,800.00	
Reserve for Improvements Accrued	<u>33,068.97</u>	<u>279,161.14</u>
Subtotal		387,509.12
Decreased by:		
Event Revenue - Per Agreement With Susquehanna Center	320,912.76	
Miscellaneous Revenue - Per Agreement With Susquehanna Center	22,600.00	
Reserve for Improvements - Per Agreement With Susquehanna Center	<u>43,996.36</u>	<u>387,509.12</u>
Balance December 31, 2011		<u><u>-</u></u>

SCHEDULE 4

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
ANALYSIS OF ACCRUED INTEREST RECEIVABLE
AS OF DECEMBER 31, 2011

Balance January 1, 2011	\$ -
Increased by:	
Interest Earned	<u>(30,954.15)</u>
Subtotal	(30,954.15)
Decreased by:	
Interest Received	<u>30,954.15</u>
Balance December 31, 2011	<u><u>\$ -</u></u>

SCHEDULE 5

ANALYSIS OF RESERVE FOR SUSQUEHANNA CENTER IMPROVEMENTS
AS OF DECEMBER 31, 2011

Balance January 1, 2011	\$161,779.49
Increased by:	
Received From Susquehanna Center	\$33,068.97
Interest Earnings	<u>881.70</u>
	33,950.67
Subtotal	195,730.16
Decreased by:	
Capital Outlay	<u>27,665.00</u>
Balance December 31, 2011	<u><u>\$168,065.16</u></u>

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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

We 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, 2011. 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 a bid was requested by public advertising for the following item:

Snow Removal

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 Vouchers

A test examination of vouchers paid during the year under audit indicated them to be in good order.

RECOMMENDATIONS

There are no recommendations at this time.

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 our 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 our recommendations, please call me.



Brent W. Lee
Certified Public Accountant