

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020
(With Accountant's Review Report thereon)**

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN**

TABLE OF CONTENTS

	<u>Page</u>
Certain Tax Information:	
Independent Accountant's Review Report	1
Statements of Net Position Available for Benefits, December 31, 2021 and 2020	2
Statements of Changes in Net Position Available for Benefits, For the year ended December 31, 2021 and 2020	3
Notes to Financial Statements	4-13



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

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Chairman and Members of
The Parking Authority of the City of Camden
Deferred Compensation Plan

I have reviewed the accompanying financial statements of The Parking Authority of the City of Camden Deferred Compensation Plan as of and for the years ended December 31, 2021 and 2020, the supplemental schedules, and the related notes to the financial statements, which collectively comprise The Parking Authority of the City of Camden Deferred Compensation Plan's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of the Camden City Parking Authority and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplemental schedules on page 4 through page 13 be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. I have not audited, reviewed, or compiled the required supplementary information and I do not express an opinion, a conclusion, nor provide any assurance on it.

Respectfully submitted,



Brent W. Lee

Certified Public Accountant

August 24, 2022

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
STATEMENT OF NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
ASSETS		
Cash & Cash Equivalents	\$ 298,631	\$ 296,827
Investments	<u>75,578</u>	<u>56,669</u>
Total Cash & Cash Equivalents, & Investments	<u>374,209</u>	<u>353,496</u>
Contributions Receivable	<u>770</u>	<u>640</u>
Total Receivables	<u>770</u>	<u>640</u>
Total Assets	<u>374,979</u>	<u>354,136</u>
NET POSITION		
Restricted for Plan Benefits	<u>374,979</u>	<u>354,136</u>
Total Net Position	<u><u>\$ 374,979</u></u>	<u><u>\$ 354,136</u></u>

See Accompanying Notes

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
ADDITIONS:		
Contributions	\$ 17,005	\$ 19,050
Interest, Dividends and Other Investment Income	<u>18,084</u>	<u>18,876</u>
Total Additions	<u>35,089</u>	<u>37,926</u>
DEDUCTIONS:		
Employee Withdraws	(13,731)	(2,138)
Reported Premiums and Fees	<u>(515)</u>	<u>(377)</u>
Total Deductions	<u>(14,246)</u>	<u>(2,515)</u>
Change In Net Position	20,843	35,411
Net Position Restricted for Plan Benefits, Beginning of Year	<u>354,136</u>	<u>318,725</u>
Net Position Restricted for Plan Benefits, End of Year	<u><u>\$ 374,979</u></u>	<u><u>\$ 354,136</u></u>

See Accompanying Notes

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

Note 1. DESCRIPTION OF PLAN

The following description of the Parking Authority of the City of Camden Deferred Compensation Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

A. General

The Plan is a defined contribution plan covering all individuals who are not seasonal employees of The Parking Authority of the City of Camden, but who have a permanent, part-time or full-time position. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is managed through Nationwide Retirement Solutions, Inc. Effective December 17, 1984, the Authority established the Plan pursuant to federal legislation enacted in 1996, requiring public employers to establish such trusts for plans meeting the requirements of section 457 of the IRC no later than January 1, 1999. The participants' accounts are invested in accordance with the investment elections of the participants. The Authority is accountable for all deferred compensation received, but has no duty to require any compensation to be deferred or to determine that the amounts received comply with the Plan or to determine the funds are adequate to provide the benefits payable pursuant to the Plan.

At December 31, the Plan's membership consisted of the following:

	<u>2021</u>	<u>2020</u>
Active Participants	8	7
Retired and Inactive Participants	<u>3</u>	<u>6</u>
	<u>11</u>	<u>13</u>

B. Deferral

Participants elect the amount of their includible compensation to defer to the Plan when they complete their joinder agreement. Participants must agree to defer a minimum of ten dollars (\$10) per payroll period or such greater amount as may be required under the investment options. The maximum amount that may be deferred under this Plan shall either be the normal limitation, or the catch-up limitation, whichever is applicable. For the year 2021, the applicable dollar amount is \$19,500 for the year. Participants, who will be at least 50 years of age by the end of the year, are able to make special catch-up contributions to the plan. The maximum catch-up contribution is \$6,500. However, the last three taxable years before attainment of the normal retirement age, a special formula is used to determine the maximum contribution.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1: DESCRIPTION OF PLAN (continued):

C. Transfers

A participant may transfer to this Plan amounts previously deferred under another eligible deferred compensation plan maintained by an employer. Such amounts shall be treated as if they had originally been deferred under this Plan and all applicable provisions of this Plan shall apply. A participant may also elect to have any portion of the amount payable to them transferred to another eligible plan.

D. Separation of Services

The participant may elect within 60 days following separation of services to have distributions commence, as long as commencement is the longer of 61 days after separation or 30 days after election, and no later than April 1st of the year following retirement or the age of 70 ½, whichever is later.

E. Participant Accounts

A separate account ("participation account") shall be maintained for each participant. Each participant's account shall reflect the monies deferred, the investment of the monies, and all consequences of the investment. These accounts are maintained by the employer, The Parking Authority of the City of Camden.

F. Funding Policy

The Parking Authority of the City of Camden shall invest the amount of each deferral in an investment option within 72 hours, exclusive of Sundays and holidays, from the time the amounts are remitted to the contractor or otherwise available for investment. The participant's account shall reflect the amount and value of any investment of the participant's deferred compensation. Each participant shall receive periodic reports, usually monthly but not less frequently than quarterly. The benefits paid shall always be used on the participant's account.

G. Investment Options

Upon enrollment in the Plan, a participant may direct their deferral among funds offered by Nationwide Retirement Solutions, Inc. Nationwide offers a variety of funds into which participants can invest monies into.

H. Enrollment Period

This Plan has an open enrollment policy; any employee who not yet effected an election shall have the right to participate at any time upon a joinder agreement.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1: DESCRIPTION OF PLAN (continued):

I. Benefits

The participant is entitled to have paid to them the benefits created by their participation in this deferred compensation plan, in accordance with the provisions of the Plan document. Generally, unless there is a termination of employment prior to retirement, distributions must commence no later than April 1st following the calendar year in which the participant attains the age of 70 ½ or the calendar year in which the participant retires, whichever is later. Any distribution option elected under the Plan must meet the minimum distribution requirements of Section 401 (a)(9) and 457 (d) of the Internal Revenue Code and regulations thereunder as they may be amended.

J. Retirement

Upon the participant's reaching the normal retirement age or the deferred retirement date, the participant may receive the benefits provided under this Plan. Such benefits shall be paid in accordance with one of the payment options selected.

K. Termination of Employment

If a participant incurs a termination of employment (other than retirement) benefits shall be paid in accordance with the payment options they irrevocably elect. This election is made within thirty days after such termination.

L. Death Benefits

If a participant dies before they begin to receive their annuity payments, their specified beneficiary will be entitled to the total value of their account. If participants are married, then their spouse will automatically become their beneficiary unless the spouse consents to naming another beneficiary.

M. Payment Options

The following options are available for selection by the participant. If the participant fails to select a payment option for any event which causes payment to begin, they shall be deemed to have elected payments for a specified period of ten years as provided in option two.

1. Lump sum payment
2. Payments for a specified period
3. Life annuity
4. Life annuity with a certain period guaranteed
5. Joint and survivor annuity

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements have been prepared on the economic resources measurement focus and the accrual basis of accounting. Salary deferrals are generally recorded when received and, as required by state law, are posted and transferred within ten (10) business days to the investment option as determined by the participant.

The Plan is not included in the fiduciary funds of the Authority. The separate financial statements of the Plan present Net Position Available for Plan Benefits and changes in Net Position Available for the Plan Benefits for the year ended December 31, 2021.

B. Use of Estimates

The preparation of the Plan's financial statements in conformity with U.S. generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net position at the date of the financial statements and changes in net position during the reporting periods and, when applicable, disclosures of contingent assets at the date of the financial statements. Actual results could differ from those estimates.

C. Risks and Uncertainties

The Plan provides for various investment options in part of Nationwide's investment portfolio. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the accompanying Statement of Net Position.

D. Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices that represent the net asset value of shares held by the Plan at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

E. Asset Fees

Nationwide assesses a charge against each Sub-Account of the Variable Account. The charge is deducted as part of Nationwide's calculation of each Sub-Account's Unit Value pursuant to the formula in the Plan. The charge is designed to reimburse Nationwide for expenses associated with administration, distribution, maintenance and risks assumed in connection with the Plan.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Payment of Benefits

Benefits are recorded when paid.

NOTE 3: INVESTMENTS

The Plan's Investment policies and guidelines state that the Authority has the fiduciary responsibility to provide investment and administrative services to the Plan's participants and sets forth the following objectives:

- To provide participants with a prudent menu of investment options to diversify their investment portfolios in order to efficiently achieve reasonable financial goals for retirement.
- To provide education to participants to help them build portfolios that maximize the probability of achieving their investment goals.
- To administer the Plan in an efficient manner, such that participants are able to monitor their individual portfolios and make suitable adjustments in a timely manner.
- To provide competitive investment options in major asset classes at a reasonable cost.
- To establish criteria and procedures for the ongoing evaluation of the investment offered, which are consistent with prudent investment management and participants' needs for diverse investment options.
- To establish procedures for the selection, evaluation, review, and elimination of fund options and the Authority's expectations regarding each fund options.

The menu of core investment options include the following asset categories: Asset Allocation Funds (Target Date Funds and or Investor Profile Funds), International Funds, Small-Cap Funds, Mid-Cap Funds, Large Cap Funds, Balanced Funds, Bond Funds, Specialty Funds and Short-Term Investments (Fixed accounts/Cash).

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3: INVESTMENTS (continued):

A brief description of the investment options are as follows:

Asset Allocation Funds

Asset allocation funds are designed to provide diversification across several types of investment and asset classes, primarily by investing in mixture of funds. This mixture takes into account either the target date the investor would like to retire (target date funds), or the investor's tolerance for risk (investor profile funds).

Unlike a balanced fund, which does not adjust its asset mix in consideration of age or risk tolerance, investor profile funds are routinely adjusted in response to market conditions. Target date funds are routinely adjusted to become more conservative as the target date approaches.

International Funds

These funds include stock in companies located outside of the United States. These stocks may trade on either the U.S. or foreign stock exchanges and are generally considered higher-risk investments. Additional risks include currency fluctuations, political instability, differences in accounting standards and foreign regulations.

Small-Cap Funds

Small-cap refers to companies with market values (or capitalization) under \$2 billion. Small companies can often grow much faster than big companies, but their stocks also tend to be more risky.

Mid-Cap Funds

Mid-cap refers to companies with market values (or capitalization) between \$2 and \$10 billion. These stocks are typically more volatile than large-cap stocks, but less risky than small-cap stocks.

Large-Cap Funds

Large-cap refers to companies with market values (or capitalization) greater than \$10 billion. Because these tend to be large, established corporations, their stocks generally offer lower risk than stocks from mid and small cap companies.

Balanced Funds

Balanced funds typically invest in a combination of stocks (which tend to be higher risk), bonds (which tend to be more stable), and, occasionally, short-term investments. This is similar to an asset allocation approach, but the asset mix is never adjusted in response to the investor's age or risk tolerance.

Bond Funds

Bond funds are made up of bonds purchased from a government entity or corporation who agrees to pay back the original amount paid along with interest on a specified date. Many bonds are generally more stable than stocks and provide a more steady flow of income. However, they also typically provide a lower rate of return. High-yield bond securities are typically subject to greater risk and price volatility than funds which invest in higher rated securities.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3: INVESTMENTS (continued):

Specialty Funds

This investment seeks total return through investment in real estate securities. The fund invests at least 80% of its total assets in income-producing common stocks and other equity securities issued by real estate companies, such as real estate investment trusts ("REITs"). It may invest up to 20% of its total assets in securities of foreign issuers (including emerging market issuers) which meet the same criteria for investment as domestic companies, including investments in such companies in the form of American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs") and European Depositary Receipts ("EDRs"). The fund is non-diversified.

Short-Term Investments (Fixed Accounts/Cash)

Short-term investments are sometimes referred to as cash equivalents because they can be easily sold (converted to cash) without affecting their value. While these short-term investments are generally less risky than stocks or bonds, their returns are also usually much lower and may not keep pace with inflation. A variety of investment types can be generally categorized as short-term investments, including certificates of deposit (CDs), money-market accounts (MMAs), and treasury bills (T-bills).

Interest Rate Risk

Interest rate risk is the risk that any changes in interest rates will adversely affect the fair value of an investment. The Plan investment guidelines include no formal policy on interest rate risk. The interest rate for the Nationwide Fixed Account was 2.72% and 3.50% for both December 31, 2021 and 2020, respectively.

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Plan. The Plan's policies and guidelines set forth specific criteria for selection of investment options to be offered to participants and provide that a review and evaluation of these funds will be performed at least annually. While the guidelines set no specific rating criteria for the fixed account, these funds are subject to the selection and review provisions, as are all of the other investment option funds.

Fair Value Measurement

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs to the three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical assets and liabilities.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3: INVESTMENTS (continued):

- Level 2: Significant other observable inputs, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active and other market corroborated inputs.
- Level 3: Significant unobservable inputs.

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified as complete and accurate by the trustee:

Nationwide Investments-December 31, 2021:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>	<u>Percentage</u>
Asset Allocation Funds:					
Nationwide:					
Collective Investment Trust Index 2025 B	\$261			\$261	0.07%
Collective Investment Trust Index 2045 B	898			898	0.24%
Investors Destinations Conservative Fund	18,663			18,663	4.98%
Investors Destinations Moderately Aggressive	880			880	0.24%
International Funds:					
Oppenheimer Global	8,675			8,675	2.32%
Small-Cap Funds:					
Nationwide Small Cap Index Fund	6,011			6,011	1.61%
Mid-Cap Funds:					
JPM Midcap Value Fund Class A	921			921	0.25%
Large-Cap Funds:					
BNYMeI S&P 500 Index Fund	17,863			17,863	4.77%
T Rowe Price Growth Stock Fund	19,200			19,200	5.13%
Balanced Funds:					
American Funds Income Fund of America	851			851	0.23%
Bond Funds:					
PIMCO Foreign Bond Fund	352			352	0.09%
Specialty Funds:					
Cohen & Steers Real Estate Securities Fund	1,003			1,003	0.27%
Short-Term Investments:					
Fixed Accounts	<u>298,631</u>	<u>-</u>	<u>-</u>	<u>298,631</u>	<u>79.80%</u>
Total	<u>\$374,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$374,209</u>	<u>100.00%</u>

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3: INVESTMENTS (continued):

Nationwide Investments-December 31, 2020:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>	<u>Percentage</u>
Asset Allocation Funds:					
Nationwide:					
Destination 2025 Institutional Class	\$241			\$241	0.07%
Destination 2045 Institutional Class	589			589	0.17%
Investors Destinations Conservative Fund	15,560			15,560	4.40%
Investors Destinations Moderately Aggressive	583			583	0.16%
International Funds:					
Oppenheimer Global	7,393			7,393	2.09%
Small-Cap Funds:					
Nationwide Small Cap Index Fund	623			623	0.18%
Mid-Cap Funds:					
JPM Midcap Value Fund Class A	542			542	0.15%
Large-Cap Funds:					
BNYMeI S&P 500 Index Fund	13,809			13,809	3.91%
T Rowe Price Growth Stock Fund	15,986			15,986	4.52%
Balanced Funds:					
American Funds Income Fund of America	543			543	0.15%
Bond Funds:					
PIMCO Foreign Bond Fund	258			258	0.08%
Specialty Funds:					
Cohen & Steers Real Estate Securities Fund	542			542	0.15%
Short-Term Investments:					
Fixed Accounts	<u>296,827</u>	<u>-</u>	<u>-</u>	<u>296,827</u>	<u>83.97%</u>
Total	<u>\$353,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$353,496</u>	<u>100.00%</u>

NOTE 4: PLAN TERMINATION

Although it has not expressed any intent to do so, the Authority has the right under the Plan to terminate the Plan at any time subject to the provisions of ERISA.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
DEFERRED COMPENSATION PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

NOTE 5: INVESTMENT INCOME

Investment income consists of interest, dividends, transaction fees, and capital appreciation or depreciation. The trustee deducts transaction fees from all investment transactions and allocates them by each investment.

NOTE 6: SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through August 24, 2022, which was the date that these financial statements were available for issuance and determined that there were no significant non-recognized subsequent events through that date.
