

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

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2021 AND 2020**

# THE PARKING AUTHORITY OF THE CITY OF CAMDEN

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

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

**BOARD OF COMMISSIONERS**

**AS OF DECEMBER 31, 2021**

Jose Martinez, Jr.  
Chairman

Jasper Muhammad  
Vice Chairman

Angel Alamo  
Commissioner  
(Retired June 30, 2021)

Mary Espinal  
Commissioner

Troy Still  
Commissioner

Tasha Gainey  
Commissioner  
(Effective September 27, 2021)

**OTHER OFFICIALS**

Willie E. Hunter, Sr.  
Executive Director

Michael J. Ash of  
Carlin & Ward  
Board Solicitor



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

## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Parking Authority of the City of Camden ( the "Authority"), a component unit of the City of Camden, in the County of Camden, State of New Jersey, as of and for the fiscal years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Authority as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

609-456-8804  
39 Paddock Lane, Cinnaminson, N.J 08077

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Report on Summarized Comparative Information**

We have previously audited the Authority's 2020 basic financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 25, 2022, in accordance with the financial reporting provisions described in Note 1. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Required Supplemental Information**

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the financial statements. The other information comprises the supplementary information and statistical section, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated February 1, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Respectfully submitted,



Brent W. Lee  
Certified Public Accountant

Cinnaminson, New Jersey  
February 1, 2023



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

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**



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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

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

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, business-type activities and the aggregate remaining fund information of the Parking Authority of the City of Camden, County of Camden, State of New Jersey, as of and for the fiscal year ended December 31, 2021, and related notes to the financial statements, which collectively comprise the Parking Authority of the City of Camden's basic financial statements, and have issued my report thereon dated February 1, 2023.

**Report on Internal Control over Financial Reporting**

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. I did identify a certain deficiency in internal control, described in the accompanying schedule of General Comments section that I consider to be a material weakness as Finding 2021-01.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Parking Authority of the City of Camden statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of General Comments section as Finding 2021-02.

### **Purpose of this Report**

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

Respectfully submitted,



Brent W. Lee  
Certified Public Accountant

Cinnaminson, New Jersey  
February 1, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

**INTRODUCTION**

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

**MISSION**

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

**RESPONSIBILITY AND CONTROL**

The Authority has retained Brent W. Lee & Company LLC, to conduct an independent audit of the financial statements for the calendar year ended December 31, 2021. The Authority is responsible for furnishing financial statements and pertinent data for the auditor’s review and analysis.

The aforementioned financial statements above present the financial position, results of operations and cash flow for the calendar year ended December 31, 2021, in accordance with Generally Accepted Accounting Principles.

**SUMMARY OF ORGANIZATION AND BUSINESS**

The Authority was established by ordinance of the Council of the City of Camden (the City) and is charged with the operation of certain parking garages, parking lots and the meters throughout the City. The Authority currently operates twenty-two (22) surface lots and two (2) garage facilities comprising a total parking capacity in excess of 9,500 spaces. The Authority also collects revenues from approximately 863 parking spaces located throughout the City’s central business district and conducts various parking enforcement activities on behalf of the City. The City believes that these are essential governmental functions and that the Authority, operating independently, can perform them efficiently and effectively.

## **ACCOMPLISHMENTS**

The Camden City Parking Authority has diligently moved forward through the effects of the Covid-19 pandemic and revenue/parkers have started to re-turn intermittently.

Limited concert revenue was re-generated from the Freedom Mortgage Pavilion.

The Authority continues its agreements with the Adventure Aquarium to operate two (2) parking lots for daily visitors at the Adventure Aquarium. All lots used by Adventure Aquarium patrons are automated to streamline parking and improve accounting control. Overflow parking for the Aquarium is now handled with the use of the Hinson Garage and other lots owned and managed by the Authority.

Other parking agreements that were continued were with Rutgers University, Royal Courts Homeowners Association for Concert Season, NJEDA for events and lots, Rowan University at Walter Rand and the Radio Lofts.

Infrastructure upgrades were started/completed to include parking lot lighting, Lot 1 re-surfacing, the server system and network switches, continued work on the Hinson garage elevators, PSEG Installation of Fixture and Energy Conservation Controls in the Hinson Garage and renovation of an office for the Enforcement Division. Phase 1 of a conditional appraisal of the Hinson Garage commenced. License plate recognition started on April 1, 2021.

The process of transitioning control of the vehicle towing operation for abandoned vehicles to the Parking Authority was initiated with the City of Camden and Camden County.

Entered an agreement with the Camden Special Services District for Landscaping services.

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

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

The Authority is continuing its efforts to increase the parking capacity for the Riverfront area. Eighty percent of the parking meters throughout the city were replaced with digital meters that accept both coin, credit cards and are accessible through the mobile application.

## **PARKING FEES:**

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

## **REVENUE ANALYSIS:**

Actual revenue for 2021 was \$4,169,558, which is a 1.9 % or \$80,110 decrease compared to the 2021 budget amount of \$4,249,668 and a 37.8% or \$1,144,279 increase compared to 2020 actual amount of \$3,025,279.

## **METER REVENUE:**

Actual Meter Revenue for 2021 was \$405,966 which is a 57.3% or \$544,034 decrease compared to the 2021 budget amount of \$950,000 and a 15.4% or \$54,199 increase from 2020 actual amount of \$351,767.

**REVENUE FROM PARKING LOTS:**

Actual Parking Lot Revenue for 2021 was \$1,472,734 which is a 37.6% or \$886,266 decrease compared to the 2021 budget amount of \$2,359,000 and a 20.5% or \$250,693 increase compared to 2020 actual of \$1,222,041.

**WATERFRONT GARAGE REVENUE:**

Actual Garage Revenue for 2021 was \$483,693 which is a .8% or 3,693 increase compared to the 2021 budget amount of \$480,000 and a 1.8% or \$8,903 decrease compared to 2020 actual of \$492,596.

**TRANSPORTATION TERMINAL REVENUE:**

Actual Terminal Revenue for 2021 was \$415,344 which is a 73% or \$175,344 increase compared to the 2021 budget amount of \$240,000 and a 32.9% or \$203,586 decrease compared to the 2020 actual of \$618,930.

**WATERFRONT MUSIC PAVILION REVENUE:**

Actual BB&T Revenue for 2021 was \$146,752 which is a 46.8% or \$46,752 increase compared to the 2021 budget amount of \$100,000 and a 100% or \$146,752 increase compared to the 2020 actual of \$0.

**OTHER REVENUE**

Actual Other Revenue for 2021 was \$1,235,765 which is a 113.9% or \$1,136,097 increase compared to the 2021 budget of \$99,668 and a 285.3% or \$915,054 increase compared to the 2020 actual of \$320,711 resulting from a one-time sale of land.

**EXPENSE ANALYSIS:**

Actual expenses for 2021 were \$4,249,179 which is a .01% or \$489 decrease compared to the 2021 budget amount of \$4,249,668 and a 42.2% or \$3,100,265 decrease compared to the 2020 actual of \$7,349,444.

**SALARY & WAGES:**

Actual Salary & Wages Expenses for 2021 was \$967,038 which is a 11.6% or \$126,962 decrease compared to the 2021 budget amount of \$1,094,000 and a 8.1% or \$84,885 decrease compared to the 2020 actual amount of \$1,051,923.

**FRINGE & BENEFITS:**

Actual Fringe & Benefit Expenses for 2021 was \$661,094 which is a 20% or \$165,362 decrease compared to the 2021 budget amount of \$826,456 and a 68.8% or \$269,383 increase compared to the 2020 actual amount of \$391,711.

**ADMINISTRATION:**

Actual Administration Expenses for 2021 was \$897,759 which is a 9.2% or \$75,259 increase compared to the 2021 budget amount of \$822,500 and an 78.4% or \$3,250,730 decrease compared to the 2020 actual amount of \$4,148,489.

**CAPITAL OUTLAYS:**

Actual Capital Outlay for 2021 was \$237,783, a 160.9% or \$146,666 increase compared to the 2020 actual of \$91,117.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
Unrestricted Current Assets	\$ 3,739,412.29	\$ 4,110,512.31
Restricted Current Assets	107,481.18	323,748.61
Net Property, Plant & Equipment	9,022,546.68	9,307,262.83
	<hr/>	<hr/>
Total Assets	12,869,440.15	13,741,523.75
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Total Deferred Outflows of Resources	1,539,112.00	1,908,052.00
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	\$ 14,408,552.15	\$ 15,649,575.75
<b>LIABILITIES</b>		
Current Liabilities Payable From Unrestricted Assets	\$ 471,628.70	\$ 544,874.22
Current Liabilities Payable From Restricted Assets	0.00	0.00
Long-Term Liabilities Payable From Unrestricted Assets	5,841,860.87	7,362,948.57
Long-Term Liabilities Payable From Restricted Assets	0.00	5,999.74
	<hr/>	<hr/>
Total Liabilities	6,313,489.57	7,913,822.53
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources	5,584,149.00	5,404,517.00
	<hr/>	<hr/>
Total Deferred Inflows of Resources	5,584,149.00	5,404,517.00
<b>NET POSITION</b>		
Net Investment in Capital Assets	9,022,546.68	9,296,218.40
Restricted for:		
Reserve/(Deficit) for BB&T Center Improvements	107,481.18	323,748.71
Unrestricted Net Position	(6,619,114.28)	(7,288,730.89)
	<hr/>	<hr/>
Total Net Position	2,510,913.58	2,331,236.22
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 14,408,552.15	\$ 15,649,575.75
	<hr/>	<hr/>



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

	2021	2020
Operating Revenues:		
Parking Fees	\$ 2,777,737.25	\$ 2,685,333.62
Other Operating Revenues	1,382,517.12	320,710.57
	<hr/>	<hr/>
Total Operating Revenues	4,160,254.37	3,006,044.19
Operating Expenses:		
Administration:		
Salaries & Wages	967,037.93	1,051,923.44
Fringe Benefits	661,093.98	391,711.05
General & Administrative	897,759.19	4,148,488.84
	<hr/>	<hr/>
Total Administration	2,525,891.10	5,592,123.33
Cost of Providing Services	885,082.58	1,093,600.96
	<hr/>	<hr/>
Total Operating Expenses	3,410,973.68	6,685,724.29
Operating Income Before Other Operating Expenses	749,280.69	(3,679,680.10)
	<hr/>	<hr/>
Other Operating Expenses:		
Depreciation and Amortization	600,132.00	447,500.91
	<hr/>	<hr/>
Total Other Operating Operating Expenses	600,132.00	447,500.91
Operating Income/(Loss) After Other Operating Expenses	149,148.69	(4,127,181.01)
	<hr/>	<hr/>
Nonoperating Income/(Expenses):		
Interest on Investments & Deposits	9,303.54	19,235.21
Interest Expense	(290.18)	(5,100.91)
Gain/(Loss) on Sale of Assets	0.00	0.00
Net Change in Reserve for BB & T Center Improvements	(216,267.53)	(90,571.78)
	<hr/>	<hr/>
Total Nonoperating Revenue/(Expenses)	(207,254.17)	(76,437.48)
Net Income/(Loss) Before Contributions	(58,105.48)	(4,203,618.49)
Contributed Capital	237,782.84	91,117.40
	<hr/>	<hr/>
Change in Net Position	179,677.36	(4,112,501.09)
Net Position - Beginning of Year, As Restated	2,331,236.22	6,443,737.31
	<hr/>	<hr/>
Net Position - End of Year	<u>\$ 2,510,913.58</u>	<u>\$ 2,331,236.22</u>

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**FINANCIAL SECTION**

**BASIC FINANCIAL STATEMENTS**

THE PARKING AUTHORITY OF THE CITY OF CAMDEN  
COMPARATIVE STATEMENT OF NET POSITION  
DECEMBER 31, 2021 AND 2020

ASSETS	2021	2020
Current Assets:		
Unrestricted Assets:		
Cash & Cash Equivalents	\$3,113,244.81	\$3,693,955.04
Change fund	22,400.00	22,400.00
Parking Fees Receivable (Net of Allowance for Doubtful Accounts, \$1,833.10 in 2021 and \$1,833.10 in 2020)	361,553.23	234,198.11
Due From BB&T Center	2,275.51	
Due From City of Camden	239,938.74	159,959.16
Total Unrestricted Current Assets	<u>3,739,412.29</u>	<u>4,110,512.31</u>
Restricted Assets:		
Cash & Cash Equivalents	107,470.89	323,748.61
Reserve for Improvements Receivable	10.29	
Total Restricted Current Assets	<u>107,481.18</u>	<u>323,748.61</u>
Property, Plant & Equipment (Note 6):		
Property, Plant & Equipment	17,317,073.97	17,001,658.12
Less: Accumulated Depreciation	<u>8,294,527.29</u>	<u>7,694,395.29</u>
Net Property, Plant & Equipment	<u>9,022,546.68</u>	<u>9,307,262.83</u>
Total Assets	<u>12,869,440.15</u>	<u>13,741,523.75</u>
DEFERRED OUTFLOW OF RESOURCES		
Related to Pension and OPEB	<u>1,539,112.00</u>	<u>1,908,052.00</u>
Total Deferred Outflows of Resources	<u>1,539,112.00</u>	<u>1,908,052.00</u>
Total Assets and Deferred Outflows of Resources	<u>\$14,408,552.15</u>	<u>15,649,575.75</u>

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

THE PARKING AUTHORITY OF THE CITY OF CAMDEN  
COMPARATIVE STATEMENT OF NET POSITION  
DECEMBER 31, 2021 AND 2020

LIABILITIES	2021	2020
Current Liabilities Payable From Unrestricted Assets:		
Accounts Payable & Accrued Expenses	312,263.52	403,231.79
Security Deposits	918.00	918.00
Compensated Absences Payable	7,189.18	
Lease Payable		11,044.43
Pension Payable	149,188.00	128,710.00
Unearned Revenue	2,070.00	970.00
	<hr/>	<hr/>
Total Current Liabilities Payable From Unrestricted Assets	471,628.70	544,874.22
Long-Term Liabilities:		
Long-Term Liabilities Payable From Unrestricted Assets:		
Compensated Absences Payable	48,041.87	61,587.57
Lease Payable		
Net Pension Payable	1,359,933.00	1,789,956.00
OPEB Payable	4,433,886.00	5,511,405.00
	<hr/>	<hr/>
Total Long-Term Liabilities Payable From Unrestricted Assets	5,841,860.87	7,362,948.57
Long-Term Liabilities Payable From Restricted Assets:		
Contracts Payable		5,999.74
		<hr/>
Total Long-Term Liabilities Payable From Restricted Assets	-	5,999.74
		<hr/>
Total Liabilities	6,313,489.57	7,913,822.53
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Related to Pension and OPEB	5,584,149.00	5,404,517.00
	<hr/>	<hr/>
Total Deferred Inflows of Resources	5,584,149.00	5,404,517.00
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	9,022,546.68	9,296,218.40
Restricted for:		
Reserve/(Deficit) for BB&T Center Improvements	107,481.18	323,748.71
Unrestricted:		
Unrestricted	(6,619,114.28)	(7,288,730.89)
	<hr/>	<hr/>
Total Net Position	2,510,913.58	2,331,236.22
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Net Position	\$14,408,552.15	15,649,575.75
	<hr/>	<hr/>

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

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN  
COMPARATIVE STATEMENT OF REVENUE, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEARS DECEMBER 31, 2021 AND 2020**

	2021	2020
Operating Revenues:		
Parking Fees	\$2,777,737.25	2,685,333.62
Other Operating Revenues	1,382,517.12	320,710.57
	<hr/>	<hr/>
Total Operating Revenues	4,160,254.37	3,006,044.19
	<hr/>	<hr/>
Operating Expenses:		
Personnel and Administration:		
Salaries & Wages	967,037.93	1,051,923.44
Fringe Benefits	661,093.98	391,711.05
General & Administrative	897,759.19	4,148,488.84
	<hr/>	<hr/>
Total Personnel and Administration	2,525,891.10	5,592,123.33
	<hr/>	<hr/>
Cost of Providing Services	885,082.58	1,093,600.96
	<hr/>	<hr/>
Total Operating Expenses	3,410,973.68	6,685,724.29
	<hr/>	<hr/>
Operating Income Before Other Operating Expenses	749,280.69	(3,679,680.10)
	<hr/>	<hr/>
Other Operating Expenses:		
Depreciation & Amortization	600,132.00	447,500.91
	<hr/>	<hr/>
Total Other Operating Operating Expenses	600,132.00	447,500.91
	<hr/>	<hr/>
Operating Income/(Loss) After Other Operating Expenses	149,148.69	(4,127,181.01)
	<hr/>	<hr/>
Nonoperating Income/(Expenses):		
Interest on Investments & Deposits	9,303.54	19,235.21
Interest Expense	(290.18)	(5,100.91)
Net Change in Reserve for BB & T Center Improvements	(216,267.53)	(90,571.78)
	<hr/>	<hr/>
Total Nonoperating Revenue/(Expenses)	(207,254.17)	(76,437.48)
	<hr/>	<hr/>
Net Income/(Loss) Before Contributions	(58,105.48)	(4,203,618.49)
Capital Contributions	237,782.84	91,117.40
	<hr/>	<hr/>
Change in Net Position	179,677.36	(4,112,501.09)
Net Position - Beginning of Year	2,331,236.22	6,443,737.31
	<hr/>	<hr/>
Net Position - End of Year	\$2,510,913.58	2,331,236.22
	<hr/>	<hr/>

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

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE YEARS DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>Cash Flows from Operating Activities:</b>		
Cash Received From Customers	\$3,951,733.87	2,964,776.94
Cash Paid to Employees	(967,037.93)	(1,051,923.44)
Cash Paid to Supplies & Employees	(3,485,752.28)	(3,059,185.09)
Cash Paid for Litigation Settlement		(3,249,179.77)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	(501,056.34)	(4,395,511.36)
<b>Cash Flows From Capital &amp; Related Financing Activities:</b>		
Receipts/(Disbursements) from BB & T Center Reserve	21,515.31	545.62
Capital Lease	(11,044.43)	(13,357.89)
Promissory Note - Principal		(120,000.00)
Additions to Property, Plant & Equipment	(315,415.85)	(497,883.84)
	<hr/>	<hr/>
Net Cash Used in Capital & Related Financing Activities	(304,944.97)	(630,696.11)
<b>Cash Flow from Investing Activities:</b>		
Interest on Investments	9,303.54	19,235.21
Interest Expense	(290.18)	(5,100.91)
	<hr/>	<hr/>
Change in Cash & Cash Equivalents	(796,987.95)	(5,012,073.17)
Cash & Cash Equivalents at Beginning of Year	4,040,103.65	9,052,176.82
	<hr/>	<hr/>
Cash and Cash Equivalents at End of Year	\$3,243,115.70	4,040,103.65

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

Operating Income	\$149,148.69	(\$4,127,181.01)
Provided by Operating Activities:		
Depreciation & Amortization Expense	600,132.00	447,500.91
Changes in Operating Assets & Liabilities:		
Parking Fees Receivable	(127,355.12)	1,174.77
Due From BB & T Center	(2,285.80)	38,812.56
Due From City of Camden	(79,979.58)	(79,979.58)
Accounts Payable	(1,029,460.27)	(641,081.85)
Contract Payable	(5,999.74)	(58,105.17)
Other Payable		(2,000.00)
Unearned Revenue	1,100.00	(1,275.00)
Compensated Absences Payable	(6,356.52)	26,623.01
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	(\$501,056.34)	(4,395,511.36)

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



**NOTES TO THE FINANCIAL STATEMENTS**

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN**  
**(A Component Unit of the City of Camden)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020**

**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**

**Basis of Presentation**

The financial statements of the Authority have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles ("GAAP") applicable to enterprise funds of state and local governments.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net position (i.e., total assets net of total liabilities) are segregated into invested capital assets, net of related debt; restricted for capital activity; restricted for debt service; and unrestricted components.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements:

The following GASB Statements became effective for the year ended December 31, 2021:

**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, 2021 AND 2020**

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

**Basis of Presentation (continued):**

Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management does not expect this statement to have a material impact on the Authority's financial statements.

Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this statement to have a material impact on the Authority's financial statements.

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2019, and later.

**Recently Issued Accounting Pronouncements**

The GASB has issued the following statements which will become effective in future fiscal years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the Authority's financial statements.

Statement 91, *Conduit Debt Obligations*. This statement will provide financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. Management does not expect this statement to have a material impact on the Authority's financial statements.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN**  
**(A Component Unit of the City of Camden)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

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

**Basis of Presentation (continued):**

Statement 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management does not expect this statement to have a material impact on the Authority's financial statements.

Statement 93, *Replacement of Interbank Offered Rates*. This Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management does not expect this statement to have a material impact on the Authority's financial statements.

Statement 94, *Public-Private and Public-Public Partnerships and availability payment arrangements*. The requirements of this Statement will improve financial reporting by establishing the definitions of public-private and public-public partnerships (PPP) and availability payment arrangements (APA) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Management has not yet determined the potential impact on the Authority's financial statements.

Statement 96, *Subscription Based Information Arrangements (SBITA)*, The statement defines what a subscription-based information technology arrangement is and explains how to account for them. This standard was published to improve financial reporting among governmental organizations by providing uniform guidance for SBITAs. The guidance will also provide transparency in financial reporting by requiring governments to report a subscription asset and liability on their statement of net position, representing the obligations incurred and related assets received from SBITAs. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Management has not yet determined the potential impact on the Authority's financial statements.

Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Requirements of this statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of 1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and 2) investment information for all section 457 plans. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the Authority's financial statements.

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN**  
**(A Component Unit of the City of Camden)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

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

**Basis of Presentation (continued):**

**Budgets and Budgetary Accounting**

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

**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

**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, 2021 AND 2020**

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

**Property, Plant and Equipment (continued):**

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:

	<b>Years</b>
Buildings	30-40
Furniture, Fixtures & Equipment	5-15

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

**Net Position:**

Net Position is distributed into three categories:

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

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

**Restricted** - Represents reserve funds set aside as part of an agreement for use of the Authority's parking facilities by the BB&T Center. For the year ended December 31, 2021 funds collected by the Authority in accordance with this agreement exceeded the amount of funds expended to date by \$107,81.18 (see Note 10A).

**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.

**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, 2021 AND 2020**

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

**B. Budgetary Compliance**

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

Cash outlays 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, 2021 and 2020, and reported at fair value are as follows:

Type	2021 Carrying Value	2020 Carrying Value
<b>Deposits:</b>		
Demand Deposits	\$2,932,104.00	\$3,729,219.03
New Jersey Cash Management Fund	<u>311,011.70</u>	<u>310,884.62</u>
<b>Total Deposits &amp; Investments</b>	<u><b>\$3,243,115.70</b></u>	<u><b>\$4,040,103.65</b></u>

	2021	2020
<b>Reconciliation of Statement of Net Position:</b>		
Current:		
Unrestricted Assets:		
Cash & Cash Equivalents	\$3,113,244.81	\$3,693,955.04
Change Fund	22,400.00	22,400.00
Restricted Assets:		
Cash & Cash Equivalents	<u>107,470.89</u>	<u>323,748.61</u>
<b>Total Reconciliation of Statement of Net Position</b>	<u><b>\$3,243,115.70</b></u>	<u><b>\$4,040,103.65</b></u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2021 and 2020, the Authority's bank balance of \$3,427,082.70 and \$4,383,687.26 respectively, was insured or collateralized as follows:

**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, 2021 AND 2020**

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

**Custodial Credit Risk** - For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. All of the Authority's investments are held in the name of the Authority and are collateralized by GUDPA.

**Investment Interest Rate Risk** – The Authority does not have a 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, 2021 and 2020, 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, 2021 and 20120 the Authority had no investments.



**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, 2021 AND 2020**

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

**Governmental Unit Deposit Protection Act (GUDPA)**

The Authority has deposited cash in 2021 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.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund ("NJAC"). N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

The market value of the collateral must equal five percent of the average daily balance of public funds; and, if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Note 5. Accounts Receivable**

Accounts receivable at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Parking Fees Receivable	\$ 288,389.86	\$ 234,941.88
Less: Allowance for Doubtful Accounts	<u>1,833.10</u>	<u>1,833.10</u>
Total	<u>\$ 286,556.76</u>	<u>\$ 233,108.88</u>

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN**  
**(A Component Unit of the City of Camden)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

**Note 6. Property, Plant and Equipment**

The following is a summary of changes in the Authority's property, plant and equipment for the years ended December 31, 2021 and 2020:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Land	\$ 1,546,954.50			\$1,546,954.50
Capitalized Professional Services	4,208,199.06	4,500.00		4,212,699.06
Capital Assets Being Depreciated:				
Buildings	7,344,058.71	73,133.01		7,417,191.72
Furniture, Fixtures & Equipment	2,006,429.99			2,006,429.99
Leasehold Improvements	1,896,015.86	237,782.84		<u>2,133,798.70</u>
Total Capital Assets Being Depreciated	<u>11,246,504.56</u>	<u>310,915.85</u>		<u>11,557,420.41</u>
Less: Accumulated Depreciation				
Buildings	(4,628,036.77)	(198,233.22)		(4,826,269.99)
Furniture, Fixtures & Equipment	(1,469,575.78)	( 99,582.48)		(1,569,158.26)
Leasehold Improvements	(1,596,782.74)	(302,316.30)		<u>(1,899,099.04)</u>
Total Accumulated Depreciation	<u>(7,694,395.29)</u>	<u>(600,132.00)</u>		<u>(8,294,527.29)</u>
Net Assets Being Depreciated	<u>3,552,109.27</u>	<u>( 289,216.15)</u>		<u>3,262,893.12</u>
Total Capital Assets	<u>\$ 9,307,262.83</u>	<u>( 284,716.15)</u>		<u>\$9,022,546.68</u>
Additions:				
BB & T Reserve		\$ 237,782.84		
Operating Budget		<u>77,633.01</u>		
Total		<u>\$ 315,415.85</u>		

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN**  
**(A Component Unit of the City of Camden)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

**Note 6. Property, Plant and Equipment (continued):**

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Land	\$ 1,546,954.50			\$1,546,954.50
Capitalized Professional Services	4,148,447.66	59,751.40		4,208,199.06
Capital Assets Being Depreciated:				
Buildings	7,321,542.71	22,516.00		7,344,058.71
Furniture, Fixtures & Equipment	1,681,930.95	324,499.04		2,006,429.99
Leasehold Improvements	<u>1,804,898.46</u>	<u>91,117.40</u>		<u>1,896,015.86</u>
Total Capital Assets Being Depreciated	<u>10,808,372.12</u>	<u>438,132.44</u>		<u>11,246,504.56</u>
Less: Accumulated Depreciation				
Buildings	(4,436,368.44)	(191,668.33)		(4,628,036.77)
Furniture, Fixtures & Equipment	(1,378,707.26)	( 90,868.52)		(1,469,575.78)
Leasehold Improvements	<u>(1,431,818.68)</u>	<u>(164,964.06)</u>		<u>(1,596,782.74)</u>
Total Accumulated Depreciation	<u>(7,246,894.38)</u>	<u>(447,500.91)</u>		<u>(7,694,395.29)</u>
Net Assets Being Depreciated	<u>3,561,477.74</u>	<u>( 9,368.47)</u>		<u>3,552,109.27</u>
Total Capital Assets	<u>\$ 9,256,879.90</u>	<u>50,382.93</u>		<u>\$9,307,262.83</u>
Additions:				
BB & T Reserve		\$ 91,117.40		
Operating Budget		<u>406,766.44</u>		
Total		<u>\$ 497,766.84</u>		

**B. Contributed Capital**

Below is an analysis of contributed capital for the years ended December 31, 2021 and 2020:

	2021	2020
Balance January 1,	\$2,233,680.04	\$ 2,404,034.94
Capital Contributions for the Year	237,782.84	91,117.40
Depreciation on Contributed Assets	<u>(408,137.74)</u>	<u>(261,472.30)</u>
Balance December 31,	<u>\$2,063,325.14</u>	<u>\$ 2,233,680.04</u>

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**Note 7. Pension Note**

**Description of System and Vesting**

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

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

At December 31, 2021 the Authority reported a liability of \$1,509,121 for its proportionate share of the net pension liability as measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The authority elected to record \$149,188 as current pension liability from the above amount. The authority's proportion of the net pension liability was based on a projection of the authority's long – term share of contributions to the pension plan relative to the projected contributions of all participating authorities, actuarially determined. At June 30, 2021, the authority's proportion was .0127389577% which increased slightly by .00097% from its proportion measured as of June 30, 2020.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended December 31, 2021 and 2020 the Authority recognized pension expense of \$149,188 and \$128,710 respectively. At December 31, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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**Note 7. Pension Note (continued):**

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference Between Expected and Actual Experience	23,801	10,804	\$ 34,936	6,785
Changes of Assumptions	7,859	537,257	62,244	803,363
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		397,542	65,582	
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	270,763	519,147	190,330	794,843
Authority Contributions Subsequent to The Measurement Date	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 302,423</u>	<u>\$1,464,750</u>	<u>\$ 353,092</u>	<u>\$1,604,991</u>

\$ 302,423 and \$353,092 are reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the years ended December 31, 2021 and 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as shown below. The amounts represent the Authority's proportionate share of deferred outflows of resources and deferred inflows of resources.

Year ended December 31, :		Year ended December 31, :	
2022	\$ (755,663)	2021	\$ 120,893
2023	(283,499)	2022	(500,309)
2024	(117,993)	2023	(459,531)
2025	(20,803)	2024	(280,384)
2026	15,631	2025	(114,878)
Thereafter	<u>-</u>	Thereafter	<u>(17,690)</u>
Total	<u>\$ (1,162,327)</u>	Total	<u>\$ (1,251,899)</u>

The previous amounts do not include Township-specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by the Township over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 for the years 2021, 2020, 2019, 2018, 2017, and 2016, respectively.

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**Note 7. Pension Note (continued):**

*Additional Information*

Collective local balances at December 31, 2021 and 2020 are as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Collective Deferred outflows of resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,972,782,878	16,435,616,426
Authority's Proportion	0.01274%	0.01177%

*Actuarial Assumptions*

The total pension liability in the June 30, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as follows:

<u>2021</u>		<u>2020</u>	
Inflation Rate		Inflation Rate	
Price	2.75%	Price	2.75%
Wage	3.25%	Wage	3.25%
Salary Increases:	2.00 – 6.00%	Salary Increases:	2.00 – 6.00%
Through 2026	Based on Years of Service	Through 2026	Based on Years of Service
Thereafter	3.00 – 7.00%	Thereafter	3.00 – 7.00%
	Based on Years of Service		Based on Years of Service
Investment Rate of Return	7.00%		7.00%

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 and 2020 are summarized in the following tables:

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**Note 7. Pension Note (continued):**

Asset Class	2021 Target Allocation	2021 Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	.50%
U.S. Treasuries	5.00%	.95%
Risk Mitigation Strategies	3.00%	3.35%

Asset Class	2020 Target Allocation	2020 Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

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**Note 7. Pension Note (continued):**

***Discount Rate***

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021 and 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021 and 2020, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

<b>2021</b>			
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
Authority's Proportionate Share of Net Pension Liability	\$ 2,055,117	\$ 1,509,121	\$ 1,045,766
<b>2020</b>			
	<u>At 1% Decrease (4.66%)</u>	<u>At Current Discount Rate (5.66%)</u>	<u>At 1% Increase (6.66%)</u>
Authority's Proportionate Share of Net Pension Liability	\$ 2,415,280	\$ 1,918,666	\$ 1,497,275

**Description of System and Vesting**

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



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**Note 7. Pension Note (continued):**

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

Contribution Requirements

The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 7.50%, effective October 1, 2018, of employees' annual compensation as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. The Authority's contributions to P.E.R.S. for the year ending December 31, 2021 was \$149,188.

Additional detailed information about the pension plan is available in the separately issued State of New Jersey Public Employees' Retirement System – Schedules of Employer Allocations and Schedules of Pension Amounts by Employer at <http://www.nj.gov/treasury/pensions/gasb-68-rpts.shtm>

**Note 8. 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, 2021 and 2020 are \$34,892.81 and \$41,842.85 respectively.

**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 \$20,338.24 at December 31, 2021 and \$19,744.72 at December 31, 2020 for severance pay.

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**Note 9. Segment Information of Enterprise Funds**

**Working Capital**

The Authority's working capital is calculated as follows:

	<u>2021</u>	<u>2020</u>
Current Assets	\$3,846,893	\$4,434,261
Current Liabilities Payable from Current Assets	<u>(471,629)</u>	<u>(544,874)</u>
Total Working Capital	<u>\$3,375,264</u>	<u>\$8,889,387</u>

**Note 10. Contractual Agreements**

**A. Live Nation**

The Authority has entered into an agreement with Live Nation to provide parking facilities for the use of the BB & T 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, 2021 and 2020, revenues earned from the reserve-exceeded expenditures by \$107,481 and \$323,749 respectively.

**B. Operating Leases**

Mailing Machine and two (2) copiers

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

<b>Year</b>	<b>Amount</b>
2022	\$ 600
2023	600
2024	<u>600</u>
Total minimum Lease Payments	<u>\$ 1,800</u>

Rental payments under operating leases for the year 2021 and 2020 were \$3,906 and \$3,906 respectively.

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**Note 11. Economic Dependency**

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

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

**Note 12. Post-Retirement Benefits**

**General Information About the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pension and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; 4) retired and reached age 62 with at 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiation agreement.

In accordance with Chapter 330P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

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**Note 12: Post-Retirement Benefits (continued):**

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**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.

**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, 2021 and 2020 were \$95,770 and \$104,424 respectively, which equaled the required contributions for each year. There were ten (10) and twelve (12) retired participants eligible at December 31, 2021 and 2020 respectively.

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**Note 12. Post-retirement Benefits (continued):**

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2021 were \$3,872,142,278 and \$14,177,910,609, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021.

**Net OPEB Liability**

*Components of Net OPEB Liability*

The Authority's share of components of the collective net OPEB liability of the participating employers in the Plan as of December 31, 2021 and 2020 are as follows:

	December 31, <u>2021</u>	December 31, <u>2020</u>
Total OPEB Liability	\$ 4,446,270	\$ 5,562,034
Plan Fiduciary Net Position	<u>12,383</u>	<u>50,629</u>
Net OPEB Liability	<u>\$ 4,338,887</u>	<u>\$ 5,511,405</u>
Plan Fiduciary Net Position As a % of Total OPEB Liability	0.28%	0.91%

The total OPEB liability as of December 31, 2021 was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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**Note 12. Post-retirement Benefits (continued):**

	<u>2021</u>	<u>2020</u>
Inflation Rate	2.50%	2.50%
Salary Increases*:		
Initial Fiscal Year Retirement System (PERS)		
Rate Through 2026	2.00% to 6.00%	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%	3.00% to 7.00%
Mortality:		
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021	
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully Generational mortality improvement projections from the central year Using Scale MP-2021	

\* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for the July 1, 2013 to June 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Discount Rate

The discount rate for June 30, 2021 and 2020 was 2.16% and 2.21%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2021 and 2020, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

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**Note 12. Post-retirement Benefits (continued):**

<b>2021</b>			
	<u>At 1% Decrease (1.16%)</u>	<u>At Current Discount Rate (2.16%)</u>	<u>At 1% Increase (3.16%)</u>
Authority's Proportionate Share of Net OPEB Liability	\$ 5,217,833	\$ 4,433,886	\$ 3,812,591

  

<b>2020</b>			
	<u>At 1% Decrease (1.21%)</u>	<u>At Current Discount Rate (2.21%)</u>	<u>At 1% Increase (3.21%)</u>
Authority's Proportionate Share of Net OPEB Liability	\$ 6,515,645	\$ 5,511,405	\$ 4,716,458

***Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:***

The following presents the net OPEB liability as of June 30, 2021 and 2020, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<b>2021</b>			
	<u>At 1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>At 1% Increase</u>
Authority's Proportionate Share of Net OPEB Liability	\$ 3,699,354	\$ 4,433,886	\$ 5,392,359

  

<b>2020</b>			
	<u>At 1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>At 1% Increase</u>
Authority's Proportionate Share of Net OPEB Liability	\$ 4,560,693	\$ 5,511,405	\$ 6,756,375

**Deferred Outflows of Resources and Deferred Inflows of Resources**

The amounts reported as a deferred outflow of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for December 31, 2021 and 2020 respectively are as follows:

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**Note 12. Post-retirement Benefits (continued):**

Year ended December 31, :		Year ended December 31, :	
2022	\$ (264,744.00)	2021	\$ (778,739.00)
2023	(265,092.00)	2022	(344,085.00)
2024	(265,410.00)	2023	(780,170.00)
2025	(189,530.00)	2024	(885,537.00)
2026	(31,861.00)	2025	(21,137.00)
Thereafter	<u>44,701.00</u>	Thereafter	<u>565,102.00</u>
<b>Total</b>	<b>\$ <u>(971,936.00)</u></b>	<b>Total</b>	<b>\$ <u>(2,244,566.00)</u></b>

**Note 13: 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.

**Note 14: Redevelopment Agreement**

On September 12, 2013 the Authority entered into an agreement with the City of Camden Redevelopment Agency (CCRA) to purchase six lots from CCRA for \$1,200,000 of which the Authority paid \$300,000 at settlement and the remaining \$900,000 which may be owed to CCRA based on various contingent conditions set forth in the agreement based on possible Future-Parking Projects developed on these lots. As of December 31, 2021, the Authority has not recorded a liability of \$900,000 due to the uncertainty on when any Future-Parking Projects will commence.

**Note 15: Unrestricted Net Position Appropriated**

Unrestricted Net Position before the pension and OPEB unfunded liabilities, amounts to \$7,413,966.72 at December 31, 2021. \$0.00 was appropriated and anticipated as revenue in the 2022 budget as adopted. Of the \$7,134,270.11 Unrestricted Net Position before the pension and OPEB unfunded liabilities at December 31, 2020, \$0.00 was appropriated and anticipated as revenue in the 2021 budget as adopted.

**Note 16: Subsequent Events**

The Parking Authority of the City of Camden has evaluated subsequent events occurring after December 31, 2021 through the date of February 1, 2023, which is the date the financial statements were available to be issued.



**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, 2021 AND 2020**

**Note: 17: COVID-19**

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Authority's financial condition, liquidity, and future operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Authority is not able to estimate the effects of the COVID-19 outbreak on its results operations, financial condition, or liquidity for the fiscal year 2021.

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**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN  
COMPARATIVE STATEMENT OF OPERATING REVENUES AND COST FUNDED BY  
OPERATING REVENUES COMPARED TO BUDGET  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	DECEMBER 31, 2021			DECEMBER 31, 2020				
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>Operating Revenues:</b>								
<b>Parking Fees:</b>								
Meters	950,000.00	950,000.00	405,966.22	(544,033.78)	950,000.00	950,000.00	351,766.56	(598,233.44)
Parking Lots	2,359,000.00	2,359,000.00	1,472,733.92	(886,266.08)	2,976,000.00	2,976,000.00	1,222,040.73	(1,753,959.27)
Waterfront Garage	480,000.00	480,000.00	483,692.64	3,692.64	480,000.00	480,000.00	492,596.30	12,596.30
Transportation Terminal	240,000.00	240,000.00	415,344.47	175,344.47	240,000.00	240,000.00	618,930.03	378,930.03
<b>Total</b>	<b>4,029,000.00</b>	<b>4,029,000.00</b>	<b>2,777,737.25</b>	<b>(1,251,262.75)</b>	<b>4,646,000.00</b>	<b>4,646,000.00</b>	<b>2,685,333.62</b>	<b>(1,960,666.38)</b>
<b>Other Operating Revenues:</b>								
BB&T Center Revenues	100,000.00	100,000.00	146,752.07	46,752.07	661,500.00	661,500.00	320,710.57	(661,500.00)
Other	99,668.00	99,668.00	1,235,765.05	1,136,097.05	109,292.00	109,292.00	320,710.57	211,418.57
<b>Total Other Operating Revenues</b>	<b>199,668.00</b>	<b>199,668.00</b>	<b>1,382,517.12</b>	<b>1,182,849.12</b>	<b>770,792.00</b>	<b>770,792.00</b>	<b>320,710.57</b>	<b>(450,081.43)</b>
<b>Total Operating Revenues</b>	<b>4,228,668.00</b>	<b>4,228,668.00</b>	<b>4,160,254.37</b>	<b>(68,413.63)</b>	<b>5,416,792.00</b>	<b>5,416,792.00</b>	<b>3,006,044.19</b>	<b>(2,410,747.81)</b>
<b>Nonoperating Revenues:</b>								
Interest on Investments & Deposits	21,000.00	21,000.00	9,303.54	(11,696.46)	42,000.00	42,000.00	19,235.21	(22,764.79)
<b>Total Budget Revenues</b>	<b>4,249,668.00</b>	<b>4,249,668.00</b>	<b>4,169,557.91</b>	<b>(80,110.09)</b>	<b>5,458,792.00</b>	<b>5,458,792.00</b>	<b>3,025,279.40</b>	<b>(2,433,512.60)</b>
<b>Salaries &amp; Wages:</b>								
Collections	62,400.00	62,400.00	64,375.11	(1,975.11)	62,400.00	62,400.00	62,132.98	267.02
Maintenance	100,000.00	100,000.00	82,663.22	17,336.78	237,600.00	237,600.00	137,023.87	100,576.13
Facilities	100,000.00	100,000.00	219,616.47	(119,616.47)	242,400.00	242,400.00	208,533.74	33,866.26
Office	545,623.00	545,623.00	407,657.09	137,965.91	580,623.00	580,623.00	401,283.38	179,339.62
Violations	285,977.00	285,977.00	192,726.04	93,250.96	507,677.00	507,677.00	242,949.47	264,727.53
<b>Total Salaries &amp; Wages</b>	<b>1,094,000.00</b>	<b>1,094,000.00</b>	<b>967,037.93</b>	<b>126,962.07</b>	<b>1,630,700.00</b>	<b>1,630,700.00</b>	<b>1,051,923.44</b>	<b>578,776.56</b>

**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, 2021 AND 2020**

	DECEMBER 31, 2021			DECEMBER 31, 2020			VARIANCE FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	
Cost of Providing Service (continued):							
Elevator	25,200.00	25,200.00	134,179.74	24,000.00	24,000.00	364,461.01	(340,461.01)
Gasoline	6,000.00	6,000.00	3,592.61	6,000.00	6,000.00	13,374.15	(7,374.15)
Equipment Rental	10,800.00	10,800.00	18,382.88	10,800.00	10,800.00	17,400.57	(6,600.57)
Towing Costs	6,000.00	6,000.00	299.28	150,000.00	150,000.00	90.00	(90.00)
Snow Removal Costs	150,000.00	150,000.00	145,050.40	18,000.00	18,000.00	60,259.00	89,741.00
Miscellaneous							
Depreciation			600,132.00			447,500.91	(447,500.91)
<b>Total Cost of Providing Service</b>	<b>1,003,100.00</b>	<b>1,003,100.00</b>	<b>1,485,214.58</b>	<b>1,514,300.00</b>	<b>1,514,300.00</b>	<b>1,541,101.87</b>	<b>(26,801.87)</b>
Principal Payments on Debt Service							
Lieu of Depreciation	218,795.00	218,795.00		221,108.00	221,108.00	120,000.00	101,108.00
<b>Total Operating Appropriations</b>	<b>3,964,851.00</b>	<b>3,964,851.00</b>	<b>4,011,105.68</b>	<b>8,382,444.00</b>	<b>8,382,444.00</b>	<b>7,253,225.20</b>	<b>1,129,218.80</b>
Nonoperating Appropriations:							
Interest Expense	284,817.00	284,817.00	290.18	291,224.00	291,224.00	5,100.91	286,123.09
Capital Outlays			237,782.84			91,117.40	(91,117.40)
<b>Total Nonoperating Appropriations</b>	<b>284,817.00</b>	<b>284,817.00</b>	<b>238,073.02</b>	<b>291,224.00</b>	<b>291,224.00</b>	<b>96,218.31</b>	<b>195,005.69</b>
<b>Total Operating &amp; Nonoperating Appropriations</b>	<b>4,249,668.00</b>	<b>4,249,668.00</b>	<b>4,249,178.70</b>	<b>8,673,668.00</b>	<b>8,673,668.00</b>	<b>7,349,443.51</b>	<b>1,324,224.49</b>
Excess Revenues Over Expenditures			(79,620.79)	(53,214,876.00)	(3,214,876.00)	(4,324,164.11)	(1,109,288.11)
Adjustments to Reconcile Excess Revenues Over Expenditures to GAAP Basis for Change in Net Position:							
Excess Expenditures Over Revenues			(\$79,620.79)				(\$4,324,164.11)
Add:							
Additions to Property, Plant & Equipment			237,782.84				91,117.40
Net Change in Reserve for BB & T Center Improvements			(216,267.53)				(90,571.78)
Principal Payments							120,000.00
Capital Contributions			237,782.84				91,117.40
<b>Change in Net Position (Exhibit B)</b>			<b>\$179,677.36</b>				<b>(\$4,112,501.09)</b>

SCHEDULE 2

THE PARKING AUTHORITY OF THE CITY OF CAMDEN  
ANALYSIS OF PARKING FEES RECEIVABLE  
AS OF DECEMBER 31, 2021

Balance January 1, 2020		\$	234,198.11
Increased by:			
Accrued			<u>2,777,737.25</u>
Subtotal			3,011,935.36
Decreased by:			
Collections	\$	2,623,545.50	
Allowance for Doubtful Accounts		<u>1,833.10</u>	<u>2,650,382.13</u>
Balance December 31, 2021		\$	<u><u>361,553.23</u></u>

SCHEDULE 3

ANALYSIS OF DUE FROM BB&T CENTER  
AND RESERVE FOR IMPROVEMENTS RECEIVABLE  
AS OF DECEMBER 31, 2021

Balance January 1, 2020		\$	-
Increased by:			
Event Revenue Accrued	\$	177,287.38	
Miscellaneous Revenue Accrued		1,000.00	
Reserve for Improvements Accrued		<u>21,364.30</u>	<u>199,651.68</u>
Subtotal			199,651.68
Decreased by:			
Event Revenue - Per Agreement with BB & T Center	\$	175,011.87	
Miscellaneous Revenue - Per Agreement with BB & T Center		1,000.00	
Reserve for Improvements - Per Agreement with BB & T Center		<u>21,354.01</u>	<u>197,365.88</u>
Balance December 31, 2020		\$	<u><u>2,285.80</u></u>
Analysis of Balance:			
Unrestricted Assets:			
Event Revenue Receivable		\$	2,275.51
Restricted Assets:			
Reserve Receivable			<u>10.29</u>
Total		\$	<u><u>2,285.80</u></u>

SCHEDULE 4

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN  
ANALYSIS OF ACCRUED INTEREST RECEIVABLE  
AS OF DECEMBER 31, 2021**

Balance January 1, 2021		\$ -
Increased by:		
Interest Earned		<u>(9,303.54)</u>
Subtotal		(9,303.54)
Decreased by:		
Interest Received		<u>9,303.54</u>
Balance December 31, 2021		<u><u>\$ -</u></u>

SCHEDULE 5

**ANALYSIS OF RESERVE FOR BB & T CENTER IMPROVEMENTS  
AS OF DECEMBER 31, 2021**

Balance January 1, 2021		\$ 323,748.71
Increased by:		
Received From BB & T Center	\$ 21,354.01	
Due From BB & T Center	10.29	
Interest Earnings	<u>151.01</u>	<u>21,515.31</u>
Subtotal		<u>345,264.02</u>
Decreased by:		
Capital Outlay		<u>237,782.84</u>
Balance December 31, 2021		<u><u>\$ 107,481.18</u></u>

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**REQUIRED SUPPLEMENTARY INFORMATION – PART III**



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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's Proportion of the Net Pension Liability (Asset)	0.01260%	0.00496%	0.00723%	0.00563%	0.00685%	0.00842%	0.00746%	0.00826%	0.00902%
Authority's Proportionate Share of the Net Pension Liability (Asset)	\$1,509,121	\$1,918,666	\$2,975,018	\$2,441,494	\$3,349,637	\$4,967,884	\$3,442,821	\$3,209,606	3,462,775
Authority's covered employee payroll	\$791,525	\$863,010	\$900,323	\$963,049	\$1,052,711	\$1,059,940	\$1,407,854	\$1,369,103	\$1,141,273
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	58.32%	56.27%	53.60%	47.44%	40.14%	52.08%	47.92%	48.72%

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$149,188	\$128,710	\$131,801	\$158,340	\$133,303	\$149,015	\$131,856	\$141,323	\$136,518
Contributions in relation to the Actuarially Determined Contributions	149,188	128,710	131,801	158,340	133,303	149,015	131,856	141,323	136,518
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered-Employee Payroll	\$791,525	\$863,010	\$900,323	\$963,049	\$1,052,711	\$1,059,940	\$1,407,854	\$1,369,103	\$1,141,273
Contributions as a Percentage of Covered - Employee Payroll	18.848%	14.914%	14.639%	16.442%	12.663%	14.059%	9.366%	10.323%	11.962%

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

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
AND RELATED RATIOS \***

	Last 10 Fiscal Years*					
	2021	2020	2019	2018	2017	2016
Proportion of the net OPEB liability	0.024633%	0.035509%	0.027720%	0.029933%	0.035266%	0.038972%
Proportionate share of net OPEB liability	\$ 4,433,886	\$ 6,372,663	\$ 3,754,968	\$ 4,689,489	\$ 7,199,832	\$ 8,463,730
Authority's covered employee payroll	\$ 830,790	\$ 915,675	\$ 1,033,246	\$ 1,063,030	\$ 1,171,556	\$ 1,120,371
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	533.70%	695.95%	363.41%	441.14%	614.55%	755.44%
Plan Fiduciary Net Position as a % of total OPEB liability	0.28%	0.91%	1.98%	1.97%	1.03%	0.69%

Source Documents:

All data for the measurement period was provided by the State of New Jersey Department of the Treasury.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN**  
**(A Component Unit of Camden City, New Jersey)**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**  
**YEAR ENDED DECEMBER 31, 2021 AND 2020**

**Public Employees' Retirement System (PERS)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - None

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 2.21% as of June 30, 2020, to 2.16% as of June 30, 2021.

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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

I have audited the financial accounts and transactions of the Parking Authority of the City of Camden in the County of Camden for the year ended December 31, 2021. 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 \$40,000 through July 1, 2020 and \$44,000 thereafter except by contract or agreement. The Authority has appointed a qualified purchasing agent in 2020.

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

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

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

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

Snow removal and parking lot improvements

609-456-8804  
39 Paddock Lane, Cinnaminson, NJ 08077

### ***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 \$6,000 through July 1, 2020 and \$6,600 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A. 40A:11-6.1*).

#### **Examination of Bills**

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

#### **Payroll Fund**

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

#### **Finance**

##### **Finding 2021-01:**

The Authority did not adhere to its internal control procedures that are designed to reconcile the general ledger with other subsidiary records and did not record all the necessary year-end closing journal entries in order to be in compliance with N.J.A.C. 5:31-7.

##### **Recommendation:**

The Authority should adhere to their internal control procedures that are designed to reconcile the general ledger with other subsidiary records and record all necessary year-end journal entries in order to be in compliance with N.J.A.C. 5:31-7.

##### **Finding 2021-02**

There were eleven (11) instances where cash receipts were not promptly deposited into the bank (within 48 hours) totaling \$22,443 in order to be in compliance with N.J.A.C. 5:31-3.1(b).

##### **Recommendation:**

All cash receipts should be promptly deposited into the bank in order to be in compliance with N.J.A.C. 5:31-3.1(b).

#### **Follow-up on Prior Year's Findings**

In accordance with government auditing standards, my procedures included a review of all prior year findings. Corrective action had been taken on all prior year findings with exception of the following, which is repeated in this year's recommendations noted as current year finding "2021-01."

The Authority should review their internal controls over the general ledger to ensure compliance with N.J.A.C. 5:31-7 and as required, reconcile the general ledger to other subsidiary records.



**Acknowledgment**

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

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

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

Respectfully submitted,



Brent W. Lee  
Certified Public Accountant

Cinnaminson, New Jersey  
February 1, 2023

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