

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

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2023 AND 2022**

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, 2023

Jose Martinez, Jr.
Chairman

Jasper Muhammad
Vice Chairman

Mary Espinal
Commissioner

Troy Still
Commissioner

Tasha Gainey
Commissioner

OTHER OFFICIALS

Willie E. Hunter, Sr.
Executive Director

Michael J. Ash of
Carlin & Ward
Board Solicitor

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

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022



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, 2023 and 2022, 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, 2023, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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.

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 and *Government 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 2022 basic financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 25, 2023, 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, 2022, 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, is the responsibility of management and, 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 September 23, 2024 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
September 23, 2024



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

We 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 (the "Authority"), County of Camden, State of New Jersey, as of and for the fiscal year ended December 31, 2023, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Authority'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.

Our 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. We identified certain deficiencies in internal control, described in the accompanying schedule of General Comments section as Finding 2023-01 and 2023-03 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2023-02.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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
September 23, 2024

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, 2023
(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, On-Line Permitting System, 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, 2023. 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, 2023, 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.

Concert revenue was generated from the Freedom Mortgage Pavilion in the first full season out of the Covid Pandemic.

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 Rutgers University at Lots 15 & 16, Royal Courts Homeowners Association for Concert Season, NJEDA for events and lots, Rowan University at Walter Rand and the Radio Lofts. A new short term lease agreement was finalized for Lot 45. The CCPA started managing Block 77, a lot on 4th street, that has been at 90% capacity since inception and increases the space inventory count for Live Nation Concerts.

An online permitting system was established for residential, and lot permits to allow parking enforcement to perform their duties more efficiently. Furthermore, it allows for improved customer service and flexibility in issuing parking permits.

A new part-time operations supervisor started in May of 2022.

Placement of a cell tower on Lot 16 was approved by the Camden Board of Adjustment on February 7, 2022 with installation slated for September of 2023.

The Hinson Garage restoration project was completed. The garage received a score of 99 out of 100 on an Environmental Audit that was performed.

Reentered 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. One hundred percent of the parking meters throughout the city were replaced with digital meters that accept both coin and credit cards and then upgraded with 5G capacity.

PARKING FEES:

Parking hourly rates remain below market rate for comparable cities. Economic factors continue to exert pressure to keep costs and revenue increases to a minimum.

REVENUE ANALYSIS:

Actual revenue for 2023 was \$4,845,415, which is a 30.3% or \$1,126,735 increase compared to the 2023 budget amount of \$3,718,680 and a 4.2% or \$197,115 increase compared to 2022 actual amount of \$4,648,300.

METER REVENUE:

Actual Meter Revenue for 2023 was \$796,339 which is a 21.46% or \$217,555 decrease compared to the 2023 budget amount of \$1,013,894 and a 20.4% or \$134,747 increase from 2022 actual amount of \$661,592.

REVENUE FROM PARKING LOTS:

Actual Parking Lot Revenue for 2023 was \$1,960,648 which is a 17.2% or \$287,363 increase compared to the 2023 budget amount of \$1,673,285 and a 13.2% or \$228,795 increase compared to 2022 actual of \$1,731,853.

WATERFRONT GARAGE REVENUE:

Actual Garage Revenue for 2023 was \$506,225 which is a 110.9% or \$266,225 increase compared to the 2023 budget amount of \$240,000 and a .9% or \$4,312 increase compared to 2022 actual of \$501,913.

TRANSPORTATION TERMINAL REVENUE:

Actual Terminal Revenue for 2023 was \$98,396 which is a 22.2% or \$28,104 decrease compared to the 2023 budget amount of \$126,500 and a 35.3% or \$53,757 decrease compared to the 2022 actual of \$152,153.

WATERFRONT MUSIC PAVILION REVENUE:

Actual Freedom Mortgage Pavilion (the Pavilion) Revenue for 2023 was \$352,412 which is a 2.3% or \$8,323 decrease compared to the 2023 budget amount of \$360,735 and a 14.8% or \$61,348 decrease compared to the 2022 actual of \$413,760.

OTHER REVENUE

Actual Other Revenue for 2023 was \$1,115,417 which is a 274.2% or \$817,341 increase compared to the 2023 budget of \$298,076 and a 5.5% or \$64,412 decrease compared to the 2022 actual of \$1,179,829.

EXPENSE ANALYSIS:

Actual expenses for 2023 were \$4,187,102 which is a 12.6% or \$468,422 increase compared to the 2023 budget amount of \$3,718,680 and a 6.9% or \$268,265 increase compared to the 2022 actual of \$3,918,837.

SALARY & WAGES:

Actual Salary & Wages Expenses for 2023 was \$1,035,757 which is a 3.8% or \$41,155 decrease compared to the 2023 budget amount of \$1,076,912 and a 5.1% or \$50,557 increase compared to the 2022 actual amount of \$985,200.

FRINGE & BENEFITS:

Actual Fringe & Benefit Expenses for 2023 was \$689,706 which is a 13.1% or \$104,284 decrease compared to the 2023 budget amount of \$793,990 and a 7.2% or \$46,197 increase compared to the 2022 actual amount of \$643,509.

ADMINISTRATION:

Actual Administration Expenses for 2023 was \$1,086,878 which is a 13.5% or \$129,395 increase compared to the 2023 budget amount of \$957,483 and a 9.1% or \$90,896 increase compared to the 2022 actual amount of \$995,982.

CAPITAL OUTLAYS:

Actual Capital Outlay for 2023 was \$31,310, a 156.4% or \$19,097 increase compared to the 2022 actual of \$12,213.

THE PARKING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF NET POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Unrestricted Current Assets	\$ 2,916,949.43	\$ 3,219,392.67
Restricted Current Assets	164,098.70	149,399.34
Net Property, Plant & Equipment	9,477,393.07	9,422,432.88
	<u>12,558,441.20</u>	<u>12,791,224.89</u>
Total Assets		
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>2,013,989.97</u>	<u>1,314,048.93</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 14,572,431.17</u></u>	<u><u>\$ 14,105,273.82</u></u>
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets	\$ 511,143.60	\$ 480,244.82
Long-Term Liabilities Payables From Unrestricted Assets	5,277,354.47	5,069,320.43
Long-Term Liabilities Payables from Restricted Assets	<u>-</u>	<u>78,720.75</u>
Total Liabilities	<u>5,788,498.07</u>	<u>5,628,286.00</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	<u>4,741,580.00</u>	<u>5,170,267.00</u>
Total Deferred Inflows of Resources	<u>4,741,580.00</u>	<u>5,170,267.00</u>
NET POSITION		
Net Investment in Capital Assets	\$ 9,471,182.78	\$ 9,413,701.91
Restricted for:		
Reserve/(Deficit) for Freedom Mortgage Pavilion Improvements	164,098.70	149,399.34
Unrestricted Net Position	<u>(5,592,928.38)</u>	<u>(6,256,380.43)</u>
Total Net Position	<u>4,042,353.10</u>	<u>3,306,720.82</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 14,572,431.17</u></u>	<u><u>\$ 14,105,273.82</u></u>

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
Operating Revenues		
Parking Fees	\$ 3,361,607.05	\$ 3,047,509.62
Other Operating Revenues	1,467,829.71	1,593,589.50
	<hr/>	<hr/>
Total Operating Revenues	4,829,436.76	4,641,099.12
	<hr/>	<hr/>
Operating Expenses:		
Administration:		
Salaries & Wages	1,035,756.96	985,199.77
Fringe Benefits	689,706.03	643,508.93
General & Administrative	1,086,877.62	995,982.20
	<hr/>	<hr/>
Total Administration	2,812,340.61	2,624,690.90
	<hr/>	<hr/>
Cost of Providing Services	904,746.04	886,911.64
	<hr/>	<hr/>
Total Operating Expenses	3,717,086.65	3,511,602.54
	<hr/>	<hr/>
Operating Income/(Loss) Before Other Operating Expenses	1,112,350.11	1,129,496.58
	<hr/>	<hr/>
Other Operating Expenses		
Depreciation and Amortization	438,469.02	394,658.04
	<hr/>	<hr/>
Total Other Operating Expenses	438,469.02	394,658.04
	<hr/>	<hr/>
Operating Income/(Loss) After Other Operating Expenses	673,881.09	734,838.54
	<hr/>	<hr/>
Nonoperating Income/(Expenses):		
Interest on Investments & Deposits	15,978.23	7,200.61
Interest Expense	(236.40)	(363.07)
Net Change in Reserve for Freedom Mortgage Pavilion Improvements	14,699.36	41,918.16
	<hr/>	<hr/>
Total Nonoperating Revenue/(Expenses)	30,441.19	48,755.70
	<hr/>	<hr/>
Net Income/(Loss) Before Contributions	704,322.28	783,594.24
Contributed Capital	31,310.00	12,213.00
	<hr/>	<hr/>
Change in Net Position	735,632.28	795,807.24
Net Position - Beginning of Year	3,306,720.82	2,510,913.58
	<hr/>	<hr/>
Net Position - End of Year	\$ 4,042,353.10	\$ 3,306,720.82
	<hr/>	<hr/>

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2023 AND 2022**

ASSETS	2023	2022
Current Assets:		
Unrestricted Assets:		
Cash & Cash Equivalents	\$2,570,106.22	\$2,861,554.11
Change fund	22,400.00	20,400.00
Parking Fees Receivable (Net of Allowance for Doubtful Accounts, \$1,833.10 in 2023 and \$1,833.10 in 2022)	304,161.89	305,344.08
Due From Freedom Mortgage Center	1,000.00	32,094.48
Other Accounts Receivable	19,281.32	
Total Unrestricted Current Assets	2,916,949.43	3,219,392.67
Restricted Assets:		
Cash & Cash Equivalents	164,098.70	146,597.91
Reserve for Improvements Receivable		2,801.43
Total Restricted Current Assets	164,098.70	149,399.34
Property, Plant & Equipment (Note 6):		
Property, Plant & Equipment	18,605,047.42	18,111,618.21
Less: Accumulated Depreciation	9,127,654.35	8,689,185.33
Net Property, Plant & Equipment	9,477,393.07	9,422,432.88
Total Assets	12,558,441.20	12,791,224.89
DEFERRED OUTFLOW OF RESOURCES		
Related to Pension and OPEB	2,013,630.00	1,313,725.00
Related to Leases	359.97	323.93
Total Deferred Outflows of Resources	2,013,989.97	1,314,048.93
Total Assets and Deferred Outflows of Resources	\$14,572,431.17	14,105,273.82

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, 2023 AND 2022**

LIABILITIES	2023	2022
Current Liabilities Payable From Unrestricted Assets:		
Accounts Payable & Accrued Expenses	379,132.80	329,032.17
Security Deposits	918.00	918.00
Compensated Absences Payable	2,534.13	7,253.97
Lease Payable	2,614.67	2,520.68
Pension Payable	124,804.00	137,535.00
Unearned Revenue	1,140.00	2,985.00
	<hr/>	<hr/>
Total Current Liabilities Payable From Unrestricted Assets	511,143.60	480,244.82
	<hr/>	<hr/>
Long-Term Liabilities:		
Long-Term Liabilities Payable From Unrestricted Assets:		
Compensated Absences Payable	97,951.85	58,977.14
Lease Payable	3,595.62	6,210.29
Net Pension Payable	1,227,737.00	1,508,392.00
OPEB Payable	3,948,070.00	3,495,741.00
	<hr/>	<hr/>
Total Long-Term Liabilities Payable From Unrestricted Assets	5,277,354.47	5,069,320.43
	<hr/>	<hr/>
Long-Term Liabilities Payable From Restricted Assets:		
Contracts Payable		78,720.75
	<hr/>	<hr/>
Total Long-Term Liabilities Payable From Restricted Assets	-	78,720.75
	<hr/>	<hr/>
Total Liabilities	5,788,498.07	5,628,286.00
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Related to Pension and OPEB	4,741,580.00	5,170,267.00
	<hr/>	<hr/>
Total Deferred Inflows of Resources	4,741,580.00	5,170,267.00
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	9,471,182.78	9,413,701.91
Restricted for:		
Reserve/(Deficit) for Freedom Mortgage Pavilion Center Improvements	164,098.70	149,399.34
Unrestricted:		
Unrestricted	(5,592,928.38)	(6,256,380.43)
	<hr/>	<hr/>
Total Net Position	4,042,353.10	3,306,720.82
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Net Position	\$14,572,431.17	14,105,273.82
	<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
DECEMBER 31, 2023 AND 2022**

	2023	2022
Operating Revenues:		
Parking Fees	\$ 3,361,607.05	\$ 3,047,509.62
Other Operating Revenues	1,467,829.71	1,593,589.50
	<hr/>	<hr/>
Total Operating Revenues	4,829,436.76	4,641,099.12
	<hr/>	<hr/>
Operating Expenses:		
Personnel and Administration:		
Salaries & Wages	1,035,756.96	985,199.77
Fringe Benefits	689,706.03	643,508.93
General & Administrative	1,086,877.62	995,982.20
	<hr/>	<hr/>
Total Personnel and Administration	2,812,340.61	2,624,690.90
	<hr/>	<hr/>
Cost of Providing Services	904,746.04	886,911.64
	<hr/>	<hr/>
Total Operating Expenses	3,717,086.65	3,511,602.54
	<hr/>	<hr/>
Operating Income Before Other Operating Expenses	1,112,350.11	1,129,496.58
	<hr/>	<hr/>
Other Operating Expenses:		
Depreciation & Amortization	438,469.02	394,658.04
	<hr/>	<hr/>
Total Other Operating Operating Expenses	438,469.02	394,658.04
	<hr/>	<hr/>
Operating Income/(Loss) After Other Operating Expenses	673,881.09	734,838.54
	<hr/>	<hr/>
Nonoperating Income/(Expenses):		
Interest on Investments & Deposits	15,978.23	7,200.61
Interest Expense	(236.40)	(363.07)
Net Change in Reserve for Freedom Mortgage Center Improvements	14,699.36	41,918.16
	<hr/>	<hr/>
Total Nonoperating Revenue/(Expenses)	30,441.19	48,755.70
	<hr/>	<hr/>
Net Income/(Loss) Before Contributions	704,322.28	783,594.24
Capital Contributions	31,310.00	12,213.00
	<hr/>	<hr/>
Change in Net Position	735,632.28	795,807.24
Net Position - Beginning of Year	3,306,720.82	2,510,913.58
	<hr/>	<hr/>
Net Position - End of Year	\$4,042,353.10	3,306,720.82
	<hr/> <hr/>	<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, 2023 AND 2022**

	2023	2022
Cash Flows from Operating Activities:		
Cash Received From Customers	\$ 4,843,388.54	\$ 4,905,551.90
Cash Paid to Employees	(1,035,756.96)	(985,199.77)
Cash Paid to Supplies & Employees	(3,645,343.94)	(3,393,827.16)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	162,287.64	526,524.97
	<hr/>	<hr/>
Cash Flows From Capital & Related Financing Activities:		
Receipts/(Disbursements) from Freedom Mortgage Center Reserve	46,009.36	54,131.16
Leases	(2,520.68)	(2,430.05)
Additions to Property, Plant & Equipment	(493,429.21)	(799,627.30)
	<hr/>	<hr/>
Net Cash Used in Capital & Related Financing Activities	(449,940.53)	(747,926.19)
	<hr/>	<hr/>
Cash Flow from Investing Activities:		
Interest on Investments	15,978.23	7,200.61
Interest Expense	(272.44)	(363.07)
	<hr/>	<hr/>
Change in Cash & Cash Equivalents	(271,947.10)	(214,563.68)
Cash & Cash Equivalents at Beginning of Year	3,028,552.02	3,243,115.70
	<hr/>	<hr/>
Cash and Cash Equivalents at End of Year	\$ 2,756,604.92	\$ 3,028,552.02
	<hr/> <hr/>	<hr/> <hr/>

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

Operating Income	\$673,881.09	\$734,838.54
Provided by Operating Activities:		
Depreciation & Amortization Expense	438,469.02	394,658.04
Changes in Operating Assets & Liabilities:		
Parking Fees Receivable	(18,099.13)	56,209.15
Due From Freedom Mortgage Pavilion Center	33,895.91	(32,610.11)
Due From City of Camden		239,938.74
Accounts Payable	(919,548.37)	(973,065.35)
Contract Payable	(78,720.75)	78,720.75
Lease Payable		8,730.97
Unearned Revenue	(1,845.00)	915.00
Compensated Absences Payable	34,254.87	18,189.24
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$162,287.64	526,524.97
	<hr/> <hr/>	<hr/> <hr/>

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, 2023 and 2022

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, 2023:

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, 2023 AND 2022

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

Basis of Presentation (continued):

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Management does not expect this Statement to have a material impact on the Authority's financial statements.

Recently Issued Accounting Pronouncements

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

Statement No. 100, *Accounting Changes and Error Corrections*. Statement No. 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. Management has not yet determined the potential impact on the Authority's financial statements.

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the Authority's financial statements.

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 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, 2023 AND 2022

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

Budgets and Budgetary Accounting (continued):

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

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

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, 2023 AND 2022

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

Property, Plant and Equipment (continued):

Depreciation

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

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

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

Leases

The Authority is a lessee for various equipment. The Authority recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right-to-use asset in the Authority’s financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

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 Freedom Mortgage Center. For the year ended December 31, 2023 funds collected by the Authority in accordance with this agreement exceeded the amount of funds expended to date by \$164,098.70 (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, 2023 AND 2022

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, 2023 and 2022, and reported at fair value are as follows:

Type	2023 Carrying Value	2022 Carrying Value
Deposits:		
Demand Deposits	\$2,424,953.58	\$2,712,855.38
New Jersey Cash Management Fund	<u>331,651.34</u>	<u>315,696.64</u>
Total Deposits & Investments	<u>\$2,756,604.92</u>	<u>\$3,028,552.02</u>

	2023	2022
Reconciliation of Statement of Net Position:		
Current:		
Unrestricted Assets:		
Cash & Cash Equivalents	\$2,570,106.22	\$2,861,554.11
Change Fund	22,400.00	20,400.00
Restricted Assets:		
Cash & Cash Equivalents	<u>164,098.70</u>	<u>146,597.91</u>
Total Reconciliation of Statement of Net Position	<u>\$2,756,604.92</u>	<u>\$3,028,552.02</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, 2023 and 2022, the Authority's bank balance of \$2,913,707.71 and \$3,034,415.67 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, 2023 AND 2022

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

	2023	2022
Insured	\$ 273,436.55	\$ 486,260.22
Collateralized in the Authority's name		
Under GUDPA	<u>2,640,271.16</u>	<u>2,548,155.45</u>
Total	<u>\$2,913,707.71</u>	<u>\$3,034,415.67</u>

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, 2023 and 2022, 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.

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, 2023 AND 2022

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

Concentration of Investment Credit Risk – The Authority places no limit on the amount it may invest in any one issuer. At December 31, 2023 and 2022 the Authority had no investments.

Governmental Unit Deposit Protection Act (GUDPA)

The Authority has deposited cash in 2023 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, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Parking Fees Receivable	\$ 305,994.99	\$ 307,177.18
Less: Allowance for Doubtful Accounts	<u>1,833.10</u>	<u>1,833.10</u>
Total	<u>\$ 304,161.89</u>	<u>\$ 305,344.08</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, 2023 AND 2022

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, 2023 and 2022:

	Balance January 1, 2023	Adjustments/ Additions	Reclass	Balance December 31, 2023
Land	\$ 1,546,954.50			\$1,546,954.50
Capitalized Professional Services	4,208,199.06			4,212,699.06
Capital Assets Being Depreciated:				
Buildings	7,981,025.79	319,195.71		8,300,221.50
Furniture, Fixtures & Equipment	2,210,718.27	145,483.50		2,356,201.77
Leasehold Improvements	2,151,936.99	28,750.00		2,180,686.99
Leases	<u>12,783.60</u>			<u>12,783.60</u>
Total Capital Assets Being Depreciated	<u>12,356,464.65</u>	<u>493,429.21</u>		<u>12,849,893.86</u>
Less: Accumulated Depreciation				
Buildings	(5,049,517.44)	(246,677.12)		(5,296,194.56)
Furniture, Fixtures & Equipment	(1,680,577.61)	(123,849.55)		(1,804,427.16)
Leasehold Improvements	(1,954,713.72)	(65,385.63)		(2,020,099.35)
Leases	<u>(4,376.56)</u>	<u>(2,556.72)</u>		<u>(6,933.28)</u>
Total Accumulated Depreciation	<u>(8,689,185.33)</u>	<u>(438,469.02)</u>		<u>(9,127,654.35)</u>
Net Assets Being Depreciated	<u>3,667,279.32</u>	<u>54,960.19</u>		<u>3,722,239.51</u>
Total Capital Assets	<u>\$ 9,422,432.88</u>	<u>54,960.19</u>	<u>-</u>	<u>\$9,477,393.07</u>
Additions:				
Freedom Mortgage Reserve		\$ 28,750.00		
Operating Budget		<u>464,679.21</u>		
Total		<u>\$ 493,429.21</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, 2023 AND 2022

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

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Land	\$ 1,546,954.50			\$1,546,954.50
Capitalized Professional Services	4,212,699.06		(4,500.00)	4,212,699.06
Capital Assets Being Depreciated:				
Buildings	7,417,191.72	559,334.07	4,500.00	7,981,025.79
Furniture, Fixtures & Equipment	2,006,429.99	204,288.28		2,210,718.27
Leasehold Improvements	2,133,798.70	18,138.29		2,151,936.99
Leases		12,783.60		12,783.60
Total Capital Assets Being Depreciated	<u>11,557,420.41</u>	<u>794,544.24</u>	<u>4,500.00</u>	<u>12,356,464.65</u>
Less: Accumulated Depreciation				
Buildings	(4,826,269.99)	(223,247.45)		(5,049,517.44)
Furniture, Fixtures & Equipment	(1,569,158.26)	(111,419.35)		(1,680,577.61)
Leasehold Improvements	(1,899,099.04)	(55,614.68)		(1,954,713.72)
Leases		(4,376.56)		(4,376.56)
Total Accumulated Depreciation	<u>(8,294,527.29)</u>	<u>(394,658.04)</u>		<u>(8,689,185.33)</u>
Net Assets Being Depreciated	<u>3,262,893.12</u>	<u>399,886.20</u>	<u>4,500.00</u>	<u>3,667,279.32</u>
Total Capital Assets	<u>\$ 9,022,546.68</u>	<u>399,886.20</u>	<u>-</u>	<u>\$9,422,432.88</u>
Additions:				
Freedom Mortgage Reserve		\$ 12,213.00		
Operating Budget		<u>782,331.24</u>		
Total		<u>\$ 794,544.24</u>		

B. Contributed Capital

Below is an analysis of contributed capital for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Balance January 1,	\$1,892,970.24	\$ 2,063,325.14
Capital Contributions for the Year	31,310.00	12,213.00
Depreciation on Contributed Assets	<u>(213,877.90)</u>	<u>(182,567.90)</u>
Balance December 31,	<u>\$1,710,402.34</u>	<u>\$ 1,892,970.24</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, 2023 AND 2022

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.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
--------------------	--------------------------

- | | |
|---|--|
| 1 | Members who were enrolled prior to July 1, 2007 |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3 | Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010 |
| 4 | Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

At December 31, 2023 the Authority reported a liability of \$1,352,541 for its proportionate share of the net pension liability as measured as of June 30, 2023, 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 \$124,804 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, 2023, the authority's proportion was .0093379315% which decreased slightly by .009727% from its proportion measured as of June 30, 2022.

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, 2023 AND 2022

Note 7. Pension Note (continued):

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, 2023 and 2022 the Authority recognized pension expense(benefit) of (\$234,086) and (\$312,086) respectively. At December 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>December 31, 2023</u>		<u>December 31, 2022</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	12,932	5,529	\$ 11,880	10,476
Changes of Assumptions	2,971	81,970	5,100	246,460
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,229		68,123	
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	88,141	532,138	168,118	572,183
Authority Contributions Subsequent to The Measurement Date	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 110,273</u>	<u>\$ 619,637</u>	<u>\$ 253,221</u>	<u>\$ 829,119</u>

\$ 110,273 and \$253,221 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, 2023 and 2022. 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.

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Note 7. Pension Note (continued):

Year ended December 31, :		Year ended December 31, :	
2024	\$ (71,409)	2023	\$ (141,186)
2025	(39,858)	2024	(71,929)
2026	55,699	2025	(35,079)
2027	(9,968)	2026	76,528
2028	169	2027	(167)
Thereafter	<u>-</u>	Thereafter	<u>-</u>
Total	\$ <u>(65,367)</u>	Total	\$ <u>(171,833)</u>

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Additional Information

Collective local balances at December 31, 2023 and 2022 are as follows:

	12/31/2023	12/31/2022
Collective Deferred outflows of resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective Deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,219,184,920
Authority's Proportion	0.00934%	0.01091%

Actuarial Assumptions

The total pension liability in the June 30, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as follows:

<u>2023</u>		<u>2022</u>	
Inflation Rate		Inflation Rate	
Price	2.75%	Price	2.75%
Wage	3.25%	Wage	3.25%
Salary Increases:	2.75 – 6.55%	Salary Increases:	2.75 – 6.55%
	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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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Note 7. Pension Note (continued):

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, 2023) 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, 2023 and 2022 are summarized in the following tables:

Asset Class	2023 Target Allocation	2023 Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

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Note 7. Pension Note (continued):

Asset Class	2022 Target Allocation	2022 Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and 2022. 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, 2023 and 2022, 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:

2023			
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Authority's Proportionate Share of Net Pension Liability	\$ 1,760,721	\$ 1,352,541	\$ 1,005,126

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Note 7. Pension Note (continued):

	2022		
	<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	\$ 2,114,534	\$ 1,645,927	\$ 1,247,124

Description of System and Vesting

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

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 66, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. The Authority elected not to record the associated revenue and expenditure on their financial statements however, the non-employer contribution amount for the year ended December 31, 2023 is \$4,218 with an employer proportionate share of .0093733849%.

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-

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Note 7. Pension Note (continued):

retirement medical premiums. The Authority's contributions to P.E.R.S. for the year ending December 31, 2023 was \$124,804.

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.shtml>

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, 2023 and 2022 are \$84,015.26 and \$51,309.43 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 \$16,470.72 at December 31, 2023 and \$14,921.68 at December 31, 2022 for severance pay.

The following is a summary of long-term debt at December 31, 2023 and 2022:

	<u>Balance</u> <u>12/31/22</u>	<u>Issued</u>	<u>Adjustment/</u> <u>Retired</u>	<u>Balance</u> <u>12/31/23</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ 58,977	46,229	7,254	\$ 97,952	\$ 2,534
Lease Payable	6,210		2,614	3,596	2,614
Net Pension Payable	1,508,392		280,655	1,227,737	124,957
OPEB Payable	3,495,741	452,329		3,948,070	
Long Term Liabilities	<u>\$ 5,069,320</u>	<u>498,558</u>	<u>290,523</u>	<u>\$ 5,277,355</u>	<u>130,105</u>

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Note 8. Liabilities (continued):

	Balance <u>12/31/21</u>	Adjustment/ <u>Issued</u>	<u>Retired</u>	Balance <u>12/31/22</u>	Amounts Due Within <u>One Year</u>
Compensated Absences	\$ 48,042	18,124	7,189	\$ 58,977	\$ 7,254
Lease Payable		8,731	2,521	6,210	2,521
Net Pension Payable	1,359,933	297,647	149,188	1,508,392	137,535
OPEB Payable	<u>4,433,886</u>		<u>938,145</u>	<u>3,495,741</u>	
Long Term Liabilities	<u>\$ 5,841,861</u>	<u>324,502</u>	<u>1,097,043</u>	<u>\$ 5,069,320</u>	<u>147,310</u>

Note 9. Segment Information of Enterprise Funds

Working Capital

The Authority's working capital is calculated as follows:

	<u>2023</u>	<u>2022</u>
Current Assets	\$3,081,048	\$3,368,792
Current Liabilities Payable from Current Assets	<u>(511,144)</u>	<u>(480,245)</u>
Total Working Capital	<u>\$2,569,904</u>	<u>\$2,888,547</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 Freedom Mortgage 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, 2023 and 2022, revenues earned from the reserve-exceeded expenditures by \$164,098.70 and \$149,399.34 respectively.

B. Leases

Lease Liability: Right-to-Use Asset Agreements

The Authority has entered into right-of-use lease arrangements for two (2) copiers and a mailing machine with various terms and interest rates. The Authority is required to make monthly principal and interest payments. The Authority lease both the copiers and mailing machine under various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 with no renewal options.

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Note 10. Contractual Agreements (continued):

B. Leases (continued):

The principal and interest costs for such leases were \$2,793 for the year ended December 31, 2023. Total future minimum lease payments under lease agreements are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,615	178	2,793
2025	2,152	91	2,243
2026	<u>1,443</u>	<u>19</u>	<u>1,462</u>
Total Minimum Lease Payment	<u>\$ 3,210</u>	<u>288</u>	<u>\$ 6,498</u>

The lease agreements qualify as right-to-use-assets for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as the date of their inception. The assets acquired through right-to-use asset lease agreements are as follows:

Right-to-Use-Assets:	
Equipment	\$ 12,784
Less: Accumulated Amortization	<u>(6,933)</u>
	<u>\$ 5,851</u>

Note 11. Economic Dependency

The Authority generates a large portion of its revenue (estimated at between 25% - 35%) 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 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.

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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 330 P.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.

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.

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Note 12: Post-Retirement Benefits (continued):

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, 2023 and 2022 were \$137,166 and \$105,537 respectively, which equaled the required contributions for each year. There were eleven (11) retired participants eligible at December 31, 2023 and 2022.

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, 2023 were \$3,461,898,890 and \$11,427,677,896, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further

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Note 12. Post-retirement Benefits (continued):

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, 2022 through June 30, 2023.

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, 2023 and 2022 are as follows:

	December 31, <u>2022</u>	December 31, <u>2022</u>
Total OPEB Liability	\$ 3,917,299	\$ 3,483,042
Plan Fiduciary Net Position	<u>(30,772)</u>	<u>(12,700)</u>
Net OPEB Liability	<u>\$ 3,948,071</u>	<u>\$ 3,495,742</u>
Plan Fiduciary Net Position		
As a % of Total OPEB Liability	(0.79%)	(0.36%)

The total OPEB liability as of December 31, 2023 was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2023. 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:

	<u>2023</u>	<u>2022</u>
Salary Increases*:		
Public Employees' Retirement System (PERS)		
Rate for Future Year	2.75% to 6.55%	2.75% to 6.55%
Based on Years of Service		
Police and Firemen's Retirement System (PFRS)		
Rate for Future Year	3.25% to 16.25%	3.25% to 16.25%
Based on Years of Service		

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Note 12. Post-retirement Benefits (continued):

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, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for the July 1, 2018 to June 30, 2021.

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

Discount Rate

The discount rate for June 30, 2023 and 2022 was 3.65% and 3.54%, 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, 2023 and 2022, 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:

2023			
	At 1% <u>Decrease (2.54%)</u>	At Current Discount Rate (3.54%)	At 1% <u>Increase (4.54%)</u>
Authority's Proportionate Share of Net OPEB Liability	\$ 4,573,123	\$ 3,948,070	\$ 3,445,311
2022			
	At 1% <u>Decrease (2.54%)</u>	At Current Discount Rate (3.54%)	At 1% <u>Increase (4.54%)</u>
Authority's Proportionate Share of Net OPEB Liability	\$ 4,052,268	\$ 3,495,741	\$ 3,047,963

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Note 12. Post-retirement Benefits (continued):

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

The following presents the net OPEB liability as of June 30, 2023 and 2022, 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:

2023			
	<u>At 1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>At 1% Increase</u>
Authority's Proportionate Share of Net OPEB Liability	\$ 3,355,395	\$ 3,948,070	\$ 4,706,875
2022			
	<u>At 1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>At 1% Increase</u>
Authority's Proportionate Share of Net OPEB Liability	\$ 2,965,542	\$ 3,495,741	\$ 4,174,776

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, 2023 and 2022 respectively are as follows:

Year ended December 31, :		Year ended December 31, :	
2024	\$ (447,906)	2023	\$ (316,763)
2025	(366,863)	2024	(317,043)
2026	(198,467)	2025	(250,364)
2027	(93,034)	2026	(111,814)
2028	(187,794)	2027	(25,068)
Thereafter	<u>(201,258)</u>	Thereafter	<u>(171,974)</u>
Total	\$ <u>(1,495,322)</u>	Total	\$ <u>(1,193,026)</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, 2023 AND 2022

Note 13: Redevelopment Agreement

On September 12, 2013 the Authority entered into an agreement with the City of Camden Redevelopment Agency (CCRA) to purchase six lots from CCRA for \$1,200,000 of which the Authority paid \$300,000 at settlement and the remaining \$900,000 which may be owed to CCRA based on various contingent conditions set forth in the agreement based on possible Future-Parking Projects developed on these lots. As of December 31, 2023, the Authority has not recorded a liability of \$900,000 due to the uncertainty on when any Future-Parking Projects will commence.

Note 14: Unrestricted Net Position Appropriated

Unrestricted Net Position before the pension and OPEB unfunded liabilities, amounts to \$6,598,372 at December 31, 2023. \$0.00 was appropriated and anticipated as revenue in the 2024 budget as adopted. Of the \$7,413,967 Unrestricted Net Position before the pension and OPEB unfunded liabilities at December 31, 2022, \$0.00 was appropriated and anticipated as revenue in the 2023 budget as adopted.

Note 15: Subsequent Events

The Parking Authority of the City of Camden has evaluated subsequent events occurring after December 31, 2023 through the date of September 23, 2024, which is the date the financial statements were available to be issued. Management has determined no events have occurred that require disclosure.

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, 2023 AND 2022**

	DECEMBER 31, 2023				DECEMBER 31, 2022			
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Operating Revenues:								
Parking Fees:								
Meters	1,013,894.00	1,013,894.00	796,338.74	(217,555.26)	700,000.00	700,000.00	661,591.57	(38,408.43)
Parking Lots	1,673,285.00	1,673,285.00	1,960,647.83	287,362.83	1,700,159.00	1,700,159.00	1,731,852.77	31,693.77
Waterfront Garage	240,000.00	240,000.00	506,224.62	266,224.62	480,000.00	480,000.00	501,912.71	21,912.71
Transportation Terminal	126,500.00	126,500.00	98,395.86	(28,104.14)	240,000.00	240,000.00	152,152.57	(87,847.43)
Total	3,053,679.00	3,053,679.00	3,361,607.05	307,928.05	3,120,159.00	3,120,159.00	3,047,509.62	(72,649.38)
Other Operating Revenues:								
Freedom Mortgage Pavilion Revenues	360,735.00	360,735.00	352,412.23	(8,322.77)	775,000.00	775,000.00	413,760.48	(361,239.52)
Other	298,076.00	298,076.00	1,115,417.48	817,341.48	142,526.00	142,526.00	1,179,829.02	1,037,303.02
Total Other Operating Revenues	658,811.00	658,811.00	1,467,829.71	809,018.71	917,526.00	917,526.00	1,593,589.50	676,063.50
Total Operating Revenues	3,712,490.00	3,712,490.00	4,829,436.76	1,116,946.76	4,037,685.00	4,037,685.00	4,641,099.12	603,414.12
Nonoperating Revenues:								
Interest on Investments & Deposits	6,190.00	6,190.00	15,978.23	9,788.23	3,000.00	3,000.00	7,200.61	4,200.61
Total Budget Revenues	3,718,680.00	3,718,680.00	4,845,414.99	1,126,734.99	4,040,685.00	4,040,685.00	4,648,299.73	607,614.73
Salaries & Wages:								
Collections	62,400.00	62,400.00	72,910.23	(10,510.23)	62,400.00	62,400.00	61,915.90	484.10
Maintenance	110,000.00	110,000.00	120,084.53	(10,084.53)	110,000.00	110,000.00	104,974.29	5,025.71
Facilities	200,000.00	200,000.00	253,142.23	(53,142.23)	110,000.00	110,000.00	244,722.66	(134,722.66)
Office	380,000.00	380,000.00	336,735.13	43,264.87	367,363.00	367,363.00	368,931.10	(1,568.10)
Violations	324,512.00	324,512.00	252,884.84	71,627.16	563,332.00	563,332.00	204,655.82	358,676.18
Total Salaries & Wages	1,076,912.00	1,076,912.00	1,035,756.96	41,155.04	1,213,095.00	1,213,095.00	985,199.77	227,895.23

**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, 2023 AND 2022**

	DECEMBER 31, 2023			DECEMBER 31, 2022				
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Fringe Benefits:								
Payroll Taxes	133,110.00	133,110.00	82,942.30	50,167.70	149,313.00	149,313.00	108,072.18	41,240.82
Prescription/Dental Insurance			4,648.67	(4,648.67)			8,317.75	(8,317.75)
Pension	128,129.00	128,129.00	125,540.05	2,588.95	143,724.00	143,724.00	137,161.08	6,562.92
Health Insurance	510,473.00	510,473.00	457,554.83	52,918.17	572,608.00	572,608.00	367,281.34	205,326.66
Other - Uniforms	22,278.00	22,278.00	19,020.18	3,257.82	30,158.00	30,158.00	22,676.58	7,481.42
Total Fringe Benefits	793,990.00	793,990.00	689,706.03	104,283.97	895,803.00	895,803.00	643,508.93	252,294.07
General & Administrative:								
Travel and Conferences	2,996.00	2,996.00	5,023.16	(2,027.16)	4,494.00	4,494.00	4,280.59	213.41
Employee Training			95.00	(95.00)			300.00	(300.00)
Supplies & Printing	51,954.00	51,954.00	62,249.22	(10,295.22)	35,018.00	35,018.00	72,180.35	(37,162.35)
Advertisement			2,734.98	(2,734.98)			1,487.90	(1,487.90)
Publication & Dues			150.00	(150.00)			150.00	(150.00)
Postage & Freight	1,482.00	1,482.00	500.00	982.00	1,260.00	1,260.00	1,169.73	90.27
Professional Fees	706,337.00	706,337.00	791,642.69	(85,305.69)	697,998.00	697,998.00	703,194.92	(5,196.92)
Bank Charges	88,462.00	88,462.00	86,660.25	1,801.75	92,436.00	92,436.00	97,083.80	(4,647.80)
Computer Expense	50,509.00	50,509.00	54,799.15	(4,290.15)	58,210.00	58,210.00	46,182.54	12,027.46
Bad Debt Expense			19,543.83	(19,543.83)			12,500.00	(12,500.00)
Telephone	55,685.00	55,685.00	63,076.03	(7,391.03)	61,777.00	61,777.00	56,029.82	5,747.18
Miscellaneous	58.00	58.00	403.31	(345.31)	88.00	88.00	1,422.55	(1,334.55)
Total General & Administrative	957,483.00	957,483.00	1,086,877.62	(129,394.62)	951,281.00	951,281.00	995,982.20	(44,701.20)
Cost of Providing Service:								
Operating Leases - Rent	257,317.00	257,317.00	194,221.00	63,096.00	206,000.00	206,000.00	270,987.72	(64,987.72)
Insurance	275,782.00	275,782.00	382,756.87	(106,974.87)	273,770.00	273,770.00	240,657.08	33,112.92
Vehicle Maintenance	25,000.00	25,000.00	21,182.93	3,817.07	7,700.00	7,700.00	8,160.17	(460.17)
Maintenance	75,000.00	75,000.00	133,692.53	(58,692.53)	132,394.00	132,394.00	155,367.02	(22,973.02)
Utilities	112,614.00	112,614.00	101,344.75	11,269.25	117,756.00	117,756.00	98,123.28	19,632.72
Signage	580.00	580.00	7,390.00	(6,810.00)	66.00	66.00	436.00	(370.00)

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
COMPARATIVE STATEMENT OF OPERATING REVENUES AND COST FUNDED BY
OPERATING REVENUES COMPARED TO BUDGET
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	DECEMBER 31, 2023			DECEMBER 31, 2022				
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Cost of Providing Service (continued):								
Elevator	99,718.00	99,718.00	39,437.46	60,280.54	70,742.00	70,742.00	35,297.60	35,444.40
Gasoline			6,018.20	(6,018.20)			9,297.02	(9,297.02)
Equipment Rental	21,113.00	21,113.00	18,577.30	2,535.70	20,324.00	20,324.00	20,672.98	(348.98)
Towing Costs			125.00	(125.00)			125.00	(125.00)
Snow Removal Costs	23,171.00	23,171.00		23,171.00	95,576.00	95,576.00	47,787.77	47,788.23
Total Cost of Providing Service	890,295.00	890,295.00	904,746.04	(14,451.04)	924,328.00	924,328.00	886,911.64	37,416.36
Total Operating Appropriations	3,718,680.00	3,718,680.00	3,717,086.65	1,593.35	3,984,507.00	3,984,507.00	3,511,602.54	472,904.46
Nonoperating Appropriations:								
Interest Expense			236.40	(236.40)			363.07	(363.07)
Capital Outlays			31,310.00	(31,310.00)			12,213.00	(12,213.00)
Total Nonoperating Appropriations			31,546.40	(31,546.40)			12,576.07	(12,576.07)
Total Operating & Nonoperating Appropriations	3,718,680.00	3,718,680.00	3,748,633.05	(29,953.05)	3,984,507.00	3,984,507.00	3,524,178.61	460,328.39
Excess Revenues Over Expenditures			1,096,781.94	1,096,781.94	\$56,178.00	56,178.00	1,124,121.12	1,067,943.12
Adjustments to Reconcile Excess Revenues Over Expenditures to GAAP Basis for Change in Net Position:								
Excess Expenditures Over Revenues			\$ 1,096,781.94				\$1,124,121.12	
Increase by:								
Net Change in Reserve for Freedom Mortgage Center Improvements		\$ 14,699.36				41,918.16		
Capital Contributions		31,310.00	46,009.36			12,213.00	54,131.16	
Decreased by:								
Depreciation			1,142,791.30				1,178,252.28	
			438,469.02				394,658.04	
Net Income/(Loss) Before Contributions (Exhibit B)			\$704,322.28				\$783,594.24	

SCHEDULE 2

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
ANALYSIS OF PARKING FEES RECEIVABLE
AS OF DECEMBER 31, 2023**

Balance January 1, 2023		\$	302,236.87
Increased by:			
Accrued			<u>3,361,607.05</u>
Subtotal			3,663,843.92
Decreased by:			
Collections	\$	3,357,848.93	
Allowance for Doubtful Accounts		<u>1,833.10</u>	<u>3,359,682.03</u>
Balance December 31, 2023		\$	<u><u>304,161.89</u></u>

SCHEDULE 3

**ANALYSIS OF DUE FROM FREEDOM MORTGAGE CENTER
AND RESERVE FOR IMPROVEMENTS RECEIVABLE
AS OF DECEMBER 31, 2023**

Balance January 1, 2023		\$	34,895.91
Increased by:			
Event Revenue Accrued	\$	349,412.23	
Miscellaneous Revenue Accrued		3,000.00	
Reserve for Improvements Accrued		<u>46,009.36</u>	<u>398,421.59</u>
Subtotal			433,317.50
Decreased by:			
Event Revenue - Per Agreement with Freedom Mortgage Center	\$	380,506.71	
Miscellaneous Revenue - Per Agreement with Freedom Mortgage Center		2,000.00	
Reserve for Improvements - Per Agreement with Freedom Mortgage Center		<u>49,810.79</u>	<u>432,317.50</u>
Balance December 31, 2023		\$	<u><u>1,000.00</u></u>
Analysis of Balance:			
Unrestricted Assets:			
Miscellaneous Receivable			<u>1,000.00</u>
Total		\$	<u><u>1,000.00</u></u>

SCHEDULE 4

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
ANALYSIS OF ACCRUED INTEREST RECEIVABLE
AS OF DECEMBER 31, 2023**

Balance January 1, 2023	\$ -
Increased by:	
Interest Earned	<u>(15,978.23)</u>
Subtotal	(15,978.23)
Decreased by:	
Interest Received	<u>15,978.23</u>
Balance December 31, 2023	<u><u>\$ -</u></u>

SCHEDULE 5

**ANALYSIS OF RESERVE FOR FREEDOM MORTGAGE IMPROVEMENTS
AS OF DECEMBER 31, 2023**

Balance January 1, 2023	\$ 149,399.34
Increased by:	
Received From Freedom Mortgage Center	\$ 46,009.36
Interest Earnings	<u>46,009.36</u>
Subtotal	195,408.70
Decreased by:	
Capital Outlay	<u>31,310.00</u>
Balance December 31, 2023	<u><u>\$ 164,098.70</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION – PART III

SCHEDULE 6

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - PERS
DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's Proportion of the Net Pension Liability (Asset)	0.00926%	0.01081%	0.01260%	0.00496%	0.00723%	0.00005%	0.00685%	0.00842%	0.00746%	0.00826%
Authority's Proportionate Share of the Net Pension Liability (Asset)	\$1,352,541	\$1,645,927	\$1,509,121	\$1,918,666	\$2,975,018	\$22,400	\$3,349,637	\$4,967,884	\$3,442,821	\$3,209,606
Authority's covered employee payroll	\$684,372	\$694,361	\$791,525	\$863,010	\$900,323	\$361,553	\$1,052,711	\$1,059,940	\$1,407,854	\$1,369,103
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	58.32%	58.32%	56.27%	53.60%	47.44%	40.14%	52.08%	47.92%

SCHEDULE 7

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$124,804	\$137,535	\$149,188	\$128,710	\$131,801	\$158,340	\$133,303	\$149,015	\$131,856	\$141,323
Contributions in relation to the Actuarially Determined Contributions	124,804	137,535	149,188	128,710	131,801	158,340	133,303	149,015	131,856	141,323
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered-Employee Payroll	\$684,372	\$694,361	\$791,525	\$863,010	\$900,323	\$361,553	\$1,052,711	\$1,059,940	\$1,407,854	\$1,369,103
Contributions as a Percentage of Covered - Employee Payroll	18.236%	19.807%	18.848%	14.914%	14.639%	43.794%	12.663%	14.059%	9.366%	10.322%

**THE PARKING AUTHORITY OF THE CITY OF CAMDEN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**

	Last 10 Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016		
Proportion of the net OPEB liability	0.026309%	0.021646%	0.024633%	0.035509%	0.027720%	0.029933%	0.035266%	0.038972%		
Proportionate share of net OPEB liability \$	3,948,070	\$ 3,495,741	\$ 4,433,886	\$ 6,372,663	\$ 3,754,968	\$ 4,689,489	\$ 7,199,832	\$ 8,463,730		
Authority's covered employee payroll \$	787,081	\$ 780,221	\$ 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	501.61%	448.05%	533.70%	695.95%	363.41%	441.14%	614.55%	755.44%		
Plan Fiduciary Net Position as a % of total OPEB liability	-0.79%	-0.36%	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 SUPPLEMENATRY 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, 2023 AND 2022

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 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.

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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, 2023. 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 \$44,000 except by contract or agreement.

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

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

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

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

Snow removal services

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 \$6,600 "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 2023-01

It was noted during our audit that the Authority did not approve a cash management plan in order to be in compliance with N.J.S.A. 40A:5-14.

Recommendation:

The Authority should adopt a cash management plan on an annual basis in order to be in compliance with N.J.S.A. 40A:5-14.

Finding 2023-02

There were four (4) instances where cash receipts were not promptly deposited into the bank (within 48 hours) totaling \$2,387 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).

Finding 2023-03

While auditing the Authority's capital budget, it was noted that even with a capital budget amendment, the Authority over-expended their capital budget.

Recommendation:

The Authority should ensure when amending their capital budget that it not be over-expended in order to be in compliance with N.J.A.C. 5:31-2.2.

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 2023-01 and 2023-02.

Finding 2021-01:

The Authority should adopt a cash management plan on an annual basis in order to be in compliance with N.J.S.A. 40A:5-14.

Finding 2022-02:

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).

Acknowledgement

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
September 23, 2024

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