PARKING AUTHORITY OF THE CITY OF TRENTON

(A Component Unit of The City of Trenton,
State of New Jersey)

Financial Statements
and
Supplementary Information

June 30, 2023

PARKING AUTHORITY OF THE CITY OF TRENTON
(A Component Unit of The City of Trenton, State of New Jersey)

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OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and supplementary information. The Parking Authority of the City of Trenton (the "Authority") is a self-supporting entity and follows enterprise fund accounting. The enterprise fund concept is similar to the manner in which private business enterprises are financed and operated. The Authority presents its basic financial statements on the accrual basis of accounting. The statements offer short and long-term financial information about the activities and operations of the Authority. The intent is that the costs of providing access to parking facilities on a continuing basis are financed primarily through parking revenue. The Authority has established certain restricted "funds and accounts", as directed by internal resolution and bond indentures. In an effort to ensure compliance with the Authority's by-laws and to safeguard its assets, internal controls have been developed and implemented by management. These internal controls include policies, procedures, approved organizational structures and approved budgets for capital and operating expenditures. Visit the Authority's website at www.tpanj.com for more information regarding the Authority's parking activity and management contact information.

Financial Highlights

2023
Cash and cash equivalents as of June 30, 2023, were $2,556,376, an increase of approximately 14.7% from the balance as of June 30, 2022.

Total liabilities as of June 30, 2023, were $20,150,802, a decrease of 9.6% from the balance as of June 30, 2022. The Authority repaid $1,780,000 in debt during the fiscal year ended June 30, 2023, and wrote off the PSE&G advanced rents contingent liability of $334,362.

Total operating revenues increased from the prior year by $242,865 primarily due to a recovery of monthly and daily parking that had decreased in the prior years as a result of the statewide lockdowns and increases in remote work.

2022
Cash and cash equivalents as of June 30, 2022, were $2,228,795, an increase of approximately 9.9% from the balance as of June 30, 2021.

Total liabilities as of June 30, 2022, were $22,300,039, a decrease of 6.3% from the balance as of June 30, 2021. The Authority repaid $1,715,000 in debt during the fiscal year ended June 30, 2022.

Total operating revenues increased from the prior year by $509,441 primarily due to a recovery of monthly and daily parking that had decreased in the prior year as a result of the statewide lockdowns and remote work due to COVID-19.

Financial Analysis of the Authority

2023
The Authority’s total net position was $5,090,759 as of June 30, 2023, which was an increase of 44.6% over the prior year. In fiscal year 2023, total assets and deferred outflows of resources decreased approximately 2.7% to $26 million, and total liabilities and deferred inflows of resources decreased approximately 9.9% to $20.9 million.

Financial Analysis of the Authority (Continued)

2022

The Authority's total net position was $3,520,246 as of June 30, 2022, which was an increase of 26.5% over the prior year. In fiscal year 2022, total assets and deferred outflows of resources decreased approximately 3.3% to $26.7 million, and total liabilities and deferred inflows of resources decreased approximately 6.6% to $23.2 million.

Changes in assets, liabilities and net position between June 30, 2023, 2022 and 2021, are summarized as follows:

	June 30, 2023	June 30, 2022	June 30, 2021	$ Change 2023-2022	% Change 2023-2022
Current assets	$ 4,424,403	$ 4,474,252	$ 5,100,964	$ (49,849)	-1.1%
Capital assets, net	20,590,733	20,743,858	21,310,387	(153,125)	-0.7%
Other assets	-	425,353	-	(425,353)	100.0%
Total assets	25,015,136	25,643,463	26,411,352	(628,327)	
Deferred outflows of resources	952,254	1,045,055	1,181,731	(92,801)	-8.9%
Total assets and deferred outflows of resources	25,967,391	26,688,518	27,593,083	(721,128)	-2.7%
Long-term debt	15,790,000	17,640,000	19,420,000	(1,850,000)	-10.5%
Other liabilities	4,360,802	4,660,039	4,388,024	(299,238)	-6.4%
Total liabilities	20,150,802	22,300,039	23,808,024	(2,149,238)	-9.6%
Deferred inflows of resources	725,830	868,233	1,001,831	(142,403)	-16.4%
Total liabilities and deferred inflows of resources	20,876,632	23,168,272	24,809,855	(2,291,641)	-9.9%
Invested in capital assets, net of related debt	3,020,101	1,813,280	235,185	1,206,821	66.6%
Restricted net position					
Debt service	3,361,476	3,435,879	3,247,836	(74,403)	-2.2%
Renewal and replacement	24,680	24,599	39,303	81	0.3%
Deficit	(1,315,498)	(1,753,512)	(739,096)	438,014	-25.0%
Total net position	$ 5,090,759	$ 3,520,246	$ 2,783,228	$ 1,570,513	44.6%

Operating Activities

The Authority operates three parking garages in the City of Trenton: Warren Street, Lafayette Yard and Liberty Commons. They also operate a surface lot, which is located on Merchant Street. User fees are generated from monthly passes and daily parkers. Rates are set by the Authority's Board of Commissioners.

Operating Activities (Continued)

2023
The Authority's total parking revenue for fiscal year 2022 was $3.5 million, a 7.5% increase from fiscal year 2022. The Authority's total operating expenses for fiscal year 2023 were $1.83 million, a decrease of approximately 5.9% from fiscal year 2022. The Authority's operating income for fiscal year 2023 was $1.71 million, an increase of approximately 26.5% over fiscal year 2022.

2022
The Authority's total parking revenue for fiscal year 2022 was $3.27 million, a 18.5% increase from fiscal year 2021. The Authority's total operating expenses for fiscal year 2022 were $1.94 million, a decrease of approximately 5.4% from fiscal year 2021. The Authority's operating income for fiscal year 2022 was $1.35 million, an increase of approximately 84.7% over fiscal year 2021.

The following table summarizes the changes in revenue, expenses and net position between the fiscal years of 2023, 2022 and 2021.

	June 30, 2023	June 30, 2022	June 30, 2021	$ Change 2023-2022	% Change 2023-2022
Operating revenues					
Parking revenues	$ 3,509,197	$ 3,265,499	$ 2,755,391	$ 243,699	7.5%
Other revenue	28,000	28,833	29,500	(833)	-2.9%
Total operating revenues	3,537,197	3,294,332	2,784,891	242,865	7.4%
Non-operating revenues					
Miscellaneous income	334,388	9,834	-	324,554	100.0%
Interest income	145,199	53,882	80,044	91,317	169.5%
Investment return	(10,128)	(8,213)	367	(1,915)	23.3%
Total non-operating revenues	469,459	55,504	80,411	413,955	745.8%
Total revenues	4,006,656	3,349,836	2,865,303	656,821	19.6%
Operating expenses					
Payroll and fringe benefits	462,989	494,182	443,668	(31,193)	-6.3%
Depreciation and amortization	644,034	649,239	642,141	(5,204)	-0.8%
Other operating expenses	720,859	799,397	967,418	(78,538)	-9.8%
Total operating expenses	1,827,883	1,942,818	2,053,227	(114,935)	-5.9%
Non-operating expenses					
Interest expense	608,261	669,999	728,297	(61,738)	-9.2%
Total non-operating expenses	608,261	669,999	728,297	(61,738)	-9.2%
Total expenses	2,436,143	2,612,817	2,781,525	(176,674)	-6.8%
Operating income	1,709,315	1,351,514	731,664	357,800	26.5%
Changes in net position	1,570,513	737,018	83,778	833,495	113.1%
Net position, beginning of year	3,520,246	2,783,228	2,699,450	737,018	26.5%
Net position, end of year	$ 5,090,759	$ 3,520,246	$ 2,783,228	$ 1,570,513	44.6%

Capital Assets and Debt Administration

At June 30, 2023, the Authority had a total of $32,247,767 invested in property and equipment relating primarily to its parking facilities. The total represents an increase of 1.5% from last year. At June 30, 2022, the Authority had a total of $31,767,659 invested in property and equipment relating primarily to its parking facilities. The total represents an increase of .2% from 2021.

The following table summarizes the changes in capital assets, net of depreciation, between the fiscal years 2023, 2022 and 2021.

	June 30, 2023	June 30, 2022	June 30, 2021	$ Change 2023-2022	% Change 2023-2022
Land	$ 1,788,122	$ 1,788,122	$ 1,788,122	$ -	0.0%
Buildings	26,460,016	26,460,016	26,460,016	-	0.0%
Improvements	3,877,361	3,397,253	3,325,345	480,108	14.1%
Furniture and fixtures	122,268	122,268	122,268	-	0.0%
Automotive equipment	-	-	16,156	(16,156)	0.0%
Total capital assets	32,247,767	31,767,659	31,711,907	463,952	1.5%
Accumulated depreciation	(11,657,034)	(11,023,801)	(10,401,520)	(633,233)	5.7%
Total capital assets, net	$ 20,590,733	$ 20,743,858	$ 21,310,387	$ (169,281)	-0.8%

More detailed information about the Authority's capital assets is presented in Note F of the financial statements.

The following table summarizes the changes in capital debt between the fiscal years of 2023, 2022 and 2021:

	June 30, 2023	June 30, 2022	June 30, 2021	$ Change 2023-2022	% Change 2023-2022
Bonds payable	$ 17,640,000	$ 19,420,000	$ 21,135,000	$ (1,780,000)	-9.2%

More detailed information about the Authority's bonds payable is presented in Note G of the financial statements.

Contacting the Authority's Management

If you have questions about this report or need additional financial information, you can contact the Parking Authority of the City of Trenton at 16 East Hanover Street, Trenton, New Jersey 08608, 609-393-3469 or visit our website at www.tpanj.com.

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Commissioners of
the Parking Authority of the City of Trenton
(A Component Unit of the City of Trenton, State of New Jersey)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Parking Authority of the City of Trenton (the "Authority") (a Component Unit of the City of Trenton, State of New Jersey) as of and for the years ended June 30, 2023 and 2022, and the related notes to financial statements, which 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 financial position of the Authority as of June 30, 2023 and 2022, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("GAS") and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

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Auditors' 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 auditors' report that includes our opinion. 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 GAAS, the standards applicable to financial audits contained in GAS, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 GAAS, GAS and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- exercise professional judgement and maintain professional skepticism throughout the audits.
- 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 audits 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, which 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of Authority's proportionate share of the net pension liability and contributions, and the schedule of Authority's proportionate share of the net OPEB liability and contributions, as listed in 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 GAAS, 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 audits 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 audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The other supplementary information, as listed in the table of contents, is presented for the purpose of additional analysis and is 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the financial statements as a whole, on the basis of accounting as described in Note A.

Other Reporting Required by *Government Auditing Standards*

In accordance with GAS, we have also issued our report dated February 28, 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 other matters. The purpose of that report is solely 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 the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with GAS in considering the Authority's internal control over financial reporting and compliance.

Mercadien, P.C.
Certified Public Accountants

February 28, 2024

BASIC FINANCIAL STATEMENTS

PARKING AUTHORITY OF THE CITY OF TRENTON
(A Component Unit of the City of Trenton, State of New Jersey)

STATEMENTS OF NET POSITION

	June 30, 2023	June 30, 2022
ASSETS		
Current unrestricted assets		
Cash and cash equivalents	$ 636,688	$ 244,910
Investments	296,476	591,725
Accounts receivable, net of allowance for doubtful accounts of $105,107 in 2023 and $113,637 in 2022	60,292	131,263
Prepaid expenses	44,792	45,874
Total current unrestricted assets	1,038,247	1,013,773
Current restricted assets		
Cash and cash equivalents		
Current debt service account	921,667	1,000,256
Reserve account	973,342	959,030
Renewal and replacement account	24,680	24,599
Subtotal	1,919,689	1,983,884
Investments	1,466,467	1,476,595
Total current restricted assets	3,386,156	3,460,479
Non-current assets		
Property and equipment, net	20,590,733	20,743,858
Construction in process	-	425,353
Total assets	$ 25,015,136	$ 25,643,463
DEFERRED OUTFLOWS OF RESOURCES		
Pension	$ 66,527	$ 64,457
OPEB	192,550	205,228
Loss on refunding of bonds	693,177	775,370
Total deferred outflows of resources	$ 952,254	$ 1,045,055

PARKING AUTHORITY OF THE CITY OF TRENTON
(A Component Unit of the City of Trenton, State of New Jersey)

STATEMENTS OF NET POSITION (CONTINUED)

	June 30, 2023	June 30, 2022
LIABILITIES		
Current liabilities payable from unrestricted assets		
Accounts payable	$ 688,943	$ 439,404
Accrued liabilities	125,024	629,868
Deferred revenue	750	300
Total current liabilities payable from unrestricted assets	814,717	1,069,572
Current liabilities payable from restricted assets		
Bonds payable - current portion	1,850,000	1,780,000
Accrued interest payable on bonds	141,282	157,382
Total current liabilities payable from restricted assets	1,991,282	1,937,382
Total current liabilities	2,805,999	3,006,955
Non-current liabilities		
Net pension liability	312,275	246,516
Total OPEB liability	760,000	852,650
Long-term portion of bonds payable	15,790,000	17,640,000
Unamortized bond premium	482,528	553,919
Total non-current liabilities	17,344,803	19,293,085
Total liabilities	$ 20,150,802	$ 22,300,039
DEFERRED INFLOWS OF RESOURCES		
Pension	$ 65,929	$ 202,208
OPEB	659,901	666,025
Total deferred inflows of resources	$ 725,830	$ 868,233
NET POSITION		
Invested in capital assets, net of related debt	$ 3,020,101	$ 1,813,280
Restricted for:		
Debt service	3,361,476	3,435,879
Renewal and replacement	24,680	24,599
(Deficit)	(1,315,498)	(1,753,512)
Total net position	$ 5,090,759	$ 3,520,246

See notes to financial statements.

PARKING AUTHORITY OF THE CITY OF TRENTON
(A Component Unit of the City of Trenton, State of New Jersey)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Years Ended June 30,	
	2023	2022
Operating revenues		
Parking revenues	$ 3,509,197	$ 3,265,499
Rental income	28,000	28,833
Total revenues	3,537,197	3,294,332
Operating expenses		
General and administrative	1,183,848	1,293,579
Operating income before depreciation and amortization	2,353,349	2,000,753
Depreciation and amortization	644,034	649,239
Operating income	1,709,315	1,351,514
Non-operating revenues (expenses)		
Interest income	145,199	53,882
Interest expense	(608,261)	(669,999)
Miscellaneous income	334,388	9,834
Investment return	(10,128)	(8,213)
Total non-operating expenses	(138,802)	(614,496)
Changes in net position	1,570,513	737,018
Net position, beginning of year	3,520,246	2,783,228
Net position, end of year	$ 5,090,759	$ 3,520,246

See notes to financial statements.

PARKING AUTHORITY OF THE CITY OF TRENTON
(A Component Unit of the City of Trenton, State of New Jersey)

STATEMENTS OF CASH FLOWS

	Years Ended June 30, 2023	Years Ended June 30, 2022
Cash flows from operating activities		
Parking revenue	$ 3,580,619	$ 3,291,748
Rental income	28,000	28,833
General and administrative expenses	(1,597,363)	(1,090,601)
Net cash from operating activities	2,011,256	2,229,980
Cash flows from investing activities		
Non-operating interest income	135,071	45,671
Investments purchased	305,377	823,121
Deposits	334,387	-
Net cash from investing activities	774,835	868,792
Cash flows from capital and related financing activities		
Repayment of borrowings	(1,780,000)	(1,715,000)
Purchases of property and equipment	(54,755)	(497,261)
Non-operating interest expense	(623,755)	(685,072)
Net cash from capital and related financing activities	(2,458,510)	(2,897,333)
Net increase in cash and cash equivalents	327,581	201,439
Cash and cash equivalents, beginning of year	2,228,795	2,027,356
Cash and cash equivalents, end of year	$ 2,556,376	$ 2,228,795
Cash and cash equivalents, unrestricted	636,688	244,910
Cash and cash equivalents, restricted	1,919,689	1,983,884
	$ 2,556,376	$ 2,228,795
Reconciliation of operating income to net cash from operating activities		
Operating income	$ 1,709,315	$ 1,351,514
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation and amortization	644,034	649,239
Bad debt recovery	(8,230)	5,294
Changes in assets and liabilities		
Pension	(72,590)	(104,292)
OPEB	(86,096)	(80,398)
Accounts receivable	78,596	20,654
Prepaid expenses and deposits	1,082	(11,086)
Accounts payable	249,539	243,519
Accrued liabilities	(504,844)	155,236
Deferred revenue	450	300
Net cash from operating activities	$ 2,011,256	$ 2,229,980

See notes to financial statements.

A. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Parking Authority of the City of Trenton (the "Authority") was created to construct and operate parking facilities to serve the municipality of Trenton, New Jersey. The Authority collects its revenues from users of the facilities. The Authority is a component unit of the City of Trenton, New Jersey (the "City"), since it is financially accountable to the City.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America applicable to governmental proprietary-type funds. Revenues are recognized when earned and expenses are recognized when incurred.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB") and other entities that promulgate accounting principles. GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principles ("GAAP") are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants ("AICPA") cleared by the GASB. Authoritative GAAP is incorporated periodically into the *Codification of Governmental Accounting and Financial Reporting Standards* (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principles for similar transactions or other events within a source of authoritative GAAP described above and then may consider nonauthoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other literature of the Financial Accounting Standards Board ("FASB"), Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks and articles.

Operating Revenues and Expenses

The Authority's operating revenues consist of parking revenues, rental income and interest earned on unrestricted cash and investments. Operating expenses consist of costs related to parking service. All other revenues and expenses are reported as non-operating revenues and expenses.

Cash Equivalents

For the purpose of the statements of cash flows, cash equivalents and short-term investments are all highly liquid securities with original maturities of ninety days or less.

A. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable, Net of Allowance for Doubtful Accounts
The Authority evaluates all accounts receivable on an annual basis. An allowance for doubtful accounts is set up by charging operating expense. Amounts are charged against the allowance for doubtful accounts when management believes that collectability of certain receivables are uncertain.

Property and Equipment and Depreciation
Property and equipment is stated at cost and is depreciated for financial reporting purposes on a straight-line basis over the estimated useful lives of the assets: 25-50 years for buildings, 10-30 years for improvements, 5-15 years for furniture and fixtures, and 5 years for automotive equipment. Repairs and maintenance expenditures which do not extend the useful lives of the related assets are expensed as incurred.

Income Taxes
As a public body, the Authority is exempt from both federal and state income taxes under existing statute.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Accounts
In accordance with the bond resolutions and trust agreements, the Authority has established various funds:

Account	Amount	Use for Which Restricted
Current debt service account	Amounts needed for accrued bond interest and principal due in the next succeeding fiscal year, as if such principal amounts accrued evenly throughout the year.	Interest and principal payments due on October 1 and April 1.
Reserve account	Amounts needed for maximum annual debt service.	Interest and principal payments not funded by current debt service accounts.
Renewal and replacement account	Withdrawals. Deposits by resolution only.	Authorized draws for costs and unusual or extraordinary maintenance or repairs, renewal and replacement of equipment, the acquisition of capital additions or improvements.

A. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources

Deferred outflows include deferred amounts relating to pensions, other post-employment benefits ("OPEB"), and loss on refunding of bonds. Deferred outflows of resources are a consumption of net position that is applicable to a future reporting period. Deferred inflows include deferred amounts relating to pensions and OPEB. Deferred inflows of resources are an increase in net position that is applicable to a future reporting period.

Deferred charges for defined benefit plans result from the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on plan investments, changes in the state's proportion of expenses and liabilities to the plans as a whole, differences between the Authority's plan contributions and its proportionate share of contributions, and the Authority's pension and OPEB contributions subsequent to the respective valuation measurement dates.

Pension

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), establishes standards for the measurement and reporting of the proportionate share of the net pension liability and pension expense. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System ("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. See Note I for additional plan information.

Other Post-Employment Benefits ("OPEB") Other than Pensions

GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions,* replaced the requirements of GASB Statement No. 45, and established new accounting and financial reporting requirements for government OPEB plans. The Authority participates in a cost-sharing multiple-employer defined benefit plan sponsored by the State. The Authority records OPEB expense based on billings from the State. See Note J for additional plan information.

Net Position

Equity is classified as net position and displayed in three components:

1) Invested in Capital Assets, net of related debt - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt that are attributable to the acquisition, construction, or improvement of those assets.

2) Restricted - Amounts restricted for debt service and renewal and replacement as required per bond resolution.

3) Unrestricted - any other net position that does not meet the definition of "net investment in capital assets" or " restricted."

A. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rounding
Some schedules in the financial statements may have dollar differences due to rounding adjustments.

B. CASH AND CASH EQUIVALENTS

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The first $250,000 of governmental deposits in each insured depository are protected by the Federal Deposit Insurance Corporation ("FDIC") or the National Credit Union Share Insurance Fund ("NCUSIF"). Public funds in excess of the FDIC or NCUSIF insured amounts are protected by the Governmental Unit Deposit Protection Act ("GUDPA"). Protected public funds include those which are beneficially owned by the governmental unit and collected by it for its use or the use of the public. State and federally chartered banks, savings banks, savings and loan associations, and credit unions having their offices in New Jersey must be certified by the Department of Banking and Insurance (the "Department") for participation in the GUDPA system. GUDPA should not be relied on to protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Each depository participating in the GUDPA system must pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or $200 million. The minimum 5% pledge applies to institutions that are categorized as "well capitalized" by federal banking standards. The percentage of the required pledge will increase for institutions that are less than "well capitalized."

No collateral is required for amounts covered by FDIC or NCUSIF insurance. The collateral which may be pledged to support these deposits includes obligations of the state and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department requires additional collateral to be pledged.

If a governmental depository fails and the FDIC or NCUSIF does not insure or pay out the full amount of public deposits, the collateral pledged to protect these funds would first be liquidated and paid out. If this amount is insufficient, other institutions holding public funds would be assessed pro rata up to 4% of their uninsured public funds. Although these protections do not constitute a 100% guarantee of the safety of all funds, no governmental unit under GUDPA has ever lost protected deposits.

As of June 30, 2023 and 2022, the Authority's bank balances were exposed to custodial credit risk as follows:

	June 30,	
	2023	2022
Insured and Collateralized	$ 500,000	$ 482,041
Uninsured and Collateralized	2,117,759	1,614,752
Uninsured and Uncollateralized	447	-
Total	$ 2,618,205	$ 2,096,793

B. CASH AND CASH EQUIVALENTS (CONTINUED)

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities in the possession of an outside party. The Authority's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount covered by the FDIC. The Authority approves and designates the authorized depository institution based on evaluation of solicited responses and certifications provided by financial institutions.

Concentration of Credit Risk – This is the risk associated with the amount of investments the Authority has with any one issuer that exceeds five percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and the New Jersey Cash Management Fund are excluded from this requirement. None of the investments held by the Authority are exposed to concentration of credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Authority does not have an investment policy regarding credit risk, however, the Authority followed state statute and administrative code requirements for local government investments and had no investments that were subject to credit risks as of June 30, 2023 and 2022.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations. However, its practice is to hold investments to maturity.

C. INVESTMENTS

Investments consist of treasury obligations and taxable bonds. These investments are held by the Authority's custodial agent in an account for the Authority and are included in Unrestricted and Restricted Assets on the statements of net position and at fair value.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The table below presents the balances of investments measured at fair value on the statements of net position as of June 30, 2023 and 2022:

	June 30, 2023			
	Total	Level 1	Level 2	Level 3
Available for sale securities	$ 1,762,943	$ 1,762,943	$ -	$ -
Total	$ 1,762,943	$ 1,762,943	$ -	$ -

	June 30, 2022			
	Total	Level 1	Level 2	Level 3
Available for sale securities	$ 2,068,320	$ 2,068,320	$ -	$ -
Total	$ 2,068,320	$ 2,068,320	$ -	$ -

D. CONCENTRATION OF RISK

Revenues collected from the State were 83% and 89% of total parking revenues for the years ended June 30, 2023 and 2022, respectively. Any substantial decrease in these revenues could have a material adverse effect on the operations of the Authority.

E. SURCHARGE FEES

Effective July 1, 2020, the Authority revised its parking rates for monthly and daily parking, including $150 for monthly parking at all locations, $12 flat rate fee for daily parking at Warren and Merchant locations, and revised hourly rates at Lafayette Yard and Liberty Commons. The revised rates included a 7% surcharge fee that is to be collected by the Authority and remitted to the City on a monthly basis. The City began enforcing its 7% parking surcharge fee on the Authority as authorized by Section 185 of the City Code and N.J.S.A. 40:48C-1.4. The Authority collected $245,020 and $229,963 in surcharge fees for the years ended June 30, 2023 and 2022, respectively. The full amount of fees collected remained in the accounts payable balance of $667,845 and $422,825 at June 30, 2023 and 2022, respectively.

F. PROPERTY AND EQUIPMENT

Property and equipment for the years ended June 30, 2023 and 2022, consists of the following:

	June 30, 2022	Additions	Deletions	June 30, 2023
Land	$ 1,788,122	$ -	$ -	$ 1,788,122
Buildings	26,460,016	-	-	26,460,016
Improvements	3,397,253	480,108	-	3,877,361
Furniture and fixtures	122,268	-	-	122,268
Subtotal	31,767,659	480,108	-	32,247,767
Less accumulated depreciation	(11,023,801)	(633,233)	-	(11,657,034)
Total property and equipment	$ 20,743,858	$ (153,125)	$ -	$ 20,590,733

	June 30, 2021	Additions	Deletions	June 30, 2022
Land	$ 1,788,122	$ -	$ -	$ 1,788,122
Buildings	26,460,016	-	-	26,460,016
Improvements	3,325,345	71,908	-	3,397,253
Furniture and fixtures	122,268	-	-	122,268
Automotive equipment	16,156	-	(16,156)	-
Subtotal	31,711,907	71,908	(16,156)	31,767,659
Less accumulated depreciation	(10,401,520)	(638,437)	16,156	(11,023,801)
Total property and equipment	$ 21,310,387	$ (566,529)	$ -	$ 20,743,858

Depreciation expense charged to operations was $633,233 and $638,437 for the years ended June 30, 2023 and 2022, respectively.

In addition to the net property and equipment noted in the table above, the Authority also had $425,353 in construction in process at June 30, 20232. This amount consisted of cumulative invoiced project costs for the Hanover Street elevator projects and were completed and included in improvements as of June 30, 2023.

In July 2012, the Authority closed its Broad and Front Street garage and relocated all parkers to other garages. As of June 30, 2013, the garage was impaired and the remaining value of the building and improvements of $3,503,307 was written down and a loss due to impairment was recognized. The garage remained closed through June 30, 2023.

G. BONDS PAYABLE

The bonds are payable as to principal and interest from the fees, rentals or other charges derived by the Authority from the operation of its parking system and the full faith, credit and taxing power of the City. The City guarantees the payment of the bonds. Additionally, the bonds have been insured to guarantee payment of principal and interest.

The bonds mature annually through April 1, 2034.

Bond resolutions have been adopted by the Authority for the purpose of acquiring, constructing and making improvements to the parking facilities in the City. The following is a summary of revenue bonds outstanding:

Series	Issue Date	Interest Rates	Amount of Original Issue
Parking Revenue (Series 2013B)	3/7/2013	1.50%-4.00%	$ 19,295,000
Parking Revenue (Series 2016)	9/26/2016	1.50%-4.00%	20,700,000
Total			$ 39,995,000

Series	June 30, 2022	Additions	Deletions	June 30, 2023
Parking Revenue Refunding (Series 2013B)	$ 6,030,000	$ -	$ 420,000	$ 5,610,000
Parking Revenue Refunding (Series 2016)	13,390,000	-	1,360,000	12,030,000
Subtotal	19,420,000	-	1,780,000	17,640,000
Less current portion	1,780,000	1,850,000	1,780,000	1,850,000
Bonds payable, net of current portion	$ 17,640,000	$ (1,850,000)	$ -	$ 15,790,000

Series	June 30, 2021	Additions	Deletions	June 30, 2022
Parking Revenue Refunding (Series 2013B)	$ 6,435,000	$ -	$ 405,000	$ 6,030,000
Parking Revenue Refunding (Series 2016)	14,700,000	-	1,310,000	13,390,000
Subtotal	21,135,000	-	1,715,000	19,420,000
Less current portion	1,715,000	1,780,000	1,715,000	1,780,000
Bonds payable, net of current portion	$ 19,420,000	$ (1,780,000)	$ -	$ 17,640,000

Total maturities of bonds are as follows:

Years Ending June 30,	Principal	Interest	Total
2024	$ 1,850,000	$ 559,079	$ 2,409,079
2025	1,925,000	490,917	2,415,917
2026	1,945,000	445,048	2,390,048
2027	2,010,000	397,884	2,407,884
2028	2,085,000	321,610	2,406,610
2029-2033	6,890,000	669,720	7,559,720
2034	935,000	17,638	952,638
Totals	$ 17,640,000	$ 2,901,895	$ 20,541,895

G. BONDS PAYABLE (CONTINUED)

Refunding Bond Issues

In March 2013, the Authority issued $19,295,000 in Series 2013A and $9,030,000 in Series 2013B Parking Revenue Refunding Bonds which refunded Series 2001 bonds in the amount of $18,840,000 and advance-refunded Series 2003 bonds in the amount of $8,460,000. The net proceeds of $28,204,066 (after payment of $493,652 in underwriting fees, insurance and other issuance costs) were used to purchase state and local government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all scheduled interest and principal payments on the Series 2001 Parking Revenue Refunding Bonds and 2003 Parking Revenue Bonds up to and including April 1, 2030 and October 1, 2033, respectively. The portion of Series 2013A Bonds maturing on or after April 1, 2017, were redeemed, and the portion of Series 2013B Bonds maturing on or after October 1, 2023, are subject to redemption on or after October 1, 2022.

As a result of the advance-refunding, the Authority decreased its total debt service requirement by $1,204,601, which resulted in an economic gain (difference between present value of the debt service payments on the old and new debt) of $849,942. In addition, the Authority recorded a deferred loss on defeasance, principally representing the difference between the carrying value of the refunded bonds and the re-acquisition price of $1,370,908. This loss on defeasance is being amortized on a straight-line basis over the life of the new debt. Amortization expense for the years ended June 30, 2023 and 2022, was $7,543.

In September 2016, the Authority issued $3,735,000 in 2016 Series A and $16,965,000 in 2016 Series B Parking Revenue Refunding Bonds (consisting of $16,250,000 Parking Revenue and Refunding Bonds (City Guaranteed) Series 2016 and $715,000 Parking Revenue Bonds (City Guaranteed) Series 2016). The 2016 Series A were issued to provide funds to be used, together with other available funds of the Authority, to refund $3,585,000 of the Authority's outstanding 2006 bonds and pay the costs of issuing the 2016 Series A Bonds. The 2016 Series B were issued to provide funds to be used, together with other available funds of the Authority, to refund $15,725,000 of the Authority's outstanding 2013 Refunding Bonds, finance certain capital improvements to the Authority's garages, and pay the costs of issuing the 2016 Series B Bonds. The 2016 Series A and B Bonds were issued at a premium of $940,498. Bond premium amortization income for the years ended June 30, 2023 and 2022, was $71,391 and $62,700, respectively. The net proceeds of $21,429,457 (after payment of $413,041 in underwriting fees, insurance and other issuance costs) were used to purchase state and local government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all scheduled interest and principal payments on the Series 2013 Parking Revenue Refunding Bonds and 2006 Parking Revenue Refunding Bonds up to and including April 1, 2030 and October 1, 2033, respectively. The 2016 Series A Bonds maturing prior to October 1, 2027, are not subject to optional redemption prior to their stated maturities. The 2016 Series A Bonds maturing on or after October 1, 2027, shall be subject to redemption, at the option of the Authority, prior to their stated maturity dates, as a whole or in part (in order of maturity determined by the Authority and by lot within a maturity) at any time on or after October 1, 2026, upon notice, as provided in the General Bond Resolution, at 100% of the principal amount of the Bonds redeemed, plus accrued interest thereon, if any, to the date fixed for redemption.

G. BONDS PAYABLE (CONTINUED)

Refunding Bond Issues (Continued)
The 2016 Series B Bonds maturing prior to April 1, 2027, are not subject to optional redemption prior to their stated maturities. The 2016 Series B Bonds maturing on or after April 1, 2027, shall be subject to redemption, at the option of the Authority, prior to their stated maturity dates, as a whole or in part (in order of maturity determined by the Authority and by lot within a maturity) at any time on or after April 1, 2026, upon notice, as provided in the General Bond Resolution, at 100% of the principal amount of the Bonds redeemed, plus accrued interest thereon, if any, to the date fixed for redemption.

As a result of the advance-refunding, the Authority decreased its total debt service requirement by $1,475,484, which resulted in an economic gain (difference between present value of the debt service payments on the old and new debt) of $1,068,668. In addition, the Authority recorded a deferred loss on defeasance, principally representing the difference between the carrying value of the refunded bonds and the re-acquisition price of $1,247,980. This loss on defeasance is being amortized on a straight-line basis over the life of the new debt. Amortization expense for the years ended June 30, 2023 and 2022, was $74,650.

Refunded bonds outstanding in escrow at June 30, 2023 and 2022, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2023	Principal Amount Outstanding June 30, 2022
2016 Refunding		
Parking Revenue (Series 2006)	$ 2,685,000	$ 2,855,000
Parking Revenue (Series 2013A)	9,300,000	10,480,000
2013 Refunding		
Parking Revenue (Series 2001)	5,610,000	6,030,000
	$ 17,595,000	$ 19,365,000

H. COMMITMENT AND CONTINGENCY

In prior years the Authority identified additional improvements for the rehabilitation of the Broad and Front Street garage that far exceeded initial project budget estimates. The Board determined that the additional improvements were cost prohibitive and discontinued the project. As a result, a contingent liability of $334,362 existed at June 30, 2022, for advanced rental payments. This liability was written off in the current year as the advanced funds were determined to be non-refundable and would not be sought by the payer.

I. PENSION PLAN

Plan Description and Benefits
The Authority contributes to the Public Employees' Retirement System ("PERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). The state-administered funds were established by an Act of the State Legislature that assigns the authority to establish and amend benefit provisions to the plan's board of trustees. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERS and is also available on the State of New Jersey website.

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

The following represents the membership tiers for PERS:

Tier	Definition
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 22, 2010.
4	Members who were eligible to enroll on or after May 22, 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 are 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 are 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 members with 25 or more years of service credit before age 62, and Tier 5 members 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 their respective tier.

Contributions
The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. The Authority did not elect to defer any payments pursuant to Chapter 19, P.L. 2009.

I. PENSION PLAN (CONTINUED)

Contributions (Continued)
Covered employees are required by PERS to contribute 7.5% of their annual compensation. The Authority is required by State statute to contribute the remaining amounts necessary to pay benefits when due. Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan. To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and non-employer allocations are applied to amounts presented in the schedule of pension amounts by employer and non-employer. The allocation percentages for each group as of the plan year ended June 30, 2023, are based on the ratio of each employer's contributions to total employer contributions of the group for the plan year ended June 30, 2021.

The Authority is billed annually for its normal contribution plus any accrued liability. The contributions to PERS from the Authority were $27,544 and $25,877 for the years ended June 30, 2023 and 2022, respectively. The Authority's covered payroll was $152,500 for both years ended June 30, 2023 and 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2023 and 2022, the Authority had a liability of $312,275 and $246,516 for its proportionate share of the net pension liability, respectively. The net pension liabilities at June 30, 2023 and 2022, respectively, were measured as of the plan years ended June 30, 2022 and 2021, respectively. The total pension liabilities used to calculate the net pension liability were determined by the actuarial valuations rolled forward as of those measurement dates. 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 members of the plan, actuarial determined. At the plan measurement dates of June 30, 2022 and 2021, the Authority's proportion was 0.002069% and 0.002081%, respectively, which was a decrease of 0.000012% and 0.00026%, respectively, from its proportion measured as of June 30, 2021 and 2020, respectively. For the years ended June 30, 2023 and 2022, the Authority recognized a pension expense of ($72,590) and ($104,292), respectively. At June 30, 2023 and 2022, the Authority reported deferred outflows and inflows of resources as follows:

	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,254	$ 1,988	$ 3,888	$ 1,765
Changes in assumptions	968	46,760	1,284	87,761
Net difference between projected and actual earnings on pension plan investments	12,925	-	-	64,939
Changes in proportion	22,836	17,181	33,408	47,743
Authority contributions subsequent to the measurement date	27,544	-	25,877	-
	$ 66,527	$ 65,929	$ 64,457	$ 202,208

I. PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan years ending June 30,	Amount
2023	$ (182,461)
2024	69,825
2025	45,912
2026	38,951
2027	838
	$ (26,935)

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflows of resources related to changes in proportion and Authority contributions subsequent to the measurement date. These amounts should be recognized (amortized) by the Authority over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017, respectively.

Actuarial Assumptions

The total pension liability for the plan year ended June 30, 2022, measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2021, measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. Both valuations use the following actuarial assumptions:

	Plan year June 30, 2022	Plan year June 30, 2021
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases (based on years of service):		
All Years	2.75-6.75%	
Through 2026		2.00-6.00%
Thereafter		3.00-7.00%
Investment rate of return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

I. PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)
The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at plan years June 30, 2022 and June 30, 2021), is determined by the state Treasurer, after consultation with the Directors of the Division of Investment 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 plan years ended June 30, 2022 and 2021, are summarized in the following table:

		2022
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real assets	3.00%	7.60%
Real estate	8.00%	11.19%
High yield	2.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	8.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	5.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
	100.00%	

I. PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	2021 Long-Term Expected Real Rate of Return
Risk mitigation strategies	27.00%	7.71%
Cash equivalents	13.50%	8.57%
U.S. Treasuries	5.50%	10.23%
Investment grade credit	13.00%	11.42%
High yield	3.00%	9.73%
Private credit	8.00%	9.56%
Real assets	2.00%	5.95%
Real estate	8.00%	7.59%
U.S. equity	8.00%	2.67%
Non-U.S. developed markets equity	4.00%	0.50%
Emerging markets equity	5.00%	1.94%
Private equity	3.00%	3.40%
	100.00%	

Discount Rate
The discount rate used to measure the total pension liability was 7.00% as of plan years June 30, 2022 and 2021. 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 based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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 Authority as of June 30, 2023 and 2022, calculated using the discount rates 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:

June 30, 2023		
At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
$ 404,580	$ 312,275	$ 238,616

June 30, 2022		
At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
$ 339,284	$ 246,516	$ 172,648

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for PERS.

J. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") OTHER THAN PENSIONS

General Information About the OPEB Plan
The Authority participates in the State Health Benefit Local Government Retired Employees Plan (the "Plan") which is a cost-sharing multiple-employer defined benefit other post-employment 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. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Post-employment Benefits Other Than Pensions* ("GASB Statement No. 75"); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' annual financial statements, which can be found at:
http://www.state.nj.us/treasury/pensions/financial-reports.shtml.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Authority. 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 post-retirement medical coverage for employees and their dependents who: 1) retired on a 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; or 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; or 4) retired and reached age 62 with at least 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 negotiations agreement.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement 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.

J. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") OTHER THAN PENSIONS (CONTINUED)

Allocation Methodology
GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022.

Net OPEB Liability
The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2023 and 2022, are as follows:

	June 30, 2023	June 30, 2022
Total OPEB liability	$ 757,239	$ 855,031
Plan Fiduciary Net Position	(2,761)	2,381
Net OPEB Liability	$ 760,000	$ 852,650
Plan Fiduciary Net Position as a % of total OPEB liability	-0.36%	0.28%

The total OPEB liability as of plan year June 30, 2022, was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The total OPEB liability as of plan year June 30, 2021, was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	Plan year June 30, 2022	Plan year June 30, 2021
Inflation rate:		2.50%
PERS Salary Increases (based on years of service):		
All future years	2.75-6.75%	
Through 2026		2.00-6.00%
Thereafter		3.00-7.00%

J. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") OTHER THAN PENSIONS (CONTINUED)

Net OPEB Liability (Continued)
Mortality rates were based on the Pub-2010 General Classification Headcount-Weighted Mortality Table with fully generational mortality improvement projections from the central year using the MP-2021 scale.

Actuarial assumptions used in the July 1, 2021, valuation were based on the results of the PERS experience study prepared for July 1, 2018 to June 30, 2021. Actuarial assumptions used in the July 1, 2020, valuation were based on the results of the PERS experience study prepared for July 1, 2014 to June 30, 2018.

One-hundred percent of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions
For pre-Medicare medical benefits, the trend is initially 6.25% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2023 through 2024 are reflected. For PPO the trend is initially 6.36% in fiscal year 2025, increasing to 14.35% in fiscal year 2026 and decreases to 4.5% after 8 years. For HMO the trend is initially 6.53% in fiscal year 2025, increasing to 15.47% in fiscal year 2026 and decreases to 4.5% after 8 years. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate
The discount rate for June 30, 2022 and 2021, was 3.54% and 2.16%, 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.

At June 30, 2023		
At 1% Decrease (2.54%)	At Current Discount Rate (3.54%)	At 1% Increase (4.54%)
$ 880,993	$ 760,000	$ 662,650

At June 30, 2022		
At 1% Decrease (1.16%)	At Current Discount Rate (2.16%)	At 1% Increase (3.16%)
$ 1,003,405	$ 852,650	$ 733,173

J. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") OTHER THAN PENSIONS (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, 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:

At June 30, 2023		
At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
$ 644,731	$ 760,000	$ 907,627

At June 30, 2022		
At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
$ 711,397	$ 852,650	$ 1,036,967

Deferred Outflows of Resources and Deferred Inflows of Resources
GASB Statement No. 75 requires participating employers recognize their proportionate share of the collective net OPEB liability, collected deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The Authority's proportionate share of the collective net OPEB liability as of June 30, 2023 and 2022, was 0.004706% and 0.004737%, respectively.

At June 30, 2023 and 2022, the amount recognized as the Authority's proportionate share of the net OPEB liability was $760,000 and $852,650, respectively. For the years ended June 30, 2023 and 2022, the Authority recognized an OPEB expense of ($86,096) and ($63,208), respectively. At June 30, 2023 and 2022, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 39,247	$ 140,872	$ 19,132	$ 178,387
Changes in Assumptions	101,425	259,373	122,656	150,716
Net Difference Between Projected and Actual Investment Earnings	200	-	408	-
Changes in Proportion	51,678	259,656	63,032	336,922
	$ 192,550	$ 659,901	$ 205,228	$ 666,025

J. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") OTHER THAN PENSIONS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)
The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Plan Years Ending June 30,	Amount
2023	$ (68,867)
2024	(68,927)
2025	(54,431)
2026	(24,309)
2027	(5,451)
2028-2029	(37,388)
	$ (259,373)

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

K. ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

The GASB has issued Statement No. 87, *"Leases."* This statement was required to be adopted by the Authority for the year ended June 30, 2022. The Authority has evaluated the new standard and determined none of the existing leases are impacted by the standard, therefore, there are no adjustments or disclosures necessary.

The GASB has issued Statement No. 89, "*Accounting for Interest Cost Incurred Before the End of a Construction Period*." This statement is required to be adopted by the Authority for the year ended June 30, 2022. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 91, "*Conduit Debt Obligations*." This statement is required to be adopted by the Authority for the year ended June 30, 2023. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 93, "*Replacement of Interbank Offered Rates*." This statement was required to be adopted by the Authority for the year ended June 30, 2022. The adoption of this statement had no effect on previously reported amounts.

K. ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS (CONTINUED)

The GASB has issued Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*." This statement is required to be adopted by the Authority for the year ended June 30, 2023. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*." This statement is required to be adopted by the Authority for the year ended June 30, 2023. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB No. 32*." This statement was required to be adopted by the Authority for the year ended June 30, 2022. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 98, "*The Annual Comprehensive Financial Report*." This statement was required to be adopted by the Authority for the year ended June 30, 2022. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 99, "*Omnibus 2022*." Certain provisions of this statement was required to be adopted by the Authority for the year ended June 30, 2022. The adoption of these provisions had no effect on previously reported amounts.

L. PENDING GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

The GASB has issued Statement No. 99, "*Omnibus 2022*." Certain provisions of this statement are required to be adopted by the Authority for the years ending June 30, 2023 and 2024. The Authority has not determined the effect of these provisions on the financial statements.

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*." This statement is required to be adopted by the Authority for the year ending June 30, 2024. The Authority has not determined the effect of Statement No. 100 on the financial statements.

M. SUBSEQUENT EVENTS

In July 2023, the Authority was awarded two grants to fund the demolition of the former Broad & Front street garage. The grants were $45,000 from New Jersey Economic Development Authority and $1,500,000 from the State of New Jersey Department of Treasury passed through the State of New Jersey Capital City Redevelopment Corporation.

The Authority applied for the employee retention tax credit in the amount of $197,000 related to the affects during the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

PARKING AUTHORITY OF THE CITY OF TRENTON
(A Component Unit of the City of Trenton, State of New Jersey)

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability	0.002069%	0.002081%	0.002107%	0.001865%	0.001887%	0.002311%	0.003006%	0.003442%	0.003557%	0.004848%
Authority's proportionate share of the net pension liability	$ 312,275	$ 246,516	$ 343,663	$ 336,064	$ 371,609	$ 538,066	$ 890,295	$ 772,739	$ 665,913	$ 926,608
Authority's covered-employee payroll	152,500	152,500	152,500	142,034	121,586	132,536	160,136	189,831	222,126	222,126
Authority's proportionate share of the net pension liability as a percentage of payroll	204.77%	161.65%	225.35%	236.61%	305.63%	405.98%	555.96%	407.07%	299.79%	417.15%
Total pension liability	$ 848,990	$ 839,851	$ 831,011	$ 773,816	$ 800,831	$ 1,036,734	$ 1,487,216	$ 996,262	$ 1,389,659	$ 1,807,075
Plan fiduciary net position	536,715	590,979	487,347	437,771	429,222	498,669	596,921	477,489	723,745	880,467
Plan fiduciary net position as a percentage of the total pension liability	63.22%	70.37%	58.65%	56.57%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 26,094	$ 24,370	$ 23,054	$ 18,142	$ 18,773	$ 21,413	$ 26,705	$ 29,595	$ 29,321	$ 36,531
Contributions in relation to the contractually required contribution	27,544	25,877	24,631	19,799	20,469	23,900	28,575	31,015	30,732	31,175
Authority's covered-employee payroll	152,500	152,500	152,500	152,500	142,034	121,586	132,536	160,136	189,831	222,126
Contributions as a percentage of covered-employee payroll	18.06%	16.97%	16.15%	12.98%	14.41%	19.66%	21.56%	19.37%	16.19%	14.03%

Notes to the Required Supplementary Information
- There were no benefit changes.
- The discount rate changed from the measurement date of June 30, 2013, of 5.55% to 5.39% as of the measurement date of June 30, 2014.
- The discount rate changed from the measurement date of June 30, 2014, of 5.39% to 4.90% as of the measurement date of June 30, 2015.
- The discount rate changed from the measurement date of June 30, 2015, of 4.90% to 3.98% as of the measurement date of June 30, 2016.
- The discount rate changed from the measurement date of June 30, 2016, of 3.98% to 5.00% as of the measurement date of June 30, 2017.
- The discount rate changed from the measurement date of June 30, 2017, of 5.00% to 5.66% as of the measurement date of June 30, 2018.
- The discount rate changed from the measurement date of June 30, 2018, of 5.66% to 6.28% as of the measurement date of June 30, 2019.
- The discount rate changed from the measurement date of June 30, 2019, of 6.28% to 7.00% as of the measurement date of June 30, 2020.
- The discount rate was unchanged from the measurement date of June 30, 2020, of 7.00% to the measurement date of June 30, 2021.
- The discount rate was unchanged from the measurement date of June 30, 2021, of 7.00% to the measurement date of June 30, 2022.

PARKING AUTHORITY OF THE CITY OF TRENTON
(A Component Unit of the City of Trenton, State of New Jersey)

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS

	2023	2022	2021	2020	2019	2018	2017
Authority's proportion of the total OPEB liability	0.004706%	0.004737%	0.004798%	0.004471%	0.005794%	0.005719%	0.007373%
Authority's proportionate share of the total OPEB liability (asset)	$ 760,000	$ 852,650	$ 861,078	$ 605,645	$ 907,724	$ 1,167,579	$ 1,601,229
Authority's covered-employee payroll	463,405	407,646	426,910	458,989	423,003	383,968	403,280
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	164.0%	209.2%	201.7%	132.0%	214.6%	304.1%	397.1%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.36%	0.28%	0.91%	1.98%	1.97%	1.03%	0.69%

	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 117,033	$ 134,269	$ 130,856	$ 121,276	$ 133,411	$ 131,376	$ 135,119
Contributions in relation to the contractually required contribution	117,033	134,269	130,856	121,276	133,411	131,376	135,119
Authority's covered-employee payroll	217,485	463,405	407,646	426,910	458,989	423,003	383,968
Contributions as a percentage of covered-employee payroll	53.8%	29.0%	32.1%	28.4%	29.1%	31.1%	35.2%

The above OPEB schedules are intended to show information for ten years. The State of New Jersey has issued seven years of OPEB information to the Authority. Additional years' information will be displayed as it becomes available.

OTHER SUPPLEMENTARY INFORMATION

PARKING AUTHORITY OF THE CITY OF TRENTON
(A Component Unit of the City of Trenton, State of New Jersey)

SCHEDULE OF OPERATING REVENUES, EXPENSES AND COSTS FUNDED BY OPERATING REVENUES

	Years Ended June 30, 2023	Years Ended June 30, 2022
Revenues		
Parking revenues	$ 3,509,197	$ 3,265,499
Rental income	28,000	28,833
Non-operating revenues	469,458	55,504
Total revenues	$ 4,006,655	$ 3,349,836
Expenses		
Payroll	$ 482,573	$ 522,062
Heat, light and water	108,730	105,423
Facilities maintenance	190,037	201,345
Parking tickets	-	1,189
Laundry and uniforms	125	2,338
Insurance	222,610	203,779
Telephone	10,627	9,386
Office expenses	47,124	37,656
Fringe benefits	(19,584)	(27,880)
Professional fees	101,207	104,248
Consulting fees	29,811	121,216
Travel, meetings and workshops	1,448	2,721
Miscellaneous expenses	3,730	4,804
Bad debt recovery	5,410	5,294
Total expenses	1,183,848	1,293,579
Interest expense - bonds	608,261	669,999
Other costs funded by operating revenues		
Principal maturity	1,780,000	1,715,000
Capital outlays	54,755	497,261
Unreserved retained earnings	379,791	(826,003)
Total costs funded by operating revenues	$ 4,006,655	$ 3,349,836

Finding 2023-001

Criteria
Management is responsible for establishing and maintaining effective internal control over financial reporting and compliance with applicable N.J.S.A. and N.J.A.C. requirements.

Condition
- During testing of contracts and disbursements, documentation viewed did not contain purchase orders, certificates of available funds and related support demonstrating the necessary review and written approval by management prior to the ordering of goods or services.
- A written capitalization policy has not been established.
- A process to determine not-to-exceed amounts on open-ended contracts and certification of available funds has not been established.

Cause
Untimely adoption of annual budget, inadequate segregation of duties and lack of policies and procedures.

Effect
Over or understatement of account balances and noncompliance with N.J.A.C. or N.J.S.A. 40A requirements.

Recommendation
- We recommend that the Authority establish and implement written internal control policies and procedures to utilize sequentially numbered purchase requisitions and/or purchase orders.
- We recommend the Authority establish a written capitalization policy.
- We recommend the Authority establish a written purchasing and contracting policy.

Management's Response
Management has reviewed the finding and is in agreement. A corrective action plan will be completed within forty-five days.

Finding 2022-001

Condition

- During testing of contracts and disbursements, documentation viewed did not contain purchase orders, certificates of available funds and related support demonstrating the necessary review and written approval by management prior to the ordering of goods or services.
- A written capitalization policy has not been established.
- A process to determine not-to-exceed amounts on open-ended contracts and certification of available funds has not been established.

Status

These conditions still exist as current year finding 2023-001.

PARKING AUTHORITY OF THE CITY OF TRENTON
(A Component Unit of the City of Trenton, State of New Jersey)

ROSTER OF OFFICIALS (UNAUDITED)
As of June 30, 2023

AUTHORITY COMMISSIONERS	POSITION
Anne LaBate	Chairperson
Evangeline Ugorji	Vice-Chairperson
Lindi Ashton	Commissioner
Joseph Mamman	Commissioner
Scott A. Rice	Commissioner
Samuel Tompoe	Commissioner
Nancy Ugalde	Commissioner

INDEPENDENT AUDITORS' 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 Commissioners of
the Parking Authority of the City of Trenton
(A Component Unit of the City of Trenton, State of New Jersey)

We have audited, in accordance with the 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Parking Authority of the City of Trenton (the "Authority") as of and for the year ended June 30, 2023, and the related notes to financial statements, which comprise the Authority's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 28, 2024.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 were not identified. We did identify a deficiency in internal control, described in the current year findings and recommendations as item 2023-001, that we consider to be a material weakness.

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INDEPENDENT AUDITORS' 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* (CONTINUED)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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* and which are described in the accompanying schedule of findings and recommendations as item 2023-001.

Authority's Response to Findings and Recommendations

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of current year findings and recommendations. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mercadien, P.C.
Certified Public Accountants

February 28, 2024