PARKING AUTHORITY OF THE CITY OF NEW BRUNSWICK
Financial Statements
December 31, 2023 and 2022
With Independent Auditor's Reports

Parking Authority of the City of New Brunswick
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December 31, 2023 and 2022

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ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Authority Commissioners of
Parking Authority of the City of New Brunswick:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Parking Authority of the City of New Brunswick (the "Authority"), a proprietary fund, which comprise the statements of net position (deficit) as of December 31, 2023 and 2022, and the related statements of revenues, expenses and changes in net position (deficit) and cash flows for the years then ended, and the related notes to 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 financial position of Parking Authority of the City of New Brunswick as of December 31, 2023 and 2022, and the changes in its net position (deficit) and its cash flows 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") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 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

The Authority's 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 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 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 and *Government 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment 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 judgment, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the net pension liability - PERS, schedule of Authority's contributions - PERS, schedule of the Authority's proportionate share of the net OPEB liability - SHBP, and schedule of Authority's contributions - SHBP, as presented in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

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Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of operating revenue and costs funded by operating revenue compared to budget is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of operating revenue and costs funded by operating revenue compared to budget 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. Such 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 standards generally accepted in the United States of America. In our opinion, the schedule of operating revenue and costs funded by operating revenue compared to budget is fairly stated in all material respects in relation to the financial statements as whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the roster of officials but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 our report dated October 18, 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 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 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.

WithumSmith+Brown, PC

October 18, 2024

Parking Authority of the City of New Brunswick, New Jersey (the "Authority") is a public body, corporate and politic, organized, and existing under the provisions of New Jersey Law of 1948, New Jersey Statutes Annotated 40:11A. The Authority was created by an ordinance of the City of New Brunswick (the "City") adopted August 3, 1948 to develop, operate and maintain parking facilities within the City of New Brunswick. The following Management's Discussion and Analysis of the activities and financial performance of the Authority provides an introduction to the financial statements of the Authority for the years ended December 31, 2023 and 2022. Please read it in conjunction with the Authority's financial statements and accompanying notes to financial statements.

Accountability

Parking Authority of the City of New Brunswick's mission statement is to contribute to the vitality of the City of New Brunswick by:

- Providing and maintaining parking services and facilities that are clean, safe, and affordable
- Serving the parking public
- Promoting the free flow of traffic
- Valuing the customers and residents served

This is accomplished by the Authority constructing, maintaining, and operating off-street parking facilities, promoting traffic improvements, improving conditions affecting public safety and welfare and following an 11-point standard of service, with the basis being to promote the businesses and services within the City of New Brunswick and respecting and exceeding the Authority's customers, coworkers, and the general public's expectations.

The Authority is also responsible for the operation of on-street parking meters and the management of related facilities, as well as the lease and rental of business/commercial properties owned by the Authority. The Authority's duties also include maintenance of the Commercial Business District.

Future Economic Outlook

Parking demand is steadily increasing annually. Phase 1 of construction of the HELIX project at the former Ferren site has resulted in an increased parking demand for the construction workers at the site. As the plan is to construct a total of three buildings, this demand will be constant throughout the next several years. Once occupied, the HELIX project is expected to produce more than 1,000 additional employees needing parking within the Authority parking system. Phase 2 of the HELIX project will require the developer to pay the Authority approximately $16,000,000 for the land on which the Phase 2 building will be situated. This building will be occupied by Nokia Labs, requiring 500 parking spaces within the Authority parking system. Based on the future and current demand for parking, revenues are expected to be sufficient for the Authority to meet all its financial obligations.

Financial Highlights

- Unrestricted cash and cash equivalents increased by approximately $1,262,000 This increase was primarily due to an increase in revenues and collection of grants receivable.
- Operating revenue from charges for services increased by approximately $2,400,000. This was attributable to an increase in operations as the local economy continued to recover from the impact of the COVID-19 pandemic.
- Operating expenses increased by approximately $1,772,000. This was mainly due to changes in the actuarial valuations of the Authority's proportionate share of the State of New Jersey's pension and postemployment benefits other than pension ("OPEB") plans and increases in overall cost of providing services due to increase in activity to service increased operating revenues.
- During 2023, the Authority experienced a positive change in net position (deficit) of approximately $20,489,000. This increase was due mainly to non-operating income increases from the gain on the sale of capital assets.
- During 2023, the Authority completed the sale of its Ferren Deck which resulted in a gain on sale of approximately $14,996,000 in 2023 along with the prior year cash received of approximately $6,000,000. The Authority utilized the proceeds from the sale to pay down bonds payable amounting to approximately $19,890,000.
- The Authority is current on all debt obligations and paid its debt service requirements in 2023.

Overview of the Financial Statements

The Authority is a self-supporting entity and follows enterprise fund reporting. The Authority's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles as promulgated by the Government Accounting Standards Board. Enterprise fund statements reflect short and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business.

Required Financial Statements

The statements of net position (deficit) include all of the Authority's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the Authority's creditors (liabilities). They also provide the basis for computing rate of return, evaluating the capital structure and assessing the liquidity and financial viability of the Authority. The statements of revenues, expenses, and changes in net position (deficit) account for all of the Authority's revenues and expenses. These statements measure the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through its charges for services. These statements also measure the profit and credit worthiness of the Authority. The statements of cash flows provide information about the Authority's cash receipts and cash payments during the reporting period. These statements report cash receipts, cash payments and net changes in cash resulting from operating activities, capital and related financing activities and investing activities. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Authority's progress in funding its obligations to provide pension and OPEB benefits to its employees.

Statement of Net Position (Deficit)

The Authority's net position (deficit) was $9,386,487 and ($11,102,710) at December 31, 2023 and 2022, respectively. The following table illustrates the significant components of net position (deficit).

	2023	2022	2021
Assets			
Current assets	$ 18,265,551	$ 24,771,224	$ 28,801,579
Restricted assets	17,713,044	17,712,510	17,711,703
Noncurrent assets	27,986,253	32,948,181	34,538,681
Capital assets	214,384,200	219,804,430	226,242,067
Total assets	$ 278,349,048	$ 295,236,345	$ 307,294,030
Deferred outflows of resources	$ 5,654,326	$ 3,141,925	$ 2,657,803
Liabilities			
Current liabilities	$ 19,773,817	$ 26,553,694	$ 26,321,059
Noncurrent liabilities	235,887,922	263,270,597	274,333,460
Total liabilities	$ 255,661,739	$ 289,824,291	$ 300,654,519
Deferred inflows of resources	$ 18,955,148	$ 19,656,689	$ 22,447,996
Net position (deficit)			
Net investment in capital assets	$ (3,978,500)	$ (23,142,526)	$ (26,189,844)
Restricted	17,713,044	17,712,510	17,711,703
Unrestricted net deficit	(4,348,057)	(5,672,694)	(4,672,541)
Total net position (deficit)	$ 9,386,487	$ (11,102,710)	$ (13,150,682)

As of December 31, 2023 and 2022, the unrestricted net deficit of $4,348,057 and $5,672,694, respectively, includes the net pension and OPEB liability (net of deferred inflows and outflows of resources) of $16,722,831 and $18,669,758, respectively.

Statement of Revenues and Expenses

Changes in the Authority's net position (deficit) can be determined by reviewing the following condensed statements of revenues, expenses and changes in net position (deficit) for the years ended December 31, 2023 and 2022.

	2023	2022	2021
Revenue			
Operating revenue			
Charges for services	$ 29,465,528	$ 27,062,819	$ 23,379,660
Non-operating revenue			
Interest earned on leases	208,668	224,460	247,247
Interest earned on investments	667,660	119,438	56,461
Interest earned on promissory notes receivable	160,860	160,860	160,860
(Loss) gain on sale of capital assets	14,996,215	22,090	(1,318,356)
Grant revenue	-	1,010,713	1,086,906
Total non-operating revenue	16,033,403	1,537,561	233,118
Total revenue	45,498,931	28,600,380	23,612,778
Expenses			
Operating expenses			
Cost of providing services	5,667,991	5,056,827	3,670,339
Administrative and general	1,926,656	1,528,237	1,791,763
Depreciation	6,274,920	6,529,835	6,494,865
Payment in lieu of taxes ("PILOT")	4,975,000	4,975,000	4,975,000
Total operating expenses	18,844,567	18,089,899	16,931,967
Non-operating expenses (revenues)			
Interest expense, net	6,120,087	8,417,429	8,662,620
Amortization of bond insurance	45,080	45,080	45,080
Total non-operating expenses	6,165,167	8,462,509	8,707,700
Total expenses	25,009,734	26,552,408	25,639,667
Changes in net position (deficit)	$ 20,489,197	$ 2,047,972	$ (2,026,889)

The Authority realized an increase in revenues from operations (charges for services) of approximately $2,400,000 million (9%) as compared to 2022. The Authority realized an increase in expenses from operations of approximately $1,772,000 (10%) as compared to 2022. The changes in revenues and expenses were driven predominantly by changes in parking volume and increases in expenses as operations increased, offset by net pension and OPEB benefits.

Budget to Actual Analysis

The schedule of operating revenue and costs funded by operating revenue compared to budget is included on page 56. For 2023, the Authority recognized revenue of approximately $29,470,000, which was a 6.5% surplus compared to the 2023 budgeted revenue amount of approximately $27,683,000. Personnel and related expenses were under budget by approximately $124,000. Other expenses were over budget by approximately $1,067,000 and total operating expenses were over budget by approximately $1,023,000. This overage was due to an increase in administration expenses of approximately $432,000, which was not included in the budget. This includes increased insurance premiums totaling approximately $256,000 and interest on a note totaling approximately $105,000. An increase in the cost of services amounting to about $592,000 was also not included in the budget, primarily driven by $414,000 in bad debt and $165,000 in major repairs that were not budgeted. Overall, the Authority recognized a net deficit of approximately $3,785,000 for items which are included in the budget, as compared to the budgeted surplus amount of approximately $10,484,000. The difference was driven by additional principal payments on bonds of approximately $17,475,000 using proceeds from the sale of property.

Capital Asset and Debt Administration

The Authority's capital assets consisted of the following at December 31:

	2023	2022	2021
Land	$ 38,875,126	$ 38,875,126	$ 38,875,126
Equipment	5,330,432	5,182,025	5,132,467
Parking facilities and renovations	252,078,139	251,064,661	251,041,466
Software	74,130	74,130	74,130
Signage	51,447	51,447	51,447
Construction in progress	470,590	806,643	787,198
	296,879,864	296,054,032	295,961,834
Accumulated depreciation	(82,495,664)	(76,249,602)	(69,719,767)
	$ 214,384,200	$ 219,804,430	$ 226,242,067

Overall, net capital assets decreased by approximately $5,420,000 (7%) from 2022 to 2023. The decrease is a result of current year additions of approximately $863,000 offset by depreciation expense of approximately $6,275,000.

Debt Outstanding

The Authority had the following debt outstanding at December 31:

	2023	2022	2021
Revenue bonds payable	$ 213,144,655	$ 242,097,668	$ 258,054,086
Subordinated project notes payable	5,610,000	5,610,000	5,610,000
Notes payable	16,086,000	16,086,000	16,086,000
	$ 234,840,655	$ 263,793,668	$ 279,750,086

During 2023, bonds payable decreased by approximately $28,953,000 as a result of current year principal payments of approximately $25,280,000 and changes in bond discount and bond premium, net, of approximately $3,673,000.

Contacting the Authority's Management

This financial report is designed to provide the residents and taxpayers of the City of New Brunswick, and the Authority's customers, investors, and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional information, please contact the Parking Authority of the City of New Brunswick, 106 Somerset Street, New Brunswick, New Jersey 08901.

Parking Authority of the City of New Brunswick
Statements of Net Position (Deficit)
December 31, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 7,630,652	$ 6,368,391
Investments	5,983,932	13,361,231
Accounts receivable, net	2,604,982	2,687,008
Leases receivable, current portion	1,720,973	1,507,455
Prepaid expenses and other current assets	275,331	783,774
Inventory	49,681	63,365
Total current assets	18,265,551	24,771,224
Restricted assets		
Investments	17,713,044	17,712,510
Noncurrent assets		
Promissory note receivable	16,086,000	16,086,000
Right-of-use lease assets	2,808,340	2,846,649
Capital assets, net	214,384,200	219,804,430
Prepaid bond insurance	622,036	667,116
Capital assets held for sale	-	4,638,427
Leases receivable, net of current portion	8,469,877	8,709,989
Total noncurrent assets	242,370,453	252,752,611
Total assets	$ 278,349,048	$ 295,236,345
Deferred outflows of resources		
Pension deferred outflows	$ 55,210	$ 186,474
OPEB deferred outflows	5,129,648	2,448,920
Deferred charge on refunding	469,468	506,531
Total deferred outflows of resources	$ 5,654,326	$ 3,141,925

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

Parking Authority of the City of New Brunswick
Statements of Net Position (Deficit)
December 31, 2023 and 2022

	2023	2022
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	$ 2,578,697	$ 2,065,384
Accrued PILOT, current portion	995,000	995,000
Unearned revenue - parking	374,805	122,585
Security deposits	734,462	724,832
Bonds payable, current portion	6,595,000	7,805,000
Deposit on sale of capital assets	-	6,000,000
Subordinated project notes payable	5,610,000	5,610,000
Accrued interest on bonds	2,885,853	3,230,893
Total current liabilities	19,773,817	26,553,694
Noncurrent liabilities		
Accrued PILOT, net of current portion	995,000	1,990,000
Bonds payable, net of current portion	206,549,655	234,292,668
Notes payable	16,086,000	16,086,000
Net pension liability	3,373,996	3,606,511
Net OPEB liability	8,883,271	7,295,418
Total noncurrent liabilities	235,887,922	263,270,597
Total liabilities	$ 255,661,739	$ 289,824,291
Deferred inflows of resources		
Pension deferred inflows	$ 1,370,994	$ 2,199,239
OPEB deferred inflows	8,279,428	8,203,984
Leases	9,304,726	9,253,466
Total deferred inflows of resources	$ 18,955,148	$ 19,656,689
Net position (deficit)		
Net investment in capital assets	$ (3,978,500)	$ (23,142,526)
Restricted for		
Debt service	17,677,404	17,677,404
Renewal and replacement	35,640	35,106
Unrestricted net deficit	(4,348,057)	(5,672,694)
Total net position (deficit)	$ 9,386,487	$ (11,102,710)

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

Parking Authority of the City of New Brunswick
Statements of Revenues, Expenses and Changes in Net Position (Deficit)
Years Ended December 31, 2023 and 2022

	2023	2022
Operating revenues		
Parking revenue	$ 23,439,786	$ 21,234,949
Meter operations	2,680,143	2,001,509
Lease revenue	2,552,179	3,158,797
Summons surcharge	273,136	185,212
Management revenue	399,818	318,950
Event parking	85,137	48,894
Other revenue	35,329	114,508
Total operating revenues	29,465,528	27,062,819
Operating expenses		
Cost of providing services	5,667,991	5,056,827
Administrative and general	1,926,656	1,528,237
Depreciation	6,274,920	6,529,835
Payment in lieu of taxes (PILOT)	4,975,000	4,975,000
Total operating expenses	18,844,567	18,089,899
Operating income	10,620,961	8,972,920
Non-operating revenues (expenses)		
Interest earned on leases	208,668	224,460
Interest earned on investments	667,660	119,438
Interest earned on promissory notes receivable	160,860	160,860
Grant revenue	-	1,010,713
Interest expense, net	(6,120,087)	(8,417,429)
Gain on sale of capital assets	14,996,215	22,090
Amortization of bond insurance	(45,080)	(45,080)
Total non-operating revenues (expenses)	9,868,236	(6,924,948)
Changes in net position (deficit)	20,489,197	2,047,972
Net position (deficit)		
Beginning of year	(11,102,710)	(13,150,682)
End of year	$ 9,386,487	$ (11,102,710)

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

Parking Authority of the City of New Brunswick
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Operating activities		
Cash received from services	$ 30,395,701	$ 26,371,696
Cash paid to suppliers	(6,426,966)	(6,524,855)
Cash paid to employees	(2,549,302)	(2,163,289)
Cash paid for fee in lieu of taxes	(5,970,000)	(5,970,000)
Net cash provided by operating activities	15,449,433	11,713,552
Capital and related financing activities		
Purchases of capital assets	(862,501)	(92,198)
Proceeds from sale of capital assets	13,642,453	22,090
Principal paid on bonds payable	(25,280,000)	(7,440,000)
Cash paid for interest	(9,940,217)	(10,339,490)
Cash received from capital grants	-	2,094,307
Net cash used in capital and related financing activities	(22,440,265)	(15,755,291)
Investing activities		
Interest income	876,328	343,898
Purchases of investments	(40,856,787)	(31,942,589)
Proceeds from sale of investments	48,233,552	33,578,848
Net cash provided by investing activities	8,253,093	1,980,157
Net change in cash and cash equivalents	1,262,261	(2,061,582)
Cash and cash equivalents		
Beginning of year	6,368,391	8,429,973
End of year	$ 7,630,652	$ 6,368,391

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

Parking Authority of the City of New Brunswick
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Operating activities		
Operating income	$ 10,620,961	$ 8,972,920
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	6,274,920	6,529,835
Bad debt expense	414,648	708,356
Amortization of right-of-use lease assets	38,309	37,965
Changes in		
Accounts receivable	(332,622)	(1,172,551)
Prepaid expenses and other current assets	508,443	(253,475)
Inventory	13,684	9,773
Lease receivable	26,594	1,463,465
Accounts payable and accrued expenses	513,313	18,244
Accrued PILOT	(995,000)	(995,000)
Unearned revenue - parking	252,220	(28,665)
Security deposits	9,630	2,323
Net pension liability	(232,515)	111,463
Net OPEB liability	1,587,853	(378,609)
Deferred outflows of resources for pension	131,264	(113,151)
Deferred outflows of resources for OPEB	(2,680,728)	(408,034)
Deferred inflows of resources for pension	(828,245)	(1,207,683)
Deferred inflows of resources for OPEB	75,444	(173,048)
Deferred inflows of resources for leases	51,260	(1,410,576)
Net cash provided by operating activities	$ 15,449,433	$ 11,713,552

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Parking Authority of the City of New Brunswick (the "Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies followed by the Authority in the preparation of the accompanying financial statements are summarized below.

Nature of Business

Parking Authority of the City of New Brunswick is a public body, corporate and politic, organized, and existing under the provisions of New Jersey Law of 1948, New Jersey Statutes Annotated 40:11A. The Authority was created by an ordinance of the City of New Brunswick (the “City”) adopted August 3, 1948 to develop, operate and maintain parking facilities within the City of New Brunswick.

Pursuant to the mandates of the “Local Authorities Fiscal Control Law” (N.J.S.A. 40AA:5-1 et seq.) the Authority is considered an independent entity, and is required to submit audited financial statements, on an annual basis, to the State of New Jersey, Department of Community Affairs, Division of Local Government Services (“DCA”). Although the Authority’s members are appointed by the Governing Body of the City of New Brunswick (the “City”), the legal form of the Authority is that it is not financially accountable to the City and no service contract with the City exists for specific services to be performed. As a result, the financial statements of the Authority are not included in those of the City of New Brunswick. The Authority has neither stockholders nor equity holders. As a public body, under existing statute, the Authority is exempt from federal, state, and local taxes.

Basis of Presentation

The Authority has one fund that is considered an enterprise fund and, accordingly, the Authority’s financial statements are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP. Enterprise fund statements reflect short and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Budget

The annual budget serves as the foundation for the Authority’s planning and control. Management prepares a proposed budget, which is presented to the Authority’s Board of Commissioners for review and approval. Prior to adoption by the Board of Commissioners, these budgets are reviewed and legally approved by the DCA. See schedule of operating revenue and costs funded by operating revenue compared to budget in the supplementary information section for further information. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the total budget level.

Net Position

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows in the financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. Net position is reported as restricted in the financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position is net amounts that do not meet the definition of the previous two categories.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allowance for doubtful accounts, the useful lives of capital assets and depreciation expense, and the net pension liability and net postemployment benefits other than pension (“OPEB”) liability.

Investments

Investments include assets held by trustees under bond indenture agreements. Investments are recorded at fair value. The fair value of these investments is determined by reference to quoted market prices.

Promissory Notes Receivable

Promissory notes receivable are recorded at amortized cost. The Authority estimates an allowance for doubtful accounts based on current market conditions, creditworthiness of the borrower and the industry in which the borrower operates. No allowance was required as of December 31, 2023 and 2022.

Capital Assets, Net

Capital assets are stated at cost. Depreciation and amortization are provided under the straight-line method based upon the following estimated useful lives:

Description	Estimated Life (Years)
Equipment	5
Signage	5
Software	5
Parking facilities and renovations	10-40

Major replacements and improvements of property and equipment are capitalized. Minor replacements, repairs and maintenance are charged to expense as incurred. Upon retirement or sale, the cost of the assets disposed, and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recorded in change in net position (deficit).

Impairment of Capital Assets

The Authority assesses capital assets for impairment whenever events or changes in circumstances indicate that the service utility of the capital asset has both significantly and unexpectedly declined. For the years ended December 31, 2023 and 2022 management has determined that there was no impairment of capital assets.

Concentration of Credit Risk

At December 31, 2023, three customers accounted for approximately 70% of accounts receivable. At December 31, 2022, three customers accounted for approximately 35% of accounts receivable. For each of the years ended December 31, 2023 and 2022, one customer accounted for approximately 22% and 24%, respectively, of total operating revenue.

Revenue Recognition

Operating Revenues

Operating revenue is recognized when services are performed. The Authority generates revenue by offering daily/hourly parking in its facilities. Patrons have the ability to purchase monthly parking at Authority garages. The Authority controls all on-street meters within the City limits. By enforcing on-street parking, the Authority issues tickets and collects revenue from enforcement of those tickets. The court then enforces the ticket and pays a portion of the revenue back to the Authority. Lease revenue is earned by leasing space within the Gateway Project garage, University Center building and the Wellness Center Project garage. Off street parking is enforced by the Authority whereby tickets are written and collected by the Authority. Tickets that are not paid within two weeks are sent to the court and a summons is issued. The Authority has several parking management agreements with private entities in New Brunswick for which the Authority manages and operates their parking facilities for a management fee, which is recorded when earned on a monthly basis.

Non-Operating Revenues

Non-operating revenues consist of interest income on investments, interest income on promissory notes receivable, gains on sale of capital assets, amortization of bond premiums, gain on assignment of debt and grant revenue. Interest income is recognized when earned and is accrued if unpaid. Grant revenue is recognized to the extent that expenditures have been incurred for the purpose specified by the grantor during the period. Gains on capital assets are recognized when the sale price of the capital asset exceeds the net book value of the asset and are recognized on the date of sale.

Cash and Cash Equivalents

The Authority considers all highly liquid investments with an initial maturity of three months or less at the date of acquisition to be cash equivalents.

Inventory

Inventory is valued at cost using the average cost method. Inventory consists mainly of supplies and equipment which were purchased but unused at year end.

Bond Discount and Premiums

Discounts and premiums on bonds are amortized over the term of the related bond using the effective interest method.

Pensions

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 New Jersey State Employees' Retirement System plan ("PERS") and the 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.

Post-employment Benefits Other Than Pensions ("OPEB")

For purposes of measuring the Authority's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Health Benefits Local Government Retired Employees Plan ("SHBP") and additions to/deductions from SHBP's fiduciary net position have been determined on the same basis as they are reported by SHBP. For this purpose, SHBP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Interest Expense, Net

The Authority records interest in the period incurred and consists of the following for the years ended December 31:

	2023	2022
Interest on bonds payable	$ 9,348,936	$ 10,075,928
Interest on notes payable	407,101	300,155
Amortization of bond premium	(3,673,013)	(1,995,717)
Amortization of deferred outflow on bond refunding	37,063	37,063
	$ 6,120,087	$ 8,417,429

Deferred Outflows/Inflows of Resources

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position.

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

The Authority's deferred outflows are a result of its participation in the OPEB plan (see Note 14), pension plan (see Note 15), and bond refunding (see Note 12). The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes. The Authority's deferred inflows are a result of its participation in the OPEB plan (see Note 14) and pension plan (see Note 15) and lease obligations (see Note 9).

Lease Revenue

The Authority leases property to tenants for commercial use in the City of New Brunswick. The Authority's leasing activities consist of the rental of building space under non-cancelable leases expiring through fiscal year 2049. Lease revenue under leases is recognized based on the terms of the lease contracts and a lease receivable and deferred inflow of resources is recognized at the inception of the lease at the net present value of the lease. Payments are applied against the lease receivable and interest earned on the lease is recognized in other operating revenues. The deferred inflow of resources related to the lease receivable is amortized over the life of the lease on a straight-line basis.

Future Pronouncements Not Yet Adopted

Accounting Changes and Error Corrections

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB 62*, is effective for reporting periods beginning after June 15, 2023. The objective of this statement is to provide consistency for changes in accounting principles, accounting estimates, and the reporting entity and corrections of errors.

Compensated Absences

GASB Statement No. 101, *Compensated Absences*, is effective for reporting periods beginning after December 15, 2023. The objective of this statement is to update the recognition and measurement for compensated absences.

Certain Risk Disclosures

GASB Statement No. 102, *Certain Risk Disclosures*, is effective for reporting periods beginning after December 15, 2024. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Financial Reporting Model Improvements

GASB Statement No. 103, *Financial Reporting Model Improvements*, is effective for reporting periods beginning after June 15, 2025. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

Management has not completed its review of the requirements of these standards and their applicability.

Reclassifications

Certain items in the prior year financial statements were reclassified to conform to the current year presentation. Reclassifications had no effect on prior year change in net position (deficit) or net position (deficit).

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

New Jersey statues permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation or any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund (the "Fund").

The Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required. In addition, by regulation of the DCA, authorities are allowed to invest in government money market mutual funds purchased through state registered brokers/dealers and banks.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows: The market value of the collateral must equal 5% of the average daily balance of public funds or; if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%. 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. The Authority deposits funds within 48 hours of receipt in accordance with local statues.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Authority manages its exposure to declines in fair values by limiting the maximum maturity length of investments to five years.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation. The standard of prudence to be used by the Authority shall be the “prudent person” standard which states:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the Authority’s overall portfolio. At December 31, 2023 and 2022, the Authority’s cash and cash equivalents and investments representing greater than 5% of their portfolio were non-negotiable certificates of deposit, which totaled $27,868,000 and $34,091,000, respectively. At December 31, 2023 and 2022, approximately $4,177,000 and $3,017,000 of certificates of deposit were included in cash and cash equivalents as they have an initial maturity of less than 3 months.

Custodial Credit Risk

Custodial credit risk is the risk that a government will not be able to cover deposits if the depository financial institution fails or will not be able to recover collateral securities that are in the possession of an outside party. It is the policy of the Authority to require that demand and time deposits in excess of FDIC or other federal insurable limits be secured by some form of collateral to protect public deposits in a single situation if it were to default due to poor management or economic factors. As of December 31, 2023 and 2022, the Authority’s bank deposits were fully insured or collateralized.

The carrying amount of the Authority’s cash and cash equivalents as of December 31, 2023 and 2022 was $7,630,652 and $6,368,391, respectively, and the bank balance was $7,547,619 and $6,350,712, respectively. Of the bank balance, $500,000 was covered by federal depository insurance each year and $7,047,619 and $5,850,712, respectively, was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Investments

New Jersey statutes permit the Authority to purchase the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a 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 such obligations bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the local unit or bonds or other obligations of Authority districts of which the local unit is a part or within which the Authority district is located;
5. 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 the Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
   a. The underlying securities are permitted investments pursuant to paragraphs (1) and (3).
   b. The custody of collateral is transferred to a third party;
   c. The maturity of the agreement is not more than 30 days;
   d. The underlying securities are purchased through a public depository as defined in P.L. 1970, c. 236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

Investments at December 31, 2023 and 2022 consist of nonnegotiable certificates of deposit with maturity dates of one year or less.

Based upon existing investment policies, the Authority is generally not exposed to interest rate risk as investments mature one year or less or are held to maturity. All current investments or underlying investments are nonnegotiable certificates of deposit, thereby mitigating credit risk, concentration of credit risk and interest rate risks nor are its deposits and investments exposed to foreign currency risks.

3. ACCOUNTS RECEIVABLE AND CREDIT POLICY

Receivables are unsecured, non-interest-bearing obligations due from customers under terms requiring payment within fifteen to forty-five days. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified on the remittance advice, payments are applied to the earliest unpaid invoices.

The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected. Management individually reviews all accounts receivable balances that exceed 90 days from invoice date and, based on an assessment of current creditworthiness estimates the portion, if any, of the balance that will not be collected.

Accounts receivable, net consisted of the following at December 31:

	2023	2022
Accounts receivable	$ 2,784,552	$ 3,876,691
Allowance for doubtful accounts	(179,570)	(1,189,683)
Accounts receivable, net	$ 2,604,982	$ 2,687,008

4. PROMISSORY NOTE RECEIVABLE

In December 2017, the Authority issued one promissory note in connection with the construction of the New Brunswick Cultural Center amounting to $16,086,000 with NBCC Leverage Lender, LLC, a New Jersey limited liability company. The note accrues no interest through March 19, 2018. Beginning on March 19, 2018 through December 19, 2024, the note requires interest only payments accruing at 1%. Beginning March 19, 2025, the note calls for quarterly payments of principal and interest at 1%, in arrears, and the entire outstanding principal balance plus all accrued and unpaid interest shall become due and payable on the maturity date of December 31, 2043.

Promissory note receivable consisted of the following at December 31:

	2023	2022
Recorded investment	$ 16,086,000	$ 16,086,000
Unpaid principal balance	$ 16,086,000	$ 16,086,000
Interest income recognized	$ 160,860	$ 160,860
Accrued interest income	$ 45,130	$ 45,130

There was no allowance for loan losses for the years ended December 31, 2023 and 2022 as the loan was not on nonaccrual status. Accrued interest is included in prepaid expenses and other current assets.

5. INVESTMENTS

In accordance with certain bond resolutions and indenture agreements, the Authority has established the following cash and investment accounts for the deposit of proceeds from bond issuances received by the Authority:

General Account - The balance of restricted assets, if any, remaining after all the below requirements have been met.

Revenue Account - All revenue received by the Authority to be used to support budgeted operating expenses.

Bond Service Account (Current Debt Service) - An amount equal to unpaid interest due on outstanding bonds payable on or before immediately succeeding March 1 or September 1, in addition to principal on said dates.

Bond Reserve Account (Future Debt Service) - An amount equal to the greatest bond service requirement of any future fiscal year.

Renewal and Replacement Account - An amount reasonably necessary, with respect to the facilities, for major repairs, renewals and replacements or maintenance not recurring annually.

City contribution reserve – The Authority received a deposit during 2021 to be maintained in escrow until the transaction closes, which closed in 2023 and the account was closed.

Issuance Cost Escrow Funds - Represents the excess funds received from bond refunding transactions.

Total restricted assets consist of assets that are held by the trustee. Restricted cash and cash equivalents consist of those funds that are used to satisfy current liabilities and obligations.

Total restricted assets amounted to the following at December 31:

	2023	2022
Future debt service	$ 17,677,404	$ 17,677,404
Renewal and replacement	35,640	35,106
	$ 17,713,044	$ 17,712,510

Fair Value Information

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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; Level 3 inputs are significant unobservable inputs.

The Authority had no fair value measurements included in investments as of December 31, 2023 and 2022. All investments in nonnegotiable certificates of deposit are unrated and recorded at cost.

The Authority’s certificates of deposit mature as follows:

	2023	2022
Less than one year	$ 23,696,976	$ 31,073,741

6. RIGHT-OF-USE ASSETS

RWJ Land Lease

During 1993, the Authority entered into a land lease agreement with Robert Wood Johnson Property Holding Corporation (“RWJ”). The Authority leased the land from RWJ for 50 years with a 25-year renewal option at no additional rent. The terms of the lease, as amended, provided for an upfront lump-sum payment of $1,636,600.

During 2001, RWJ and the Authority agreed to cancel the 1993 agreement and enter into a new lease agreement. The Authority leased the land included in the 1993 lease plus additional land. The terms of the new lease provided for an additional lump-sum payment of $746,700 for a total of $2,383,300. The Authority is amortizing the advance payments made to RWJ over the 75 years utilizing the present value method at an imputed interest rate of 6%.

During 2003, RWJ repaid the Authority $55,221, reducing the right-of-use asset to a total of $2,328,079, as part of the City of New Brunswick and its Board of Education's request to purchase at cost a portion of the property formerly leased to the Authority in order to expand the adjacent Health Sciences Technology Authority. The amount paid was included in the statements of net position (deficit) as a reduction of prepaid lease as of December 31, 2003. Amortization expense for the next 5 years will be approximately $4,000 per year.

Housing and Urban Development Authority of the City of New Brunswick

During 2016, the Authority entered into a lease agreement for rentable retail space and common area facilities with the Housing and Urban Development Authority of the City of New Brunswick ("New Brunswick HUD"). The Authority leased the space from New Brunswick HUD for 25 years with a 15-year renewal option from the expiration of the initial term. The terms of the lease provided for an upfront payment of $810,000. Amortization expense for the next 5 years will be approximately $32,400 per year.

	2023	2022
RWJ Land Lease	$ 2,241,340	$ 2,247,249
New Brunswick HUD	567,000	599,400
	$ 2,808,340	$ 2,846,649

7. CAPITAL ASSETS, NET

Capital asset activity including additions and retirements consisted of the following at December 31:

	Balance January 1, 2023	Additions	Retirements	Reclassifications	Balance December 31, 2023
Capital assets not being depreciated					
Land	$ 38,875,126	$ -	$ -	$ -	$ 38,875,126
Construction in progress	806,643	-	-	(336,053)	470,590
Total capital assets not being depreciated	39,681,769	-	-	(336,053)	39,345,716
Right-of-use lease assets	2,846,649	-	(38,309)	-	2,808,340
Capital assets being depreciated:					
Equipment	5,182,025	185,186	(36,779)	-	5,330,432
Parking facilities and renovations	251,064,661	677,316	109	336,053	252,078,139
Software	74,130	-	-	-	74,130
Signage	51,447	-	-	-	51,447
Total capital assets being depreciated	256,372,263	862,502	(36,670)	336,053	257,534,148
Less: Accumulated depreciation	76,249,602	6,274,920	(28,858)	-	82,495,664
Capital assets, net	$ 222,651,079	$ (5,412,418)	$ (46,121)	$ -	$ 217,192,540

	Balance January 1, 2022	Additions	Retirements	Reclassifications	Balance December 31, 2022
Capital assets not being depreciated					
Land	$ 38,875,126	$ -	$ -	$ -	$ 38,875,126
Construction in progress	787,198	19,445	-	-	806,643
Total capital assets not being depreciated	39,662,324	19,445	-	-	39,681,769
Right-of-use lease assets	2,884,614	-	(37,965)	-	2,846,649
Capital assets being depreciated:					
Equipment	5,132,467	49,558	-	-	5,182,025
Parking facilities and renovations	251,041,466	23,195	-	-	251,064,661
Software	74,130	-	-	-	74,130
Signage	51,447	-	-	-	51,447
Total capital assets being depreciated	256,299,510	72,753	-	-	256,372,263
Less: Accumulated depreciation	69,719,767	6,529,835	-	-	76,249,602
Capital assets, net	$ 229,126,681	$ (6,437,637)	$ (37,965)	$ -	$ 222,651,079

Depreciation expense included as a charge to operations for the years ended December 31, 2023 and 2022 amounted to $6,274,920 and $6,529,835, respectively.

8. CAPITAL ASSETS HELD FOR SALE

During 2016, the Authority reclassified certain capital assets to assets held for sale. In accordance with GASB 42, the asset is re-measured at the lower of carrying value or fair value. The fair value exceeded the carrying value; therefore, the capital assets held for sale are carried at carrying value and no impairment was required to be recognized at December 31, 2022.

On December 16, 2021, the Authority entered into an agreement to sell its capital assets held for sale for a purchase price of $6 million. The sale was not finalized until 2023. Accordingly, the $6 million received as part of the agreement is recognized as a deposit on sale of capital assets in the statements of net position (deficit) as of December 31, 2023. The sale closed on May 24, 2023, with a final sale price of $22,971,800. As a result of the final sale, the capital assets held for sale were removed and the deposit was reclassified against the gain on the sale. After applying all assets, liabilities, and credits, the net gain on sale recognized was $14,996,215 for the year ending December 31, 2023.

9. LEASES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES

The Authority leases office space to 9 tenants in New Brunswick, New Jersey under various non-cancellable lease agreements which expire between October 2023 and August 2049. Monthly payments range from approximately $2,000 to $72,000 over the course of the leases. The leases include options to renew. The Authority did not receive any variable payments under these leases for the years ended December 31, 2023 and 2022.

The Authority used the incremental borrowing rate for its Series 2020 refunding bonds to discount the lease payments to recognize the lease receivable and deferred inflows of resources. The borrowing rate used was 2.065%.

The Authority entered into a lease agreement with the County of Middlesex in December 2000 to lease 28 spaces to employees of the County of Middlesex. The lease called for total payments of $600,000 over a thirty-year period, which was paid up front. The Authority is amortizing the advance payment received over the 30-year period utilizing the present value method at an imputed interest rate of 6%. Deferred inflows of resources related to the lease agreement amounted to $217,043 and $246,228 at December 31, 2023 and 2022, respectively.

The Authority's leases receivable, deferred inflows of resources related to leases, lease revenue, and interest revenue related to leases as of and for the years ended December 31, 2023 and 2022, were as follows:

	2023	2022
Leases receivable	$ 10,190,850	$ 10,217,444
Deferred inflows of resources - leases	$ 9,304,726	$ 9,253,466
Lease revenue	$ 2,552,179	$ 3,158,797
Interest revenue related to leases	$ 208,668	$ 224,460

Interest revenue related to leases is included as a component of other revenue in the statements of revenues, expenses, and changes in net position (deficit).

Aggregate principal maturities and interest on leases receivable are as follows as of December 31, 2023:

Year	Principal	Interest	Total Payments
2024	$ 1,720,973	$ 186,961	$ 1,907,934
2025	1,717,052	152,044	1,869,096
2026	1,622,484	117,724	1,740,208
2027	1,572,708	85,712	1,658,420
2028	613,982	60,479	674,461
2029-2033	1,348,415	224,814	1,573,229
2034-2038	454,222	142,028	596,250
2039-2043	503,583	92,667	596,250
2044-2048	558,308	37,942	596,250
2049	79,123	614	79,737
	$ 10,190,850	$ 1,100,985	$ 11,291,835

10. NONCURRENT LIABILITIES

The following summarizes net activity in noncurrent liabilities for the years ended December 31, 2023 and 2022:

	Beginning Balance January 1, 2023	Additions/ Subtractions	Payments/ Amortization	Ending Balance December 31, 2023	Current Portion
Revenue bonds payable	$ 219,495,000	$ -	$ (25,280,000)	$ 194,215,000	$ 6,595,000
Unamortized bond premiums	22,602,668	-	(3,673,013)	18,929,655	-
Bonds payable	242,097,668	-	(28,953,013)	213,144,655	6,595,000
Notes payable	16,086,000	-	-	16,086,000	-
Subordinated project notes	5,610,000	-	-	5,610,000	5,610,000
Accrued PILOT	2,985,000	-	(995,000)	1,990,000	995,000
Net pension liability	3,606,511	(232,515)	-	3,373,996	-
Net OPEB liability	7,295,418	1,587,853	-	8,883,271	-
	$ 277,680,597	$ 1,355,338	$ (29,948,013)	$ 249,087,922	$ 13,200,000

	Beginning Balance January 1, 2022	Additions/ Subtractions	Payments/ Amortization	Ending Balance December 31, 2022	Current Portion
Revenue bonds payable	$ 226,935,000	$ -	$ (7,440,000)	$ 219,495,000	$ 7,805,000
Unamortized bond premiums	24,598,386	-	(1,995,718)	22,602,668	-
Bonds payable	251,533,386	-	(9,435,718)	242,097,668	7,805,000
Notes payable	16,086,000	-	-	16,086,000	-
Subordinated project notes	5,610,000	-	-	5,610,000	5,610,000
Accrued PILOT	3,980,000	-	(995,000)	2,985,000	995,000
Net pension liability	3,495,048	111,463	-	3,606,511	-
Net OPEB liability	7,674,027	(378,609)	-	7,295,418	-
	$ 288,378,461	$ (267,146)	$ (10,430,718)	$ 277,680,597	$ 14,410,000

11. SUBORDINATED PROJECT NOTES PAYABLE

Subordinated project notes payable consist of the following at December 31:

	2023	2022
Subordinated project note payable - issued June 17, 2016, interest at 0.38% per annum, due June 9, 2024	$ 810,000	$ 810,000
Subordinated project note payable - issued June 29, 2017 interest at 0.38% per annum, due June 9, 2024	3,900,000	3,900,000
Subordinated project note payable - issued August 26, 2020 interest at 0.38% per annum, due June 9, 2024	900,000	900,000
	$ 5,610,000	$ 5,610,000

The $810,000 project note proceeds were utilized to fund a prepayment on a lease agreement. The $3,900,000 project note proceeds were utilized for land acquisition. The $900,000 project note proceeds were utilized for acquiring and installing safety fencing and barriers at certain parking deck facilities.

Aggregate principal maturities and interest on subordinated project notes payable are as follows as of December 31, 2023:

Year	Principal	Interest	Amount
2024	$ 5,610,000	$ 21,318	$ 5,631,318

12. BONDS PAYABLE

Bonds payable consist of the following at December 31:

	2023	2022
Series 2010 parking revenue refunding bonds - payments of interest only due semi-annually on January 1 and July 1 at rates ranging from 2.00% to 4.125% through January 1, 2029; principal due annually on January 1, callable beginning January 1, 2021, due January 1, 2029. This bond payable was paid in full in 2023.	$ -	$ 2,915,000
Series 2012 guaranteed parking revenue refunding bonds - payments of interest only due semi-annually on March 1 and September 1 at rates ranging from 2.00% to 5.00%; payments of principal due annually on September 1 beginning September 1, 2013 through September 1, 2034. This bond payable was paid in full in 2023.	-	16,975,000
Series 2016 guaranteed parking revenue and refunding bonds - payments of interest only due semi-annually on March 1 and September 1 at rates ranging from 2.00% to 5.00%; payments of principal due annually on September 1 beginning September 1, 2016 through September 1, 2036.	16,565,000	17,500,000
Series 2016A guaranteed parking revenue refunding bonds - payments of interest only due semi-annually on March 1 and September 1 at rates ranging from 3.00% to 5.00%; payments of principal due annually on September 1 beginning September 1, 2021 through September 1, 2039.	115,255,000	115,405,000
Series 2016B guaranteed parking revenue refunding bonds - payments of interest only due semi-annually on March 1 and September 1 at rates ranging from 3.00% to 5.00%; payments of principal due annually on September 1 beginning September 1, 2021 through September 1, 2040.	27,460,000	27,525,000

	2023	2022
Series 2017 guaranteed parking revenue bonds - payments of interest only due semi-annually on March 1 and September 1 at rates ranging from 3.00% to 5.00%; payments of principal due annually on September 1 beginning September 1, 2021 through September 1, 2047.	$ 20,585,000	$ 21,080,000
Series 2020A guaranteed parking revenue refunding bonds - payments of interest only due annually on September 1 at a rate of 5.00%; payment of principal due at maturity on September 1, 2026.	4,920,000	4,920,000
Series 2020B guaranteed parking revenue refunding bonds - payments of interest only due annually on September 1 at a rate of 5.00%; payments of principal due annually on September 1 beginning September 1, 2021 through September 1, 2025.	9,430,000	13,175,000
	194,215,000	219,495,000
Less: Current portion	(6,595,000)	(7,805,000)
Plus: Unamortized original issue premium	18,929,655	22,602,668
Bonds payable, net of current portion	$ 206,549,655	$ 234,292,668

Payment of principal and interest is guaranteed by the City of New Brunswick. No value has been assigned to this guarantee in the financial statements presented and no amounts were required to be paid on this guarantee for the years ended December 31, 2023 and 2022.

Aggregate principal maturities and interest on bonds payable are as follows as of December 31, 2023:

Year	Principal	Interest	Amount
2024	$ 6,595,000	$ 8,657,475	$ 15,252,475
2025	6,360,000	8,329,825	14,689,825
2026	6,815,000	8,013,925	14,828,925
2027	7,620,000	7,675,275	15,295,275
2028	7,995,000	7,295,963	15,290,963
2029-2033	48,940,000	30,291,013	79,231,013
2034-2038	68,350,000	18,812,288	87,162,288
2039-2043	36,020,000	4,013,750	40,033,750
2044-2047	5,520,000	706,750	6,226,750
	$ 194,215,000	$ 93,796,263	$ 288,011,263

Fair Value of Financial Instruments

The fair value of the bonds payable, estimated based on market prices for similar bond issues as based on a recent bond refunding and market interest rates (4% rate utilized), is approximately $202,000,000 and $230,000,000 at December 31, 2023 and 2022, respectively.

Original issue premiums consisted of the following at December 31, 2023 and 2022:

	December 31, 2023				
	Premium	**Life**	**Accumulated Amortization**	**Unamortized Premium**	**Amortization**
Series 2010 parking revenue refunding bonds	$ 92,663	19	$ 92,663	$ -	$ 32,106
Series 2012 refinancing bond	4,180,229	19	4,180,229	-	1,870,103
Series 2016 refunding bond	1,699,281	20	623,070	1,076,211	84,964
Series 2016A refunding bond	19,225,972	23	6,130,015	13,095,957	835,912
Series 2016B refunding bond	1,657,966	23	528,625	1,129,341	72,085
Series 2017 parking revenue bonds	2,770,216	30	561,656	2,208,560	92,341
Series 2020A refunding bond	1,148,124	6	613,927	534,197	191,354
Series 2020B refunding bond	2,470,814	5	1,585,425	885,389	494,148
	$ 33,245,265		$ 14,315,610	$ 18,929,655	$ 3,673,013

	December 31, 2022				
	Premium	**Life**	**Accumulated Amortization**	**Unamortized Premium**	**Amortization**
Series 2010 parking revenue refunding bonds	$ 92,663	19	$ 60,557	$ 32,106	$ 4,877
Series 2012 refinancing bond	4,180,229	19	2,310,126	1,870,103	220,012
Series 2016 refunding bond	1,699,281	20	538,106	1,161,175	84,964
Series 2016A refunding bond	19,225,972	23	5,294,103	13,931,869	835,912
Series 2016B refunding bond	1,657,966	23	456,540	1,201,426	72,085
Series 2017 parking revenue bonds	2,770,216	30	469,315	2,300,901	92,341
Series 2020A refunding bond	1,148,124	6	422,573	725,551	191,354
Series 2020B refunding bond	2,470,814	5	1,091,277	1,379,537	494,172
	$ 33,245,265		$ 10,642,597	$ 22,602,668	$ 1,995,717

On June 7, 2023, the Authority agreed to a defeasance of the Series 2010 and Series 2012 bonds. As a result, the unamortized premiums related were fully amortized.

13. NOTES PAYABLE

On September 5, 2019, the Authority issued four Qualified Low Income Community Investment ("QLICI") Loan A notes to finance the construction of the New Brunswick Performing Arts Center. The notes are secured by mortgages on the property.

Notes payable consist of the following at December 31:

	2023	2022
QLICI Loan A note payable - issued September 5, 2019, payable to RBC Community Development Sub 18, LLC, interest at 1.00% per annum, due December 1, 2051	$ 2,706,000	$ 2,706,000
QLICI Loan A note payable - issued September 5, 2019 payable to BACDE NMTC Fund 17, LLC, interest at 1.00% per annum, due December 1, 2051	4,543,000	4,543,000
QLICI Loan A note payable - issued September 5, 2019 payable to COCRF SUBCDE 70, LLC, interest at 1.00% per annum, due December 1, 2051	1,947,000	1,947,000
QLICI Loan A note payable - issued September 5, 2019 payable to NJCC CDE Livingston, LLC, interest at 1.00% per annum, due December 1, 2051	6,890,000	6,890,000
	$ 16,086,000	$ 16,086,000

Included in accounts payable and accrued expenses as of December 31, 2023 and 2022 is accrued interest of $45,130.

Aggregate principal maturities and interest on notes payable are as follows as of December 31, 2023:

Year	Payment	Principal	Interest
2024	$ 160,860	$ -	$ 160,860
2025	680,563	519,703	160,860
2026	680,563	524,900	155,663
2027	680,563	530,149	150,414
2028	680,563	535,451	145,112
2029-2033	3,402,815	2,758,649	644,166
2034-2038	3,402,815	2,899,368	503,447
2039-2043	3,402,815	3,047,265	355,550
2044-2048	3,402,815	3,202,706	200,109
2048-2051	2,109,982	2,067,809	42,173
	$ 18,604,354	$ 16,086,000	$ 2,518,354

14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION ("OPEB")

The Authority participates and contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan. 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") annual financial statements, which can be found at 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 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 on 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 a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and 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 credits 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 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's agreement.

Contributions

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 8, 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.

The funding policy for the OPEB plan is pay-as-you-go, where the Authority was billed monthly by the Plan. The Plan does not have any investments The Plan received employer and employee contributions as follows:

	2023	2022
Employer contributions	$ 142,547	$ 121,654
Employee contributions	$ -	$ -
Salary basis for contributions	$ 2,309,000	$ 1,950,062
Percent of base wages	6.17%	6.24%

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

The net OPEB liability was measured as of June 30, 2023 and 2022, and the total OPEB liability to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022 and 2021, which was rolled forward to June 30, 2023 and 2022.

The Authority's proportion of the net OPEB liability is based on the ratio of the plan members of an individual employer to the total members of the Plan during the measurement period July 1, 2022 through June 30, 2023. At December 31, 2023 and 2022, the Authority's proportionate share and net OPEB liability was as follows:

	2023	2022
Net OPEB liability	$ 15,006,539,477	$ 16,149,595,478
Authority net OPEB liability	$ 8,883,271	$ 7,295,418
Authority's proportion	0.0591960%	0.0451740%

OPEB expense, net is comprised of the following for the years ended December 31:

	2023	2022
Proportionate share of allocable plan OPEB expense	$ (286,443)	$ 68,193
Net amortization of deferral amounts from changes in proportion	(437,203)	(822,161)
	$ (723,646)	$ (753,968)

For the years ended December 31, 2023 and 2022, the Authority recognized an OPEB benefit of $1,011,931 and $944,296, respectively. At December 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 1,150,717	$ 2,511,016	$ 973,604	$ 2,489,786
Differences between expected and actual experience	409,651	2,412,406	376,743	1,352,260
Net difference between projected and actual earnings on pension plan investments	-	1,466	1,921	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	3,495,256	3,354,540	1,028,128	4,361,938
	5,055,624	8,279,428	2,380,396	8,203,984
Authority contributions subsequent to the measurement date	74,024	-	68,524	-
	$ 5,129,648	$ 8,279,428	$ 2,448,920	$ 8,203,984

The Authority reported $74,024 and $68,524 as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the years ended December 31, 2023 and 2022, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2023 will be recognized in OPEB expense as follows:

Years Ended June 30:	Authority Share
2024	$ (965,652)
2025	(790,930)
2026	(427,879)
2027	(200,575)
2028	(404,869)
Thereafter	(433,899)
	$ (3,223,804)

Actuarial Assumptions
The total OPEB liability for the June 30, 2023 and 2022 measurement date was determined by an actuarial valuation as of July 1, 2022 and 2021, which was rolled forward to June 30, 2023 and 2022.

This actuarial valuation used the following actuarial assumptions applied to all periods in the measurement:

	2023	2022
Inflation rate	2.50%	2.50%
Salary increases through 2026*	2.75% - 6.55%	2.75% - 6.55%
Thereafter	2.75% - 6.55%	2.75% - 6.55%

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

For June 30, 2023 and 2022, the following assumptions were used:

Pre-retirement healthy 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. Post-retirement health 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 MP-2021 scale. Disabled retiree mortality was based on the PUB-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale.

Certain actuarial assumptions used in the June 30, 2022 and 2021 valuations were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan - the Public Employee's Retirement System ("PERS"). The PERS experience study was prepared for the period 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 used to measure the total OPEB liability at 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 the Net OPEB Liability to Changes in the Discount Rate
The following presents the Authority's proportionate share of the Net OPEB liability measured as of June 30, 2023 and 2022, calculated using the discount rate as disclosed above as well as what the 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% Decrease (2.65%)	At Current Discount Rate (3.65%)	At 1% Increase (4.65%)
Net OPEB liability	$ 17,382,355,978	$ 15,006,539,477	$ 13,095,561,553
Authority's proportionate share of the net OPEB liability	$ 10,289,659	$ 8,883,271	$ 7,752,049

	2022		
	At 1% Decrease (2.54%)	At Current Discount Rate (3.54%)	At 1% Increase (4.54%)
Net OPEB liability	$ 18,720,632,230	$ 16,149,595,478	$ 14,080,955,857
Authority's proportionate share of the net OPEB liability	$ 8,456,858	$ 7,295,418	$ 6,360,931

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

The following presents the Authority's proportionate share of the Net OPEB liability measured as of June 30, 2023 and 2022, calculated using the healthcare cost trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	2023		
	At 1% Decrease	At Current Healthcare Cost Trend Rate	At 1% Increase
Net OPEB liability	$ 12,753,792,805	$ 15,006,539,477	$ 17,890,743,651
Authority's proportionate share of the net OPEB liability	$ 7,549,735	$ 8,883,271	$ 10,590,604

	2022		
	At 1% Decrease	At Current Healthcare Cost Trend Rate	At 1% Increase
Net OPEB liability	$ 13,700,188,049	$ 16,149,595,478	$ 19,286,596,671
Authority's proportionate share of the net OPEB liability	$ 6,188,923	$ 7,295,418	$ 8,712,527

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report which can be found at the following link: www.state.nj.us/treasury/pensions/financial-reports.shtml.

15. PENSION PLAN

Employees of the Authority that are eligible participate in the State of New Jersey, Public Employees' Retirement System ("PERS"). PERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits ("Division"). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report ("ACFR") which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits.

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 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 and 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.

Employer and Employee Contributions
The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

The local employer's 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 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.

During the years ended December 31, 2023 and 2022, the PERS received employer and employee contributions as follows:

	2023	2022
Employer contributions	$ 325,075	$ 314,937
Employee contributions	$ 173,175	$ 146,255
Basis for contributions	$ 2,309,000	$ 1,950,062
Percent of base wages	7.50%	7.50%

Summary of Significant Accounting Policies
GASB Statement No. 68, *Accounting and Financial Reporting for* Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. 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.

Although the Division administers one cost-sharing multiple-employer plan, separate (sub) 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.

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, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. The Authority had no allocated share of this special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
The net pension liability was measured as of June 30, 2023 and 2022, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 and 2021. In accordance with GASB 68, the measurement date shall not be earlier than 1 year from the statement of net position (deficit) date, therefore, the Authority has elected to utilize June 30, 2023 and 2022 as the measurement date.

The Authority's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the local group in the PERS during the years ended June 30, 2023 and 2022. At December 31, 2023 and 2022, the Authority's proportionate share and net pension liability was as follows:

	2023	2022
Net pension liability (Local Group)	$ 14,606,489,066	$ 15,219,184,920
Authority net pension liability	$ 3,373,996	$ 3,606,511
Authority's proportion	0.0230993%	0.0236971%

Pension expense, net is comprised of the following for the years ended December 31:

	2023	2022
Proportionate share of allocable plan pension expense	$ (34,008)	$ (261,186)
Net amortization of deferral amounts from changes in proportion	(584,157)	(646,822)
	$ (618,165)	$ (908,008)

At December 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS as follows:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 7,412	$ 204,478	$ 11,174	$ 540,037
Differences between expected and actual experience	32,260	13,792	26,030	22,955
Net difference between projected and actual earnings on pension plan investments	15,538	-	149,270	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	-	1,152,724	-	1,636,247
	$ 55,210	$ 1,370,994	$ 186,474	$ 2,199,239

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

Years Ended June 30:	Authority Share	PERS (Local Group)
2024	$ (1,081,103)	$ (1,294,523,233)
2025	(550,786)	(659,516,114)
2026	(268,608)	(321,633,159)
2027	586,000	701,681,878
2028	(1,287)	(1,541,299)
Thereafter	-	-
	$ (1,315,784)	$ (1,575,531,927)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 and 2022 measurement dates was determined by an actuarial valuation as of July 1, 2023 and 2022, respectively, which was rolled forward to June 30, 2023 and 2022, respectively.

This actuarial valuation used the following actuarial assumptions:

	2023	2022
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases through 2026	2.75 - 6.55% based on years of service	2.75 - 6.55% based on years of service
Thereafter	2.75 - 6.55% based on years of service	2.75 - 6.55% based on years of service
Investment rate of return	7.00%	7.00%

For June 30, 2023 and 2022, the following assumptions were used:

Preretirement 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.

Postretirement 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 and Scale MP-2020, respectively.

The actuarial assumptions used in the July 1, 2022 and 2021 valuations were based on the results of an actuarial experience study for the period from July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 and 2022) 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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
US 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%

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 will be based on 100% of the actuarially determined contributions for the State employer for the years ended June 30, 2023 and 2022, respectively, and 100% of actuarially determined contributions for the local employers for the years ended June 30, 2023 and 2022.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability measured as of December 31, 2023 and 2022, calculated using the discount rate as disclosed above as well as what the Authority's proportionate share of the net pension liability (local group) would be if it were 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%)**
State	$ 25,679,770,919	$ 22,458,047,553	$ 19,722,979,997
Local	19,014,540,974	14,606,489,066	10,854,654,100
Total	$ 44,694,311,893	$ 37,064,536,619	$ 30,577,634,097
Authority's proportionate share of the net pension liability	$ 4,392,225	$ 3,373,996	$ 2,507,349

	2022		
	At 1% Decrease (6.00%)	**At Current Discount Rate (7.00%)**	**At 1% Increase (8.00%)**
State	$ 25,545,130,654	$ 22,386,831,046	$ 19,706,077,936
Local	19,552,194,509	15,219,184,920	11,531,619,329
PERS as a whole	$ 45,097,325,163	$ 37,606,015,966	$ 31,237,697,265
Authority's proportionate share of the net pension liability	$ 4,633,310	$ 3,606,511	$ 2,732,664

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report which can be found at the following link: www.state.nj.us/treasury/pensions/financial-reports.shtml.

16. DEFINED CONTRIBUTION RETIREMENT PROGRAM

The Defined Contribution Retirement Program ("DCRP") was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.P. 2007, and Chapter 103 P.L. 2007. DCRP provides eligible members, with a minimum base salary of $1,500 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage.

DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial. If the eligible or appointed official will earn less than $5,000 annually, the official may choose to waive participation in DCRP for that office or position. The waiver is irrevocable.

The retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a deferred compensation program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investments options provided by the employer.

The law requires that three classes of employees enroll in DCRP, detailed as follows:

1) All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System.
2) A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during the Governor's term of office.
3) Other employees commencing service after July 1, 2007 pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative office such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor, and the Municipal Court Judge.

During 2023 and 2022, there were no officials or employees enrolled in DCRP.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

17. PAYMENT IN LIEU OF TAXES ("PILOT")

The Authority has an arrangement with the City of New Brunswick whereby the Authority makes a payment in lieu of real estate taxes, negotiated annually, with payments due in semiannual installments within the calendar year. For each of the years ended December 31, 2023 and 2022, the Authority's payment in lieu of taxes was $4,975,000. As of December 31, 2023 and 2022, the Authority had an outstanding liability of $1,990,000 and $2,985,000, respectively, for the unpaid portion of the PILOT. The Authority and the City agreed to a five-year payment schedule for the PILOT requiring 48 monthly payments of principal and interest of $87,483 through December 2025.

Aggregate principal maturities and interest on the accrued PILOT are as follows as of December 31, 2023:

Year	Principal	Interest	Amount
2024	$ 995,000	$ 54,800	$ 1,049,800
2025	995,000	54,800	1,049,800
	$ 1,990,000	$ 109,600	$ 2,099,600

18. COMPENSATED ABSENCES

The Authority maintains up-to-date records of each employee's status relating to earned and unused sick pay. As of the years ended December 31, 2023 and 2022, the Authority has accrued $45,030 and $41,728, respectively, for accumulated sick pay earned and unused, which is included in accounts payable and accrued expenses. Effective January 1, 2013, non-union employees will no longer have the option to receive pay in lieu of unused sick leave at the end of the year. Upon retirement in good standing, employees shall receive payment for 50% of their accumulated unused sick time, up to a maximum of $15,000.

19. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2023, the Authority's expenditures exceeded the adopted budget. Total operating expenses were over budget by approximately $18,000,000, due primarily to additional principal payments on bonds of $17,475,000 paid with proceeds from the sale of property. The remaining $525,000 was due to an increase in administration expenses of approximately $432,000, which was not included in the budget. This includes increased insurance premiums totaling approximately $256,000 and interest on a note totaling approximately $105,000. An increase in the cost of services amounting to about $592,000 was also not included in the budget, primarily driven by $414,000 in bad debt and $165,000 in major repairs that were not budgeted.

For the year ended December 31, 2022, the Authority's expenditures exceeded the adopted budget. Total operating expenses were over budget by approximately $781,000, due increased insurance premiums totaling approximately $256,000 related to a contribution deficit and an increase of approximately $471,000 in bad debt expense related to a lease arrangement currently in dispute.

20. NET DEFICIT

At December 31, 2023 and 2022, the Authority had an unrestricted net deficit of $4,348,057 and $5,672,694, respectively. The reason for the deficit is the recognition of the Authority's proportionate share of the net pension and OPEB liabilities and related deferred inflows and outflows of resources for financial reporting purposes. The recognition of the Authority's proportionate share of the net pension and OPEB liabilities (net of deferred inflows and outflows of resources) resulted in a reduction of the Authority's net position of $16,722,831 and $18,669,758 as of December 31, 2023 and 2022, respectively. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled pension and OPEB payments.

21. RISK MANAGEMENT

The Authority has contracted with the Middlesex County Joint Insurance Fund related to risks for losses related to auto, general liability, workmen's compensation, property damage and public official's liability. The coverage is subject to certain policy limits and deductible amounts. The coverage is designed to minimize the impact of any potential losses to the Authority for matters which may have been caused or related to the Authority or its employees.

22. COMMITMENTS AND CONTINGENCIES

Litigation

General

The Authority is subject to legal proceedings and claims which arise in the ordinary course of business. Management does not believe that the outcome of any of these matters will have a material adverse effect on the financial position, operating results, or cash flows.

Concentrations of Labor Subject to Collective Bargaining Agreement

At December 31, 2023, the Authority had a total of approximately 58 employees of which, approximately 48 are hourly workers and 10 are salaried. Approximately 23% (11 employees) of the Authority's hourly employees are represented by a union, for which a collective bargaining agreement was agreed upon and in effect from January 1, 2020 through December 31, 2025. None of its salaried employees are represented by a union.

Purchasing Cooperative

The Authority entered into a purchasing cooperative in 2015 with several unrelated entities to obtain discounted pricing and better rates for purchases. The Authority is the lead agency.

23. RELATED PARTY TRANSACTIONS

The City Council of the City appoints the Board of Commissioners of the Authority. The City guarantees the bonds payable of the Authority (Note 12). Additionally, the Authority pays an annual payment in lieu of taxes to the City, which amounted to $4,975,000 for the years ended December 31, 2023 and 2022 (see Note 16).

24. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Authority has a number of financial instruments, including accounts receivable, grants receivable, accounts payable, accrued liabilities and subordinated project notes payable. The Authority estimates that the fair value of these financial instruments for the years ended December 31, 2023 and 2022 do not differ materially from the aggregate carrying values of its financial instruments recorded in the statements of net position (deficit) due to the relatively short maturity of these instruments, with the exception of the bonds payable (see Note 17).

25. SUBSEQUENT EVENTS

The Authority has evaluated events occurring after the statement of net position (deficit) date through the date of October 18, 2024, the date the financial statements were available to be released. Based upon this evaluation, the Authority has determined no events occurred requiring disclosure in or adjustment to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Parking Authority of the City of New Brunswick
Schedule of the Authority's Proportionate Share of the Net Pension Liability – PERS and Notes to Required Supplementary Information
Year Ended December 31, 2023

The Authority's proportion (amount and percentage) of the collective net pension liability and the Authority's proportionate share of the collective net pension liability as a percentage of covered payroll as of the measurement date (June 30) for the previous ten years* is as follows:

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportionate share of the net pension liability (asset) (PERS Local Group)	0.023099%	0.023697%	0.029192%	0.033316%	0.034013%	0.037095%	0.038161%	0.041637%	0.046092%	0.047714%
Authority's proportionate share of the net pension liability (PERS Local Group)	$ 3,373,996	$ 3,606,511	$ 3,495,048	$ 5,475,717	$ 6,171,319	$ 7,302,723	$ 8,883,223	$ 12,331,813	$ 10,346,689	$ 8,933,290
Authority's covered payroll	$ 2,309,000	$ 1,950,062	$ 1,922,640	$ 2,020,316	$ 2,474,833	$ 2,305,302	$ 2,501,009	$ 2,694,425	$ 2,836,389	$ 3,052,329
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	146.12%	184.94%	181.78%	271.03%	249.36%	316.78%	355.19%	457.68%	364.78%	292.67%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Notes to Schedule

Benefit changes
None

Changes of assumptions

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
The discount rate changed as follows as of June 30:	7.00%	7.00%	7.00%	7.00%	6.28%	5.66%	5.00%	3.98%	4.90%	5.39%

See Independent Auditor's Report.

Parking Authority of the City of New Brunswick
Schedule of the Authority's Contributions - PERS
Year Ended December 31, 2023

The Authority's contractually and statutorily required employer contributions as of December 31, for each of the past ten years* are as follows:

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions										
Regular pension and non-contributory group insurance contributions	$ 311,332	$ 301,363	$ 345,512	$ 367,329	$ 335,284	$ 368,785	$ 363,650	$ 375,406	$ 396,266	$ 393,344
Chapter 19 P.L. 2009 Contribution	13,743	13,574	14,108	13,832	13,796	13,685	13,609	13,438	13,292	13,210
Contributions in relation to the contractually required contribution	(325,075)	(314,937)	(359,620)	(381,161)	(349,080)	(382,470)	(377,259)	(388,844)	(409,558)	(406,554)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 2,309,000	$ 1,950,062	$ 1,922,640	$ 2,020,316	$ 2,474,833	$ 2,305,302	$ 2,501,009	$ 2,694,425	$ 2,836,389	$ 3,052,329
Contributions as a percentage of covered payroll	14.08%	16.15%	18.70%	18.87%	14.11%	16.59%	15.08%	14.43%	14.44%	13.32%

See Independent Auditor's Report.

Parking Authority of the City of New Brunswick
Schedule of the Authority's Proportionate Share of the Net OPEB Liability - SHBP
and Notes to Required Supplementary Information
Year Ended December 31, 2023*

	2023	2022	2021	2020	2019	2018
Authority's proportion (percentage) of the collective net OPEB liability	0.059196%	0.045174%	0.042634%	0.062380%	0.058123%	0.059867%
Authority's proportionate share (amount) of the collective net OPEB liability	$ 8,883,271	$ 7,295,418	$ 7,674,027	$ 11,195,097	$ 7,873,383	$ 9,379,137
Authority's covered payroll	$ 2,309,000	$ 1,950,062	$ 1,922,640	$ 2,020,316	$ 2,474,833	$ 2,305,302
Authority's proportionate share (amount) of the collective net OPEB liability as a percentage of its covered payroll	384.72%	374.11%	399.14%	554.13%	318.14%	406.85%
Plan fiduciary net position as a percentage of the total collective OPEB liability	-0.79%	-0.36%	0.28%	0.91%	1.98%	1.97%

*The amounts presented for each year were determined as of the fiscal year ended June 30 that occurred within the calendar year.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Notes to Schedule

Benefit Changes
None

Changes of Assumptions

	2023	2022	2021	2020	2019	2018
The discount rate changed as follows:	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%

See Independent Auditor's Report.

Parking Authority of the City of New Brunswick
Schedule of the Authority's Contributions - SHBP
Year Ended December 31, 2023

	2023	2022	2021	2020	2019	2018
Authority's required contribution	$ 142,547	$ 121,654	$ 101,343	$ 77,800	$ 45,688	$ 24,393
Contributions in relation to the contractually required contribution	(142,547)	(121,654)	(101,343)	(77,800)	(45,688)	(24,393)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 2,309,000	$ 1,950,062	$ 1,922,640	$ 2,020,316	$ 2,474,833	$ 2,305,302
Contributions as a percentage of covered payroll	6.17%	6.24%	5.27%	3.85%	1.85%	1.06%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

See Independent Auditor's Report.

1. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2023 CONTRIBUTION RATE

PERS

Valuation Date	July 1, 2022
Actuarial Cost Method	Projected Unit Credit Cost Method
Remaining Amortization Period	30-year closed period
Asset Valuation Method	The actuarial value of assets is adjusted to reflect actual contributions, benefit payments and administrative expenses, and an assumed rate of return on the previous year's assets and current year's cash flow at the prior year's actuarial valuation interest rate, with a further adjustment to reflect 20% of the difference between the resulting value and the actual market value of Plan assets.
Wage Growth	3.25%
Price Inflation	2.75%
Salary Increases	2.75% to 6.55%, varying by years of service and time period
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	Pre-Retirement Mortality: The Pub-2010 General Below-Median Income Employee mortality table [PubG-2010(B) Employee] as published by the Society of Actuaries 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. For purposes of calculating projected cash flows used to determine the GASB discount rate, mortality improvement is based on SOA's Scale MP-2018. Upon direction from the DPB, for purposes of calculating the Total Pension Liability, mortality improvement is based on SOA's Scale MP-2021. All pre-retirement deaths are assumed to be ordinary deaths. Healthy Retirees and Beneficiaries (Healthy Annuitants): The Pub-2010 General Below-Median Income Healthy Retiree mortality table [PubG-2010(B) Healthy Retiree] as published by the Society of Actuaries 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. For purposes of calculating projected cash flows used to determine the GASB discount rate, mortality improvement is based on SOA's Scale MP-2018. Upon direction from the DPB, for purposes of calculating the Total Pension Liability, mortality improvement is based on SOA's Scale MP-2021. Disabled Retirees (Disabled Annuitants): The Pub-2010 Non-Safety Disabled Retiree mortality table [PubNS-2010 Disabled Retiree] as published by the Society of Actuaries 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. For purposes of calculating projected cash flows used to determine the GASB discount rate, mortality improvement is based on SOA's Scale MP-2018. Upon direction from the DPB, for purposes of calculating the Total Pension Liability, mortality improvement is based on SOA's Scale MP-2021.

SHBP

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal Cost Method
Remaining Amortization Period	7.89
Asset Valuation Method	Market Value of Assets
Salary Increases	Varies by years of service from 2% to 7%
Investment Rate of Return	3.65%
Retirement Age	Varies by years of service from ages 40 to 75.
Mortality	PUB-2010 “General” and “Safety” classification headcount-weighted mortality table with fully generation mortality improvement projections from the central year using Scale MP-2021

2. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2022 CONTRIBUTION RATE

PERS

Valuation Date	July 1, 2021
Actuarial Cost Method	Projected Unit Credit Cost Method
Remaining Amortization Period	30-year closed period
Asset Valuation Method	The actuarial value of assets is adjusted to reflect actual contributions, benefit payments and administrative expenses, and an assumed rate of return on the previous year's assets and current year's cash flow at the prior year's actuarial valuation interest rate, with a further adjustment to reflect 20% of the difference between the resulting value and the actual market value of Plan assets.
Wage Growth	3.25%
Price Inflation	2.75%
Salary Increases	2.75% to 6.55%, varying by years of service and time period
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	Pre-Retirement Mortality: The Pub-2010 General Below-Median Income Employee mortality table [PubG-2010(B) Employee] as published by the Society of Actuaries 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. For purposes of calculating projected cash flows used to determine the GASB discount rate, mortality improvement is based on SOA's Scale MP-2018. Upon direction from the DPB, for purposes of calculating the Total Pension Liability, mortality improvement is based on SOA's Scale MP-2021. All pre-retirement deaths are assumed to be ordinary deaths.

See Independent Auditor's Report.

Mortality (Continued)	Healthy Retirees and Beneficiaries (Healthy Annuitants): The Pub-2010 General Below-Median Income Healthy Retiree mortality table [PubG-2010(B) Healthy Retiree] as published by the Society of Actuaries 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. For purposes of calculating projected cash flows used to determine the GASB discount rate, mortality improvement is based on SOA's Scale MP-2018. Upon direction from the DPB, for purposes of calculating the Total Pension Liability, mortality improvement is based on SOA's Scale MP-2021. Disabled Retirees (Disabled Annuitants): The Pub-2010 Non-Safety Disabled Retiree mortality table [PubNS-2010 Disabled Retiree] as published by the Society of Actuaries 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. For purposes of calculating projected cash flows used to determine the GASB discount rate, mortality improvement is based on SOA's Scale MP-2018. Upon direction from the DPB, for purposes of calculating the Total Pension Liability, mortality improvement is based on SOA's Scale MP-2021.

SHBP

Valuation Date	July 1, 2021
Actuarial Cost Method	Entry Age Normal Cost Method
Remaining Amortization Period	6.82
Asset Valuation Method	Market Value of Assets
Salary Increases	Varies by years of service from 2% to 7%
Investment Rate of Return	3.54%
Retirement Age	Varies by years of service from ages 40 to 75.
Mortality	PUB-2010 “General” and “Safety” classification headcount-weighted mortality table with fully generation mortality improvement projections from the central year using Scale MP-2021

OTHER SUPPLEMENTARY INFORMATION

Parking Authority of the City of New Brunswick
Schedule of Operating Revenue and Costs Funded by Operating Revenue Compared to Budget
Year Ended December 31, 2023

	Budget	Actual	Variance
Revenue			
Operating revenues			
Parking fees	$ 24,328,394	$ 26,913,349	$ 2,584,955
Other operating revenues	3,354,861	2,552,179	(802,682)
Total operating revenues	27,683,255	29,465,528	1,782,273
Non-operating revenues			
Interest on investments and deposits	60,000	667,660	607,660
Interest earned on leases	-	208,668	208,668
Gain on sale of property	13,861,683	14,996,215	1,134,532
Total non-operating revenues	13,921,683	15,872,543	1,950,860
Total revenues	41,604,938	45,338,071	3,733,133
Appropriations			
Administration			
Salaries and wages	769,796	612,095	157,701
Employee benefits	394,205	389,168	5,037
Other expenses	882,963	1,314,752	(431,789)
Cost of providing service			
Salaries and wages	1,963,888	1,940,568	23,320
Employee benefits	1,103,542	1,165,603	(62,061)
Other expenses	3,521,748	4,113,887	(592,139)
Debt service			
Interest payments on debt	9,704,894	9,348,939	355,955
Principal payments on bonds	7,805,000	7,805,000	-
Additional principal paid with proceeds from sale of property	-	17,475,000	(17,475,000)
Other reserves			
PILOT	4,975,000	4,975,000	-
Total expenses	31,121,036	49,140,012	(18,018,976)
Surplus (deficit)	$ 10,483,902	$ (3,801,941)	$ (14,285,843)

Reconciliation to Statement of Revenues and Expenses and Changes in Net Position

Pension expense, net - GASB 68 adjustment	$ 929,496
OPEB expense, net - GASB 75 adjustment	1,011,931
Amortization of original issue premium	3,673,016
Depreciation expense	(6,274,920)
Amortization of bond insurance	(45,081)
Principal paid on bonds	25,280,000
Interest revenue on promissory note receivable	160,860
Interest expense on promissory note payable	(407,101)
Bond issuance costs	(37,063)
Total reconciling items	24,291,138
Changes in net position	$ 20,489,197

See Independent Auditor’s Report.
See Accompanying Notes to Schedule of Expenditures of State Financial Assistance.

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*

INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and Authority Commissioners of
Parking Authority of the City of New Brunswick:

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, the financial statements of Parking Authority of the City of New Brunswick (the "Authority") as of and for the year ended December 31, 2023 and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 18, 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 purpose 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 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.

Withum Smith+Brown, PC

October 18, 2024

Schedule of Financial Statement Findings and Recommendations

This section identifies the material weaknesses, significant deficiencies, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Bureau of Authority Regulations, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Findings

None to report.

Schedule of Prior Year Financial Statement Findings and Recommendations

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Bureau of Authority Regulations, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Findings

None to report.

Parking Authority of the City of New Brunswick
Roster of Officials
Year Ended December 31, 2023

The following Officials were in office during the period under audit:

Name	Office	Bond Amount	Term Expiration
Board of Commissioners			
Kevin McTernan	Chairperson	None	December 31, 2024
Gus Sleimen	1st Vice Chairperson	None	December 31, 2024
John Zimmerman	Commissioner	None	December 31, 2024
Maria Soto	Treasurer	$100,000	December 31, 2024
Andrea Eato-White	Secretary	None	December 31, 2024
Other Officials			
Rainone Coughlin Minchello LLC	Counsel		
Mitchell Karon	Interim Executive Director		December 31, 2024
Bright Rajaratnam	Chief Financial Officer		

A Blanket Bond issued through the Middlesex County Municipal Joint Insurance Fund for $1,000,000 per occurrence covers all Authority employees. In addition, a separate surety bond issued by Selective Insurance Company of America for $100,000 covers the Authority Treasurer.