Parking Authority of the City of New Brunswick
Financial Statements
December 31, 2025 and 2024
With Independent Auditor's Reports

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ADVISORY TAX AUDIT

Parking Authority of the City of New Brunswick
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Independent Auditor's Report

To the Honorable Chairman and Commissioners of the
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 as of December 31, 2025 and 2024, and the related statements of revenues, expenses and changes in net position 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2025 and 2024, and the changes in financial position 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

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

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

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

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 a 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 November 10, 2026 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 the Authority,'s 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.



November 10, 2026

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, 2025 and 2024. 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 spaces 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. Following the opening of Phase I of the HELIX project in 2026, the development has begun generating ongoing parking demand from employees, visitors, and other users of the facility. Phase 2 began construction in 2025 and is currently ongoing. In addition, construction activity related to Phase 2, which began in 2025 and is still ongoing, has created additional demand from construction companies and workers utilizing Authority parking facilities. As development of the overall HELIX project progresses, including the planned construction of a third building, the Authority anticipates continued growth in parking utilization over the next several years. Upon full buildout, the HELIX project is expected to bring more than 1,000 employees to the area, further increasing demand within the Authority's parking system. In 2025, the Authority completed the sale of land for Phase 2 of the project, generating approximately $16,000,000 in proceeds. The Phase 2 building is expected to be occupied by Nokia Bell Labs and require approximately 500 parking spaces within the Authority's system. The future Phase 3 development is expected to generate an additional approximately $9,000,000 in land sale proceeds and further expand parking demand in the City.

The recent opening in March 2025 of the RWJBH ambulatory building will increase parking demand by approximately 500 parkers per day once fully operational. Off street parking in 2025 was 1% higher than in 2024. In 2025 on-street parking revenue increased 23% compared to 2024. 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 $872,000. This increase was driven by the sale of additional land offset by usage of those proceeds along with positive financial operations for the year.
- Operating revenue from charges for services increased by approximately $1,649,000.
- Operating expenses increased by approximately $2,059,000. 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 2025, the Authority recognized an approximately $16,703,000 gain on sale of capital assets. The proceeds were used to increase reserves, pay down obligations, and reinvestment in capital assets.
- During 2025, the Authority experienced a positive change in net position (deficit) of approximately $18,344,000. This increase was due mainly to non-operating income increases from the gain on the sale of capital assets.
- The Authority is current on all debt obligations and paid its debt service requirements in 2025.

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 Governmental 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 was $32,074,128 and $13,729,936 at December 31, 2025, 2024, and 2023 respectively. The following table illustrates the significant components of net position (deficit).

	2025	2024	2023
Assets			
Current assets	$ 23,328,098	$ 17,294,977	$ 18,265,551
Restricted assets	21,214,686	17,713,864	17,713,044
Noncurrent assets	21,243,886	25,709,081	27,986,253
Capital assets	206,351,549	208,867,338	214,384,200
Total assets	272,138,219	269,585,260	278,349,048
Deferred outflows of resources	11,018,116	8,616,125	5,654,326
Liabilities			
Current liabilities	13,489,165	18,845,398	19,773,817
Noncurrent liabilities	223,709,608	230,128,914	235,887,922
Total liabilities	237,198,773	248,974,312	255,661,739
Deferred inflows of resources	13,883,434	15,497,137	18,955,148
Net position			
Net investment in capital assets	7,369,701	(196,085)	(3,978,500)
Restricted	21,214,686	17,713,864	17,713,044
Unrestricted net deficit	3,489,741	(3,787,843)	(4,348,057)
Total net position	$ 32,074,128	$ 13,729,936	$ 9,386,487

As of December 31, 2025 and 2024, the unrestricted net position (deficit) of $3,489,741 and $(3,787,843), respectively, includes the net pension and OPEB liability (net of deferred inflows and outflows of resources) of $15,101,290 and $15,455,120, 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, 2025, 2024 and 2023:

	2025	2024	2023
Revenues			
Operating revenue			
Charges for services	$ 32,746,408	$ 31,097,454	$ 29,465,528
Non-operating revenue			
Interest earned on leases	161,842	204,438	208,668
Interest earned on investments	774,556	642,548	667,660
Interest earned on promissory notes receivable	160,860	160,860	160,860
Gain on sale of capital assets	16,703,483	13,731	14,996,215
Total non-operating revenue	17,800,741	1,021,577	16,033,403
Total revenues	$ 50,547,149	$ 32,119,031	$ 45,498,931
Expenses			
Operating expenses			
Cost of providing services	$ 8,525,639	$ 6,696,801	$ 5,667,991
Administrative and general	2,690,595	2,460,544	1,926,656
Depreciation	6,415,454	6,324,425	6,274,920
Payment in lieu of taxes ("PILOT")	4,975,440	4,975,440	4,975,000
Total operating expenses	22,607,128	20,457,210	18,844,567
Non-operating expenses			
Interest expense, net	6,950,749	7,273,292	6,120,087
Amortization of bond insurance	45,080	45,080	45,080
City contribution	2,600,000	-	-
Total non-operating expenses	9,595,829	7,318,372	6,165,167
Total expenses	$ 32,202,957	$ 27,775,582	$ 25,009,734

The Authority realized an increase in revenues from operations (charges for services) of approximately $1,649,000 (5%) as compared to 2024. The Authority realized an increase in expenses from operations of approximately $2,149,000 (10%) as compared to 2024. 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 and increase in overall net position due to sale of capital assets.

Budget to Actual Analysis
The schedule of operating revenue and costs funded by operating revenue compared to budget is included on page 52. During 2025, the Authority adopted a budget amendment to recognize the gain on sale of land and the related increase in the City contribution. Operating revenues totaled approximately $32,746,000, exceeding the amended budget by approximately $1,364,000, or 4.3%, primarily due to higher-than-budgeted meter revenue, fines and penalties, and parking revenue.

Total operating expenses were approximately $22,551,000 slightly over budget by approximately $199,000. The variance was primarily attributable to higher salary and operating costs within the cost of providing services category, partially offset by lower employee benefit and administrative expenses, including the impact of the pension benefit calculated in accordance with GASB 68.

Total appropriations, including non-operating items, were approximately $2,388,000 below budget, primarily due to lower debt service interest costs and the Authority's decision not to make the budgeted renewal and replacement reserve contribution. As a result, the Authority reported a budgetary surplus of approximately $18,500,000 compared to a budgeted surplus of approximately $13,500,000, reflecting stronger-than-anticipated operating revenues and reduced non-operating expenditures.

Capital Asset and Debt Administration
The Authority's capital assets consisted of the following at December 31, 2025, 2024 and 2023:

	2025	2024	2023
Capital assets			
Capital assets, at cost			
Land	$ 38,875,126	$ 38,875,126	$ 38,875,126
Equipment	6,398,560	5,703,926	5,330,432
Parking facilities and renovations	252,899,230	252,486,443	252,078,139
Other	125,577	125,577	125,577
Construction in progress	471,796	471,647	470,590
Right-of-use assets	2,730,608	2,769,667	2,808,340
Total capital assets, at cost	301,500,897	300,432,386	299,688,204
Accumulated depreciation	(95,149,348)	(88,795,381)	(82,495,664)
Total capital assets, net	$ 206,351,549	$ 211,637,005	$ 217,192,540

Overall, net capital assets decreased by approximately $5,285,000 (3%) from 2024 to 2025. The decrease is a result of current year additions of approximately $1,169,000 offset by depreciation expense of approximately $6,415,000.

Debt Outstanding
The Authority had the following debt outstanding at December 31, 2025, 2024, and 2023:

	2025	2024	2023
Revenue bonds payable	$ 196,750,982	$ 204,778,844	$ 213,144,655
Subordinated project notes payable	-	4,710,000	5,610,000
Notes payable	15,559,109	16,086,000	16,086,000
Total debt	$ 212,310,091	$ 225,574,844	$ 234,840,655

Overall, debt outstanding decreased by approximately $13,265,000 as a result of current year principal payments on revenue bonds payable of approximately $6,595,000, changes in bond premium of approximately $1,667,000, and current year principal payments on subordinated project notes payable of $4,710,000. The Authority utilized funding from the sale of capital assets to pay down the subordinated project notes payable.

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.

Financial Statements

Parking Authority of the City of New Brunswick
Statements of Net Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	$ 7,683,600	$ 6,811,973
Investments	10,830,703	5,246,848
Accounts receivable, net	2,034,989	2,361,504
Leases receivable, current portion	1,660,297	1,783,034
Loans and notes receivable, net - current	780,449	772,693
Inventories, net	47,523	50,761
Prepaid expenses and other current assets	290,537	268,164
Total current assets	23,328,098	17,294,977
Restricted assets - Investments	21,214,686	17,713,864
Noncurrent assets		
Capital assets, net	206,351,549	211,637,005
Loans and notes receivable, noncurrent	15,305,551	15,313,307
Prepaid bond insurance	531,875	576,954
Leases receivable, net of current portion	5,406,460	7,049,153
Total noncurrent assets	227,595,435	234,576,419
Total assets	272,138,219	269,585,260
Deferred outflows of resources		
Deferred outflows of resources - advance refunding	395,341	432,404
Deferred outflows of resources - OPEB (Health)	9,812,257	7,791,774
Deferred outflows of resources - Pension	810,518	391,947
Total deferred outflows of resources	11,018,116	8,616,125

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

Parking Authority of the City of New Brunswick
Statements of Net Position
December 31, 2025 and 2024

	2025	2024
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	$ 2,592,336	$ 2,432,444
Accrued PILOT payable	-	995,000
Security deposits	794,157	703,422
Unearned revenue - parking	89,444	346,227
Accrued interest on bonds	2,671,337	2,776,650
Notes and loans payable, current	526,891	521,655
Bonds payable, current portion	6,815,000	6,360,000
Subordinated project notes payable, current portion	-	4,710,000
Total current liabilities	13,489,165	18,845,398
Noncurrent liabilities		
Notes payable, net of current portion	15,559,109	15,564,345
Bonds payable, noncurrent	189,935,982	198,418,844
Net pension liability	3,687,705	3,520,953
Net OPEB liability	14,526,812	12,624,772
Total noncurrent liabilities	223,709,608	230,128,914
Total liabilities	237,198,773	248,974,312
Deferred inflows of resources		
Deferred inflows of resources - OPEB related (Health)	6,871,895	6,587,560
Deferred inflows of resources - Leases	6,373,886	8,004,021
Deferred inflows of resources - Pension	637,653	905,556
Total deferred inflows of resources	13,883,434	15,497,137
Net position		
Net investment in capital assets	7,369,701	(196,085)
Restricted net position		
Restricted for debt service	17,677,404	17,677,404
Restricted for renewal and replacement	3,537,282	36,460
Unrestricted net position (deficit)	3,489,741	(3,787,843)
Total net position	$ 32,074,128	$ 13,729,936

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
Years Ended December 31, 2025 and 2024

	2025	2024
Operating revenues		
Parking revenue	$ 24,883,298	$ 24,385,624
Meter operations	3,982,862	3,219,040
Summons surcharge	830,988	405,322
Event parking	108,993	119,788
Management revenue	619,322	584,451
Lease revenue	2,262,270	2,349,967
Other revenue	58,675	33,262
Total operating revenues	32,746,408	31,097,454
Operating expenses		
Cost of providing services	8,525,639	6,696,801
Administrative and general	2,690,595	2,460,544
Depreciation	6,415,454	6,324,425
Payment in lieu of taxes (PILOT)	4,975,440	4,975,440
Total operating expenses	22,607,128	20,457,210
Operating income	10,139,280	10,640,244
Other nonoperating revenues (expenses)		
Interest earned on leases	161,842	204,438
Interest earned on investments	774,556	642,548
Interest earned on promissory notes receivable	160,860	160,860
Gain on disposal of capital assets	16,703,483	13,731
Interest expense, net	(6,950,749)	(7,273,292)
Amortization of bond insurance	(45,080)	(45,080)
City contribution on sale of capital assets	(2,600,000)	-
Total nonoperating revenues (expenses)	8,204,912	(6,296,795)
Changes in net position	18,344,192	4,343,449
Net position		
Beginning of year	13,729,936	9,386,487
End of year	$ 32,074,128	$ 13,729,936

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, 2025 and 2024

	2025	2024
Operating activities		
Cash received from services	$ 33,019,797	$ 31,346,439
Cash paid to suppliers	(7,993,797)	(7,660,204)
Cash paid to employees	(3,374,078)	(2,873,512)
Cash paid for fee in lieu of taxes	(5,970,440)	(5,970,440)
Net cash provided by operating activities	15,681,482	14,842,283
Capital and related financing activities		
Purchases of capital assets	(1,169,057)	(807,563)
Proceeds from sale of capital assets	16,703,483	13,731
Cash paid for City contribution	(2,600,000)	-
Principal paid on bonds payable	(6,360,004)	(6,595,000)
Cash paid for interest	(8,525,998)	(8,955,380)
Principal paid on subordinated project note payable	(4,710,000)	(900,000)
Net cash used in capital and related financing activities	(6,661,576)	(17,244,212)
Investing activities		
Interest income	936,398	846,986
Purchases of investments	(47,284,476)	(29,873,195)
Proceeds from sale of investments	38,199,799	30,609,459
Net cash provided by (used in) investing activities	(8,148,279)	1,583,250
Net change in cash and cash equivalents	871,627	(818,679)
Cash and cash equivalents		
Beginning of year	6,811,973	7,630,652
End of year	$ 7,683,600	$ 6,811,973

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, 2025 and 2024

	2025	2024
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 10,139,280	$ 10,640,244
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	6,415,454	6,324,425
Bad debts	84,844	-
Amortization of right-of-use lease assets	39,059	38,673
Changes in		
Accounts receivable	241,671	243,478
Prepaid expenses and other current assets	(22,373)	7,167
Inventory	3,238	(1,080)
Lease receivable	1,765,430	1,358,663
Accounts payable and accrued expenses	159,892	(146,253)
Accrued PILOT	(995,000)	(995,000)
Unearned revenue - parking	(256,783)	(28,578)
Security deposits	90,735	(31,040)
Net pension liability	166,752	146,957
Net OPEB liability	1,902,040	3,741,501
Deferred outflows of resources for pension	(418,571)	(336,737)
Deferred outflows of resources for OPEB	(2,020,483)	(2,662,126)
Deferred inflows of resources for pension	(267,903)	(465,438)
Deferred inflows of resources for OPEB	284,335	(1,691,868)
Deferred inflows of resources for leases	(1,630,135)	(1,300,705)
Net cash provided by operating activities	$ 15,681,482	$ 14,842,283

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.

a. 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, 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. 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.

b. 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.

c. 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.

d. 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.

e. 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 useful lives of capital assets and depreciation expense, and the net pension liability and net postemployment benefits other than pension ("OPEB") liability.

f. Investments

Investments include amounts held by trustees under bond indenture agreements. Investments are generally reported at fair value in accordance with applicable GASB standards, except for certificates of deposit, which are reported at cost. Fair value is determined using quoted market prices and other relevant market information.

g. Promissory Note 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, 2025 and 2024.

h. 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:

	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.

i. 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, 2025 and 2024, management has determined that there was no impairment of capital assets.

j. Concentration of Credit Risk

At December 31, 2025, two customers accounted for approximately 48% of accounts receivable. At December 31, 2024, three customers accounted for approximately 49% of accounts receivable. For each of the years ended December 31, 2025 and 2024, one customer accounted for approximately 18% and 22%, respectively, of total operating revenue.

k. 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 leases, interest income on investments, interest income on promissory notes receivable, gains on sale of capital assets, and amortization of bond premiums. 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.

l. 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.

m. 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.

n. Bond Discount and Premiums

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

o. 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 Public 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.

p. Post-Employment Benefits Other Than Pensions

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.

q. Interest Expense, Net

The Authority records interest in the period incurred and interest expense, net consists of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Interest on bonds payable	$ 8,259,407	$ 8,548,269
Interest on notes payable	322,141	458,768
Amortization on bond premium	(1,667,862)	(1,770,808)
Amortization of deferred outflow on bond refunding	37,063	37,063
Interest expense, net	$ 6,950,749	$ 7,273,292

r. 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 13), pension plan (see Note 14), and bond refunding (see Note 11). 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 13) and pension plan (see Note 14) and lease obligations (see Note 8).

s. 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.

t. Future Pronouncements Adopted in Current Period

Risk Disclosures
As of January 1, 2024, the Authority adopted GASB Statement No. 102, *Certain Risk Disclosures*. 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. This standard had no material effect on the financial statements.

u. Future Pronouncements Not Yet Adopted

i. 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.

ii. Disclosure of Certain Capital Assets

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, is effective for reporting periods beginning after June 15, 2025. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. Management has not completed its review of the requirements of these standards and their applicability.

iii. Subsequent Events

Future Governmental Accounting Pronouncements Not Implemented GASB Statement 105 - Subsequent Events is effective for reporting periods beginning after June 15, 2026. The objective of this statement is to improve the financial reporting requirements for events that occur after the financial statement date. Management has not completed its review of the requirements of these standards and its applicability.

2. Cash, Cash Equivalents and Investments

a. Deposits

New Jersey statutes 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 statutes.

b. 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.

c. Credit Risk

Credit risk is the risk that an issuer or other counterparty 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, 2025 and 2024, the Authority's cash and cash equivalents and investments representing greater than 5% of their portfolio were non-negotiable certificates of deposit, which totaled $33,276,000 and $25,646,000, respectively. At December 31, 2025 and 2024, approximately $1,236,000 and $2,691,000 of certificates of deposit were included in cash and cash equivalents as they have an initial maturity of less than 3 months.

d. 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, 2025 and 2024 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, 2025 and 2024 was $7,683,600 and $6,811,973, respectively, and the bank balance was $7,689,846 and $6,846,085, respectively. Of the bank balance, $500,000 was covered by federal depository insurance each year and $7,189,846 and $6,346,085, respectively, was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

e. 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; and
    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, 2025 and 2024 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, 2025 and 2024:

	2025	2024
Accounts receivable	$ 2,292,578	$ 2,534,249
Allowance for doubtful accounts	(257,589)	(172,745)
Accounts receivable, net	$ 2,034,989	$ 2,361,504

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 called 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.

The initial payback period was suspended during negotiations of the assignment and assumption agreement which was ultimately ratified and released in 2026 (see subsequent events footnote).

Promissory note receivable consisted of the following at December 31, 2025 and 2024:

	2025	2024
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	$ 45,131	$ 45,131

There was no allowance for loan losses for the years ended December 31, 2025 and 2024 as the loan was not on nonaccrual status. Accrued interest is included in prepaid expenses and other current assets. Aggregate principal maturities and interest on promissory note receivable (prior to the assignment noted above) are as follows as of December 31, 2025:

	Payment	Principal	Interest
2026	$ 930,662	$ 780,449	$ 150,213
2027	930,662	788,283	142,379
2028	930,662	796,195	134,467
2029	930,662	804,187	126,475
2030	930,661	812,259	118,402
2031-2035	4,653,308	4,185,242	468,066
2036-2040	4,653,308	4,399,550	253,758
2041-2043	3,564,686	3,519,835	44,851
	$ 17,524,611	$ 16,086,000	$ 1,438,611

5. Investment

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.

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, 2025 and 2024:

	2025	2024
Future debt service	$ 17,677,404	$ 17,677,404
Renewal and replacement	3,537,282	36,460
	$ 21,214,686	$ 17,713,864

Fair Value Information
The Authority categorizes its 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, 2025 and 2024. All investments in nonnegotiable certificates of deposit are unrated and recorded at cost.

The Authority's certificates of deposit as of December 31, 2025 and 2024 mature within 1 year.

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.

	2025	2024
RWJ Land lease	$ 2,228,408	$ 2,235,067
New Brunswick HUD	502,200	534,600
	$ 2,730,608	$ 2,769,667

7. Capital Net Assets

Capital asset activity including additions and retirements consisted of the following at December 31, 2025 and 2024:

	Balance January 1, 2025	Additions	Retirements	Balance December 31, 2025
Capital assets not being depreciated				
Land	$ 38,875,126	$ -	$ -	$ 38,875,126
Construction in progress	471,647	149	-	471,796
Total capital assets not being depreciated	39,346,773	149	-	39,346,922
Right-of-use assets	2,769,667	-	(39,059)	2,730,608
Capital assets being depreciated				
Equipment	5,703,926	756,121	(61,487)	6,398,560
Parking facilities and renovations	252,486,443	412,787	-	252,899,230
Software	74,130	-	-	74,130
Signage	51,447	-	-	51,447
Total capital assets being depreciated	258,315,946	1,168,908	(61,487)	259,423,367
Less: Accumulated depreciation	(88,795,381)	(6,415,454)	61,487	(95,149,348)
Capital assets, net	$211,637,005	$ (5,246,397)	$ (39,059)	$206,351,549

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Capital assets not being depreciated				
Land	$ 38,875,126	$ -	$ -	$ 38,875,126
Construction in progress	470,590	1,057	-	471,647
Total capital assets not being depreciated	39,345,716	1,057	-	39,346,773
Right-of-use assets	2,808,340	-	(38,673)	2,769,667
Capital assets being depreciated				
Equipment	5,330,432	398,202	(24,708)	5,703,926
Parking facilities and renovations	252,078,139	408,304	-	252,486,443
Software	74,130	-	-	74,130
Signage	51,447	-	-	51,447
Total capital assets being depreciated	257,534,148	806,506	(24,708)	258,315,946
Less: Accumulated depreciation	(82,495,664)	(6,324,425)	24,708	(88,795,381)
Capital assets, net	$217,192,540	$ (5,516,862)	$ (38,673)	$211,637,005

Depreciation expense included as a charge to operations for the years ended December 31, 2025 and 2024 amounted to $6,415,454 and $6,324,425, respectively.

8. Leases Receivable and Deferred Inflows of Resources

The Authority leases office space to 12 tenants in New Brunswick, New Jersey under various non-cancelable lease agreements which expire through 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, 2025 and 2024.

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 $153,162 and $186,059 at December 31, 2025 and 2024, 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, 2025 and 2024, were as follows:

	2025	2024
Leases Receivable	$ 7,066,757	$ 8,832,187
Deferred inflows of resources - leases	$ 6,373,886	$ 8,004,021
Lease revenue	$ 2,262,270	$ 2,349,967
Interest revenue related to leases	$ 161,842	$ 204,438

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

Aggregate principal maturities and interest on leases receivable are as follows as of December 31, 2025:

	Principal	Interest	Amount
2026	$ 1,660,297	$ 129,420	$ 1,789,717
2027	1,596,003	96,191	1,692,194
2028	638,916	69,720	708,636
2029	290,031	62,411	352,442
2030	299,552	56,333	355,885
2031-2035	1,145,862	193,867	1,339,729
2036-2040	473,358	122,892	596,250
2041-2045	524,798	71,452	596,250
2046-2049	437,940	16,491	454,431
	$ 7,066,757	$ 818,777	$ 7,885,534

9. Noncurrent Liabilities

The following summarizes net activity in noncurrent liabilities for the years ended December 31, 2025 and 2024:

	Beginning Balance January 1, 2025	Additions/ Subtractions	Payments/ Amortization	Ending Balance December 31, 2025	Current Portion
Revenue bonds payable	$187,620,000	$ -	$ (6,360,000)	$181,260,000	$ 6,815,000
Unamortized bond premiums	17,158,844	-	(1,667,862)	15,490,982	-
Total bonds payable, net	204,778,844	-	(8,027,862)	196,750,982	6,815,000
Notes payable	16,086,000	-	-	16,086,000	-
Subordinated project notes	4,710,000	-	(4,710,000)	-	-
Accrued PILOT	995,000	-	(995,000)	-	-
Net pension liability	3,520,953	166,752	-	3,687,705	-
Net OPEB liability	12,624,772	1,902,040	-	14,526,812	-
Total noncurrent liabilities	$242,715,569	$ 2,068,792	$(13,732,862)	$231,051,499	$ 6,815,000

	Beginning Balance January 1, 2024	Additions/ Subtractions	Payments/ Amortization	Ending Balance December 31, 2024	Current Portion
Revenue bonds payable	$194,215,000	$ -	$ (6,595,000)	$187,620,000	$ 6,360,000
Unamortized bond premiums	18,929,655	-	(1,770,811)	17,158,844	-
Total bonds payable, net	213,144,655	-	(8,365,811)	204,778,844	6,360,000
Notes payable	16,086,000	-	-	16,086,000	521,655
Subordinated project notes	5,610,000	-	(900,000)	4,710,000	4,710,000
Accrued PILOT	1,990,000	-	(995,000)	995,000	995,000
Net pension liability	3,373,996	146,957	-	3,520,953	-
Net OPEB liability	8,883,271	3,741,501	-	12,624,772	-
Total noncurrent liabilities	$249,087,922	$ 3,888,458	$(10,260,811)	$242,715,569	$ 12,586,655

10. Subordinated Project Notes Payable

Subordinated project notes payable were paid in full during 2025 and consist of the following balances at December 31, 2024

	2024
Subordinated project note payable - issued June 17, 2016, interest at 0.38% per annum, paid in full during 2025.	$ 810,000
Subordinated project note payable - issued June 29, 2017, interest at 0.38% per annum, paid in full during 2025.	3,900,000
	$ 4,710,000

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.

11. Bonds Payable

Bonds payable consist of the following at December 31, 2025 and 2024:

	2025	2024
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	$ 14,555,000	$ 15,585,000
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	114,935,000	115,100,000
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	27,320,000	27,390,000
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	19,530,000	20,070,000
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. Paid in full during 2025.	-	4,555,000
	181,260,000	187,620,000
Less: Current portion	(6,815,000)	(6,360,000)
Plus: Unamortized original issue premium	15,490,982	17,158,844
Bonds payable, net of current portion	$ 189,935,982	$ 198,418,844

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, 2025 and 2024.

Aggregate principal maturities and interest on bonds payable are as follows as of December 31, 2025:

	Principal	Interest	Amount
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	8,395,000	6,897,900	15,292,900
2030	9,330,000	6,504,838	15,834,838
2031-2035	56,035,000	26,190,675	82,225,675
2036-2040	76,060,000	12,341,137	88,401,137
2041-2045	6,115,000	1,670,500	7,785,500
2046-2047	2,895,000	218,750	3,113,750
	$ 181,260,000	$ 76,808,963	$ 258,068,963

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 $182,000,000 and $177,000,000 at December 31, 2025 and 2024, respectively.

Original issue premiums consisted of the following at December 31, 2025 and 2024:

	December 31, 2025				
	Premium	Life	Accumulated Amortization	Unamortized Premium	Amortization
Series 2016 refunding bond	$ 1,699,281	20	$ 792,970	$ 906,311	$ 84,936
Series 2016A refunding bond	19,225,972	23	7,801,839	11,424,133	835,912
Series 2016B refunding bond	1,657,966	23	672,795	985,171	72,085
Series 2017 parking revenue bonds	2,770,216	30	746,338	2,023,878	92,341
Series 2020A refunding bond	1,148,124	6	996,635	151,489	191,354
Series 2020B refunding bond	2,470,814	5	2,470,814	-	391,234
	$ 28,972,373		$ 13,481,391	$ 15,490,982	$ 1,667,862

	December 31, 2024				
	Premium	Life	Accumulated Amortization	Unamortized Premium	Amortization
Series 2016 refunding bond	$ 1,699,281	20	$ 708,034	$ 991,247	$ 84,964
Series 2016A refunding bond	19,225,972	23	6,965,927	12,260,045	835,912
Series 2016B refunding bond	1,657,966	23	600,710	1,057,256	72,085
Series 2017 parking revenue bonds	2,770,216	30	653,997	2,116,219	92,341
Series 2020A refunding bond	1,148,124	6	805,281	342,843	191,354
Series 2020B refunding bond	2,470,814	5	2,079,580	391,234	494,155
	$ 28,972,373		$ 11,813,529	$ 17,158,844	$ 1,770,811

12. 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.

During 2026, the promissory note receivable and note payable were assigned and released (see subsequent events footnote).

Notes payable consist of the following at December 31, 2025 and 2024:

	2025	2024
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, 2025 and 2024 is accrued interest of $45,130.

Aggregate principal maturities and interest on notes payable, prior to the assignment noted above, are as follows as of December 31, 2025:

	Payment	Principal	Interest
2026	$ 680,563	$ 526,891	$ 153,672
2027	680,563	532,180	148,383
2028	680,562	537,521	143,041
2029	680,563	542,917	137,646
2030	680,562	548,366	132,196
2031-2035	3,402,813	2,825,509	577,304
2036-2040	3,402,814	2,970,191	432,623
2041-2045	3,402,813	3,122,281	280,532
2046-2050	3,402,813	3,282,159	120,654
2051	1,202,217	1,197,985	4,232
	$ 18,216,283	$ 16,086,000	$ 2,130,283

13. Postemployment Benefits Other than Pension

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 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 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 Authority was billed monthly for the plan and paid $158,808 and $149,129 for the years ended December 31, 2025 and 2024, respectively. During the years ended December 31, 2025 and 2024, retirees were not required to contribute to the plan.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
The net OPEB liability was measured as of June 30, 2025 and 2024, and the total OPEB liability to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2024 and 2023, which was rolled forward to June 30, 2025 and 2024.

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, 2024 through June 30, 2025. At December 31, 2025 and 2024, the Authority's proportionate share and net OPEB liability were as follows:

	2025	2024
Net OPEB liability	$16,634,579,007	$17,905,445,505
Authority net OPEB liability	$14,526,812	$12,624,772
Authority's proportion	0.0873290%	0.0705080%

OPEB expense, net is comprised of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Proportionate share of allocable plan OPEB expense	$ 56,891	$ (147,127)
Net amortization of deferral amounts from changes in proportion	549,434	(140,564)
	$ 606,325	$ (287,691)

For the years ended December 31, 2025 and 2024, the Authority recognized an OPEB (benefit) expense of $606,325 and ($287,691), respectively. At December 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 2,014,683	$ 3,498,279	$ 2,110,623	$ 2,095,632
Differences between expected and actual experience	657,582	1,739,865	639,355	2,139,071
Net difference between projected and actual earnings on pension plan investments	-	10,705	-	5,715
Changes in proportion and differences between Authority contributions and proportionate share of contributions	7,062,818	1,623,046	4,968,901	2,347,142
	9,735,083	6,871,895	7,718,879	6,587,560
Authority contributions subsequent to the measurement date	77,174	-	72,895	-
	$ 9,812,257	$ 6,871,895	$ 7,791,774	$ 6,587,560

The Authority reported $77,174 and $72,895 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, 2025 and 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2025 will be recognized in OPEB expense as follows:

	Authority Share	OPEB Expense
2026	$ (731,608)	$ (753,901,847)
2027	(342,712)	(353,154,628)
2028	(692,240)	(713,333,269)
2029	(536,110)	(552,446,205)
2030	(201,270)	(207,402,650)
Thereafter	(359,248)	(370,195,687)
	$ (2,863,188)	$ (2,950,434,286)

Actuarial Assumptions
The total OPEB liability for the June 30, 2025 and 2024 measurement date was determined by an actuarial valuation as of July 1, 2024 and 2023, which was rolled forward to June 30, 2025 and 2024.

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

	2025	2024
Salary increases through 2027*	3.25%- 7.75%	2.75%- 6.55%
Thereafter	3.25%- 7.75%	2.75%- 6.55%

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

For June 30, 2025 and 2024, the following assumptions were used:

Pre-retirement healthy mortality rates were based on the PUB-2016 “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-2016 “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-2016 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale.

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PERS experience studies prepared for July 1, 2018 to June 30, 2021. Actuarial assumptions used in the July 1, 2024 valuation were based on the results of the PERS experience studies prepared for July 1, 2021 to June 30, 2024.

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, 2025 and 2024 was 5.20% and 3.93%, 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, 2025 and 2024, 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:

	2025		
	At 1% Decrease (4.20%)	At Current Discount Rate (5.20%)	At 1% Increase (6.20%)
Net OPEB liability	$ 18,997,722,202	$ 16,634,579,007	$ 14,697,552,467
Authority's proportionate share of the net OPEB liability	$ 16,590,521	$ 14,526,812	$ 12,835,226

	2024		
	At 1% Decrease (2.93%)	At Current Discount Rate (3.93%)	At 1% Increase (4.93%)
Net OPEB liability	$ 20,857,914,273	$ 17,905,445,505	$ 15,540,780,410
Authority's proportionate share of the net OPEB liability	$ 14,706,499	$ 12,624,772	$ 10,957,494

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, 2025 and 2024, 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:

	2025		
	At 1% Decrease	At Current Healthcare Cost Trend Rate	At 1% Increase
Net OPEB liability	$ 14,338,853,713	$ 16,634,579,007	$ 19,518,558,890
Authority's proportionate share of the net OPEB liability	$ 12,521,978	$ 14,526,812	$ 17,045,363

	2024		
	At 1% Decrease	At Current Healthcare Cost Trend Rate	At 1% Increase
Net OPEB liability	$ 15,144,352,142	$ 17,905,445,505	$ 21,455,435,620
Authority's proportionate share of the net OPEB liability	$ 10,677,980	$ 12,624,772	$ 15,127,799

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.

14. Pension Plan

Employees of the Authority that are eligible participate in the State of New Jersey PERS. PERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits. For additional information about PERS, please refer to the Division's annual financial statements, 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	
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit are available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit are available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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, 2025 and 2024, the PERS received employer and employee contributions as follows:

	2025	2024
Employer contributions	$409,792	$352,347
Employee contributions	$231,513	$198,173
Basis for contributions	$2,895,700	$2,642,307
Percent of base wages	14.54%	15.11%

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 is 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 are 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, 2025 and 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024 and 2023. 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, 2025 and 2024 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, 2025 and 2024. At December 31, 2025 and 2024, the Authority's proportionate share and net pension liability were as follows:

	2025	2024
Net pension liability (local group)	$12,404,749,906	$13,702,423,985
Authority net pension liability	$3,687,705	$3,520,953
Authority's proportion	0.0299864341%	0.0258941500%

Pension expense, net is comprised of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Proportionate share of allocable plan pension expense	$ 111,937	$ 79,122
Net amortization of deferral amounts from changes in proportion	(219,424)	(584,157)
	$ (107,487)	$ (505,035)

At December 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS as follows:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 582	$ 42,486	$ 4,371	$ 40,033
Differences between expected and actual experience	105,143	3,941	70,482	9,367
Net difference between projected and actual earnings on pension plan investments.	-	307,506	317,094	163,144
Changes in proportion and differences between Authority contributions and proportionate share of contributions	704,793	283,720	-	693,012
Authority contributions subsequent to the measurement date	409,792	-	352,347	-
	$ 1,220,310	$ 637,653	$ 744,294	$ 905,556

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:

	Authority Share	PERS (Local Group)
2026	$ (47,568)	$ 227,784,959
2027	99,286	(475,438,218)
2028	76,615	(366,876,806)
2029	44,847	(214,756,075)
2030	(315)	1,506,413
	$ 172,865	$ (827,779,727)

Actuarial Assumptions
The collective total pension liability for the June 30, 2025 and 2024 measurement dates was determined by an actuarial valuation as of July 1, 2024 and 2023, respectively, which was rolled forward to June 30, 2025 and 2024, respectively.

This actuarial valuation used the following actuarial assumptions:

	2025	2024
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases through 2027	3.25%-7.75% Based on years of service	2.75-6.55% Based on years of service
Thereafter	3.25%-7.75% Based on years of service	2.75-6.55% Based on years of service

For June 30, 2025 and 2024, the following assumptions were used:

Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis.

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 and 2023 valuations were based on the results of an actuarial experience study for the period from July 1, 2021 to June 30, 2024.

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, 2025 and 2024) 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, 2025 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	7.20%
Cash equivalents	2.00%	3.61%
U.S. treasuries	4.00%	3.61%
Investment grade credit	7.00%	5.47%
High yield	4.50%	6.63%
Private credit	8.00%	9.00%
Real assets	3.00%	7.90%
Real estate	8.00%	10.78%
U.S. equity	28.00%	8.55%
Non-U.S. developed markets equity	12.75%	8.77%
Emerging markets equity	5.50%	10.30%
Private equity	13.00%	12.00%
International small cap equity	1.25%	8.77%

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	7.10%
Cash equivalents	2.00%	3.57%
U.S. treasuries	4.00%	3.57%
Investment grade credit	7.00%	5.37%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Real assets	3.00%	8.20%
Real estate	8.00%	10.95%
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
International small cap equity	1.25%	8.85%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025 and 2024. 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, 2025 and 2024, respectively, and 100% of actuarially determined contributions for the local employers for the years ended June 30, 2025 and 2024.

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, 2025 and 2024, 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:

	2025		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State	$ 25,286,867,129	$ 21,950,691,897	$ 19,112,871,032
Local	16,987,364,830	12,404,749,906	8,504,259,475
	42,274,231,959	34,355,441,803	27,617,130,507
Authority's proportionate share of the net pension liability	$ 5,048,249	$ 3,687,705	$ 2,528,161

	2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State	$ 25,435,379,381	$ 22,170,235,622	$ 19,397,657,682
Local	18,207,152,620	13,702,423,985	9,868,924,715
	43,642,532,001	35,872,659,607	29,266,582,397
Authority's proportionate share of the net pension liability	$ 4,678,481	$ 3,520,953	$ 5,535,903

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.

15. 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 2025 and 2024, 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.

16. 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, 2025 and 2024, the Authority's payment in lieu of taxes was $4,975,440. As of December 31, 2025 and 2024, the Authority had an outstanding liability of $-0- and $995,000, respectively, for the unpaid portion of the PILOT.

In addition, during 2025, the Authority made an additional contribution to the City of $2,600,000.

17. 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, 2025 and 2024, the Authority has accrued $144,374 and $53,071, 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.

18. Excess of Expenditures Over Appropriations

For the year ended December 31, 2025, the Authority's operating expenditures exceeded the adopted budget. Total operating expenses were over budget by approximately $199,000 in total. While administration expenses were approximately $108,000 below budget, cost of service expenses exceeded budget by approximately $307,000. The overall variance was primarily attributable to higher salary and operating costs within the cost of services category and was partially offset by lower employee benefit and administrative expenses, including the impact of the pension benefit recognized in accordance with GASB 68.

For the year ended December 31, 2024, the Authority's expenditures exceeded the adopted budget. Total operating expenses were over budget by approximately $1,239,000, due primarily to additional principal payments on notes payable of $900,000 paid with proceeds from property sold in the prior year. The remaining $339,000 was due to an increase in administration expenses of approximately $164,000, which was not included in the budget. This includes increased security costs totaling approximately $175,000 and increased insurance premiums of approximately $126,000. An increase in the cost of services amounting to about $175,000 was also not included in the budget, primarily driven by additional maintenance costs of approximately $160,000 and increased insurance premiums of approximately $102,000.

19. Net Deficit

At December 31, 2024, the Authority had an unrestricted net deficit of $3,787,843. 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 $15,455,120, as of December 31, 2024. 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.

20. 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.

21. Commitments and Contingencies

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, 2025, the Authority had a total of approximately 76 employees of which, approximately 65 are hourly workers and 11 are salaried. Approximately 26% (17 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.

22. 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 (see Note 12). Additionally, the Authority pays an annual payment in lieu of taxes to the City and other contributions to the City, which amounted to $7,575,440 and $4,975,440 for the years ended December 31, 2025 and 2024 (see Note 16).

23. 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, 2025 and 2024 does 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 11).

24. Subsequent Events

The Authority has evaluated events occurring after the statement of net position (deficit) date through the date of November 10, 2026, 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, except for the following:

During 2026, the Authority signed an assignment and assumption agreement for the promissory notes receivable (see Note 4) and promissory notes payable (see Note 12) in the amount of $16,086,000. As such those balances will be forgiven during 2026 and removed from the statement of net position.

Required Supplementary Information

Parking Authority of the City of New Brunswick
Schedule of the Authority's Proportionate Share of the Net Pension Liability - PERS
Year Ended December 31, 2025

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:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportionate share of the net pension liability (asset) (PERS Local Group)	0.029985%	0.025894%	0.023099%	0.023697%	0.029192%	0.033316%	0.034013%	0.037095%	0.038161%	0.041637%
Authority's proportionate share of the net pension liability (PERS Local Group)	$ 3,687,705	$ 3,520,953	$ 3,373,996	$ 3,606,511	$ 3,495,048	$ 5,475,717	$ 6,171,319	$ 7,302,723	$ 8,883,223	$ 12,331,813
Authority's covered payroll	$ 2,895,700	$ 2,406,187	$ 2,309,000	$ 1,950,062	$ 1,922,640	$ 2,020,316	$ 2,474,833	$ 2,305,302	$ 2,501,009	$ 2,694,425
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	127.35%	146.33%	146.12%	184.94%	181.78%	271.03%	249.36%	316.78%	355.19%	457.68%

Notes to Schedule

Benefit changes

None

Changes of assumptions

The discount rate changed as follows as of June 30:	7.00%	7.00%	7.00%	7.00%	7.00%	6.28%	5.66%	5.00%	3.98%	4.90%

See Independent Auditor's Report.

Parking Authority of the City of New Brunswick
Schedule of the Authority's Contributions - PERS
Year Ended December 31, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions										
Regular pension and non-contributory group insurance contributions	$ 409,792	$ 352,347	$ 311,332	$ 301,363	$ 301,363	$ 345,512	$ 367,329	$ 335,284	$ 368,785	$ 363,650
Chapter 19 P.L. 2009 Contribution	11,344	11,344	13,743	13,574	13,574	14,108	13,832	13,796	13,685	13,609
Contributions in relation to the contractually required contribution	(421,136)	(363,691)	(325,075)	(314,937)	(314,937)	(359,620)	(381,161)	(349,080)	(382,470)	(377,259)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 2,895,700	$ 2,406,187	$ 2,309,000	$ 1,950,062	$ 1,922,640	$ 2,020,316	$ 2,474,833	$ 2,305,302	$ 2,501,009	$ 2,694,425
Contributions as a percentage of covered payroll	14.54%	15.11%	14.08%	16.15%	16.38%	17.80%	15.40%	15.14%	15.29%	14.00%

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
Year Ended December 31, 2025*

	2025	2024	2023	2022	2021	2020	2019	2018
Authority's proportion (percentage) of the collective net OPEB liability	0.087329%	0.070508%	0.059196%	0.045174%	0.042634%	0.062338%	0.058123%	0.059867%
Authority's proportionate share (amount) of the collective net OPEB liability	$ 14,526,812	$ 12,624,772	$ 8,883,271	$ 7,295,418	$ 7,674,027	$ 11,195,097	$ 7,873,383	$ 9,379,137
Authority's covered payroll	$ 2,895,700	$ 2,406,187	$ 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	501.67%	524.68%	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	-1.12%	-0.89%	-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

The discount rate changed as follows:	5.20%	3.96%	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, 2025*

	2025	2024	2023	2022	2021	2020	2019	2018
Authority's required contribution	$ 158,808	$ 149,129	$ 142,547	$ 121,654	$ 101,343	$ 77,800	$ 45,688	$ 24,393
Contributions in relation to the contractually required contribution	(158,808)	(149,129)	(142,547)	(121,654)	(101,343)	(77,800)	(45,688)	(24,393)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 2,895,700	$ 2,406,187	$ 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	5.48%	6.20%	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 2025 Contribution Rate

	PERS
Valuation Date	July 1, 2024
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	3.25% to 7.75%, 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-2026 General Below-Median Income Employee mortality table [PubG-2016(B) Employee] as published by the Society of Actuaries with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 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.
Mortality (Continued)	Healthy Retirees and Beneficiaries (Healthy Annuitants): The Pub-2016 General Below-Median Income Healthy Retiree mortality table [PubG-2016(B) Healthy Retiree] as published by the Society of Actuaries with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 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-2016 Non-Safety Disabled Retiree mortality table [PubNS-2010 Disabled Retiree] as published by the Society of Actuaries with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 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.

Parking Authority of the City of New Brunswick
Notes to Required Supplementary Information
Year Ended December 31, 2025

	SHBP
Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal Cost Method
Remaining Amortization Period	8.28
Asset Valuation Method	Market Value of Assets
Salary Increases	Varies by years of service from 2% to 7%.
Investment Rate of Return	5.20%
Retirement Age	Varies by years of service from ages 40 to 75.
Mortality	PUB-2016 "General" and "Safety" classification headcount-weighted mortality table with fully generation mortality improvement projections from the central year using Scale MP-2021.

See Independent Auditor's Report.

2. Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 Contribution Rate

PERS	
Valuation Date	July 1, 2023
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.

Parking Authority of the City of New Brunswick
Notes to Required Supplementary Information
Year Ended December 31, 2025

	SHBP
Valuation Date	July 1, 2023
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 2.75% to 6.55%.
Investment Rate of Return	3.93%
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.

See Independent Auditor's Report.

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, 2025

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, 2025

	Adopted Budget	Modifications	Modified Budget	Actual	Over (Under) Budget
Operating Revenue					
Parking Revenue	$ 24,700,082	-	$ 24,700,082	$ 24,883,298	$ 183,216
Meters	3,224,110	-	3,224,110	3,982,862	758,752
Rent Income	-	2,537,108	2,537,108	2,262,270	(274,838)
Fines/Penalties	360,000	-	360,000	830,988	470,988
Management Revenue	-	560,690	560,690	619,322	58,632
Event Parking	-	-	-	108,993	108,993
Other Revenue	-	-	-	58,675	58,675
Total Operating Revenue	28,284,192	3,097,798	31,381,990	32,746,408	1,364,418
Non Operating Revenue					
Investment Interest - Leases	-	-	-	161,842	161,842
Investment Interest - Investments	400,000	-	400,000	774,556	374,556
Investment Interest - Promissory Note Receivable	-	-	-	160,860	160,860
Rent Income	2,537,108	(2,537,108)	-	-	-
Management Revenue	560,690	(560,690)	-	-	-
Gain on Sale of Property	-	16,000,000	16,000,000	16,703,483	703,483
Total Non-Operating Revenue	3,497,798	12,902,202	16,400,000	17,800,741	1,400,741
Total Revenue	$31,781,990	$16,000,000	$47,781,990	$50,547,149	$2,765,159
Operating Appropriations					
Administration					
Salary & Wages	$ 741,982	-	$ 741,982	$ 876,815	$ 134,833
Employee Benefits	498,546	-	498,546	393,658	(104,888)
Other Expenses	1,565,991	-	1,565,991	1,427,608	(138,383)
Total Administration	2,806,519	-	2,806,519	2,698,081	(108,438)
Cost of Providing Service					
Salary & Wages	2,463,557	-	2,463,557	2,617,860	154,303
Employee Benefits	1,443,352	-	1,443,352	1,266,094	(177,258)
Other Expenses	4,304,000	-	4,304,000	4,634,199	330,199
PILOT	4,975,000	-	4,975,000	4,975,440	440
Total Cost of Providing Service	13,185,909	-	13,185,909	13,493,593	307,684
Principal Payments on Debt in Lieu of Depreciation	6,360,000	-	6,360,000	6,359,988	(12)
Total Operating Appropriations	22,352,428	-	22,352,428	22,551,662	199,234
Non-Operating Appropriations					
Renewal & Replacement Reserve	1,115,000	-	1,115,000	-	(1,115,000)
City Contribution on Sale of Capital Assets	-	2,600,000	2,600,000	2,600,000	
Interest Payments on Debt	8,224,524	-	8,224,524	6,950,749	(1,273,775)
Total Non-Operating Appropriations	9,339,524	2,600,000	11,939,524	9,550,749	(2,388,775)
Total Appropriations	$31,691,952	$2,600,000	$34,291,952	$32,102,411	($2,189,541)
Excess (Deficit) Anticipated Budget Revenues Over Operating and Non-Operating Appropriations	90,038	13,400,000	13,490,038	18,444,738	4,954,700

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

Amortization of Bond Insurance	$ (45,080)
Depreciation Expense	(6,415,454)
Principal Paid on Bonds	6,359,988
Total Reconciling Items	(100,546)
Changes in Net Position	$ 18,344,192

See Independent Auditor's Report.

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 Commissioners of the
Parking Authority of the City of New Brunswick:

We have audited, in accordance with the 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 ("*Government Auditing Standards*"), the financial statements of Parking Authority of the City of New Brunswick (the "Authority") which comprise the statement of net position as of December 31, 2025, the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended December 31, 2025, and the related notes to the financial statements, and have issued our report thereon dated November 10, 2026.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies 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 from 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



November 10, 2026

Parking Authority of the City of New Brunswick
Schedule of Findings and Recommendations
December 31, 2025

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
December 31, 2025

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, 2026
Gus Sleimen	1st Vice Chairperson	None	December 31, 2026
John Zimmerman	Commissioner	None	December 31, 2026
Maria Soto	Treasurer	$100,000	December 31, 2026
Andrea Eato-White	Secretary	None	December 31, 2026
Other Officials			
Rainone Coughlin Minchello LLC	Counsel		
Mitchell Karon	Interim Executive Director		December 31, 2026
James Tricarico	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.