

**PARKING AUTHORITY OF THE
TOWNSHIP OF TOMS RIVER**
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)

Financial Statements and Supplementary Information

For the years ended December 31, 2022 and 2021

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)

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(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)

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INDEPENDENT AUDITOR'S REPORT

The Chairman and Commissioners of the
Parking Authority of the Township of Toms River
33 Washington Street
Toms River, NJ 08753

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Parking Authority of the Township of Toms River (hereafter referred to as the Parking Authority), a component unit of the Township of Toms River, County of Ocean, State of New Jersey, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Parking Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parking Authority as of December 31, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Parking Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Substantial Doubt about the Authority's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Parking Authority will continue as a going concern. As discussed in Note 12 to the financial statements, even though the Parking Authority's financial statements show a increase in net position of \$4,500,862 during the year ended December 31, 2022, the Parking Authority's current liabilities exceeded current assets by \$190,125 and the Parking Authority has negative net position of (\$1,319,991). Those factors, as well as the uncertain conditions that the Parking Authority faces regarding its future liabilities owed to New Jersey Transit (as discussed in Note 12) and the ability to fund its current pension liability raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

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 Parking Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 Parking 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 Parking 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 other required supplementary information as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parking Authority's basic financial statements. The accompanying supplementary schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2024, on our consideration of the Parking 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 Parking 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 Parking Authority's internal control over financial reporting and compliance.



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**INDEPENDENT AUDITOR'S 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**

The Chairman and Commissioners of the
Parking Authority of the Township of Toms River
33 Washington Street
Toms River, NJ 08753

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 and audit requirements as prescribed by Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Parking Authority of the Township of Toms River (hereafter referred to as the Parking Authority), a component unit of the Township of Toms River, County of Ocean, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Parking Authority of the Township of Toms River's basic financial statements, and have issued our report thereon dated February 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Parking 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Parking Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Parking 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Parking Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The instance of noncompliance or other matters is described in the accompanying General Comments and Recommendations as finding 2022-001.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Parking Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Audit Standards* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

February 27, 2024
Lakewood, New Jersey

PARKING AUTHORITY
of the Township of Toms River
33 Washington Street, P.O. Box 1269
Toms River, NJ 08754
732-240-2800



OFFICE OF THE COMMISSIONERS

Tariq Siddiqui, Chairman
Norvella Lightbody, Secretary

William Beining, Vice Chairman
Moshe Kupferstein, Commissioner

Brenda Tutela, Treasurer
Michael Maulshagen, Commissioner

The Management's Discussion and Analysis (MD&A) provides an overview and analysis of the Parking Authority of the Township of Toms River's (the "Parking Authority") financial activities for the fiscal year ended December 31, 2022 as compared to the prior years. It should be read in conjunction with the accompanying financial statements.

Financial Statements

The financial statement included in this report are the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows as of and for the years ended December 31, 2022 and 2021.

The Statements of Net Position shows the financial position of the Parking Authority at December 31st of 2022 and 2021. Assets are compared with liabilities and net position is the result.

The Statement of Revenues, Expenses and Changes in Net Position measure performance for each year and how this performance impacts the net assets of the Parking Authority.

Finally, the Statements of Cash Flows demonstrates why cash balances increased or decreased during the two years shown on this report.

Financial Analysis

The Parking Authority at December 31, 2022, has total assets and deferred outflows of resources of \$1,072,419 compared to \$530,345 at December 31, 2021. This increase can be primarily attributed to the sale of land during the year under audit which resulted in an increase cash balance from the sale and a prepaid expense from the Township of Toms River. The Parking Authority at December 31, 2021 had total assets and deferred outflows of resources of \$530,345 compared to \$1,518,527 at December 31, 2020. This decrease can be primarily attributed to the decrease in deferred inflows related to other postemployment benefits and the decrease in restricted cash and cash equivalents.

The Parking Authority at December 31, 2022 has total liabilities and deferred inflow of resources of \$2,392,410 compared to \$6,351,198 at December 31, 2021. The majority of this decrease is due to the decrease in net other postemployment benefits deferred outflow. The Parking Authority at December 31, 2021 had total liabilities and deferred inflow of resources of \$6,351,198 compared to \$6,500,594 at December 31, 2020. The majority of this decrease is due to the increase in net other postemployment benefits liability.

The Parking Authority at December 31, 2022 has total net position of \$(1,319,991) compared to \$(5,820,853) at December 31, 2021. The increase in net position is mainly due to total revenues exceeding total expenses resulting in net income of \$4,500,862. The Parking Authority at December 31, 2021 has total net position of \$(5,820,853) compared to \$(4,982,067) at December 31, 2020. The decrease in net position is mainly due to operating expenses exceeding operating revenues resulting in an operating loss of (\$838,786).

The Parking Authority has a net income of \$4,500,862 for the year ended December 31, 2022. The majority of this income is attributable to the sale of fixed assets an land resulting in a gain of \$579,100, and the Parking Authority receiving unbudgeted pension and other postemployment credits of \$219,842 and \$3,784,839, respectively. The Parking Authority bus operating revenue increased by \$106,872 during 2022. The Parking Authority had a net loss of \$838,786 for the year ended December 31, 2021. The majority of this loss is attributable to the continued effects of the COVID-19 pandemic and unbudgeted other postemployment benefit expense. The Parking Authority bus ticket commissions decreased by \$18,093 during 2021. Additionally, as of December 31, 2021 the Parking Authority incurred \$927,606 of unbudgeted other postemployment benefit expense as a result of the decrease in the net other postemployment benefits liability related to GASB Statement No. 75. The remaining part of the net loss is attributed to higher cost of providing services and administrative and general expenses, which exceed operating revenues. The Parking Authority has a net loss of \$249,059 for the year ended December 31, 2020. The majority of this loss is attributable to the effects of the COVID-19 pandemic on the Parking Authority as bus ticket commissions and meter revenue decreased by \$516,444.

Condensed Financial Information

Key Parking Authority financial information for the years ended December 31, 2022, 2021 and 2020 includes the following balances:

ASSETS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Unrestricted current assets	\$ 229,227	\$ 148,586	\$ 94,858
Restricted current assets	635,767	15,514	28,101
Property, plant and equipment, net of depreciation	<u>167,576</u>	<u>337,901</u>	<u>419,044</u>
Total assets	<u>1,032,570</u>	<u>502,001</u>	<u>542,003</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	39,849	28,344	123,201
Deferred outflows related to other postemployment benefits	<u>-</u>	<u>-</u>	<u>853,323</u>
Total deferred outflow of resources	<u>39,849</u>	<u>28,344</u>	<u>976,524</u>
Total assets and deferred outflow of resources	<u>\$ 1,072,419</u>	<u>\$ 530,345</u>	<u>\$ 1,518,527</u>

Condensed Financial Information (continued)**LIABILITIES**

Current liabilities payable from current unrestricted assets	\$ 898,362	\$ 879,413	\$ 806,542
Current liabilities payable from current restricted assets	156,757	110,236	55,647
Non-current liabilities	<u>685,624</u>	<u>754,391</u>	<u>5,030,345</u>
Total liabilities	<u>1,740,743</u>	<u>1,744,040</u>	<u>5,892,534</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions	513,193	814,914	608,060
Deferred inflows related to other postemployment benefits	<u>138,474</u>	<u>3,792,244</u>	<u>-</u>
Total deferred inflow of resources	<u>651,667</u>	<u>4,607,158</u>	<u>608,060</u>

NET POSITION

Investments in capital assets, net of related debt	138,803	269,959	298,450
Reserved for New Jersey Transit contingency funds	(380,863)	(297,269)	(189,432)
Unrestricted	<u>(1,077,931)</u>	<u>(5,793,543)</u>	<u>(5,091,085)</u>
Total net position	<u>(1,319,991)</u>	<u>(5,820,853)</u>	<u>(4,982,067)</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 1,072,419</u>	<u>\$ 530,345</u>	<u>\$ 1,518,527</u>

Other Financial Information**OTHER FINANCIAL INFORMATION:**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total operating and non-operating revenues	\$ 5,291,980	\$ 612,908	\$ 581,883
Total operating and non-operating expenses	<u>791,118</u>	<u>1,451,694</u>	<u>829,942</u>
Change in net position	<u>\$ 4,500,862</u>	<u>\$ (838,786)</u>	<u>\$ (248,059)</u>
Meter revenues	\$ 359,983	\$ 299,936	\$ 220,695
Note principal paid	\$ 39,168	\$ 52,653	\$ 57,460

Parking Authority 2022 operating revenues had a unfavorable variance of \$345 when compared to the budget for 2022 due to lower than expected meters, decals, and fines. Parking Authority 2021 operating revenues had a unfavorable variance of \$89,636 when compared to the budget for 2021 due to lower than expected meters, decals, fines, and bus ticket commissions. Parking Authority 2020 operating revenues had an favorable variance of \$9,277 when compared to the budget for 2020 due to higher than expected meters, decals, and fines.

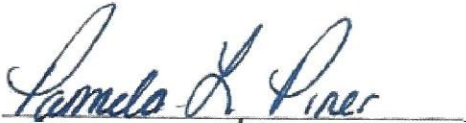
Other Financial Information (continued)

Parking Authority 2022 operating expenses had an unfavorable variance of \$40,849 when compared to the budget for 2022 due to higher expenses associated with providing services and general and administrative expenses than were budgeted for. Parking Authority 2021 operating expenses had an unfavorable variance of \$56,814 when compared to the budget for 2021 due to lower expenses associated with providing services and lower general and administrative expenses than were budgeted for. Parking Authority 2020 operating expenses had an unfavorable variance of \$17,847 when compared to the budget for 2020 due to lower expenses associated with providing services and higher general and administrative expenses than were budgeted for

Parking Authority 2022 non-operating revenues had a favorable variance of \$75,708 when compared to the budget mainly due to Parking Authority receiving a higher sale price for the land sold. Parking Authority 2021 non-operating revenues had a unfavorable variance of \$553,596 when compared to the budget for 2021 mainly due to Parking Authority expecting the sale of equipment and land that did not materialize. Parking Authority 2020 non-operating revenues had an favorable variance of \$5,140 when compared to the budget for 2020 mainly due miscellaneous income

The Parking Authority's financial report is designed to provide users of the financial statements with a general overview of the Parking Authority's finances and to show the Parking Authority's accountability for the money it receives. The financial statements of the Parking Authority are a matter of public record and may be examined at 33 Washington Street, Toms River, New Jersey, during the Parking Authority's business hours.

Respectfully submitted,



Pamela L. Piner
Executive Director

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Statements of Net Position
December 31, 2022 and 2021

ASSETS	2022	2021
Current unrestricted assets:		
Cash	\$ 154,145	\$ 148,734
Cash held with trustee	624,965	-
Accounts receivable	6,070	5,172
Inventory	2,348	2,348
Prepaid expenses to Township of Toms River	75,055	-
Prepaid expenses	2,411	7,846
Total current unrestricted assets	864,994	164,100
Capital assets, net	167,576	337,901
Total assets	1,032,570	502,001
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflows related to pensions	39,849	28,344
Total deferred outflow of resources	39,849	28,344
Total assets and deferred outflow of resources	\$ 1,072,419	\$ 530,345

The accompanying notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Statements of Net Position (continued)
December 31, 2022 and 2021

	2022	2021
LIABILITIES		
Current unrestricted liabilities:		
Accounts payable and accrued expenses	\$ 106,844	\$ 81,147
Pensions payable	176,372	175,402
Unearned revenue	39,467	57,732
Bus fees payable	546,906	525,964
Current portion of notes payable	28,773	39,168
Total current unrestricted liabilities	898,362	879,413
Current restricted liabilities:		
Accounts payable and other accrued expenses	141,907	94,976
Unearned revenue	14,850	15,260
Total current restricted liabilities	156,757	110,236
Long-term unrestricted liabilities:		
Compensated absences	33,644	35,952
Notes payable, net of current portion	-	28,774
Net pension liability	394,836	301,452
Net other postemployment benefits liability	257,144	388,213
Total long-term unrestricted liabilities	685,624	754,391
Total liabilities	1,740,743	1,744,040
DEFERRED INFLOW OF RESOURCES		
Deferred inflows related to pensions	513,193	814,914
Deferred inflows related to other postemployment benefits	138,474	3,792,244
Total deferred inflow of resources	651,667	4,607,158
NET POSITION		
Net investment in capital assets	138,803	269,959
Restricted for New Jersey Transit contingency funds	(380,863)	(297,269)
Unrestricted net position	(1,077,931)	(5,793,543)
Total net position	(1,319,991)	(5,820,853)
Total liabilities, deferred inflow of resources and net position	\$ 1,072,419	\$ 530,345

The accompanying notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Statements of Revenues, Expenses and Changes in Net Position
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Meters	\$ 359,983	\$ 299,936
Bus ticket commissions	68,226	44,659
Decals	144,113	133,845
Fines	111,885	98,895
Contracts	16,000	16,000
	<hr/>	<hr/>
Total operating revenues	700,207	593,335
	<hr/>	<hr/>
Operating expenses:		
Cost of providing services	528,847	477,111
Administrative and general	213,512	207,688
Depreciation	46,871	54,419
	<hr/>	<hr/>
Total operating expenses	789,230	739,218
	<hr/>	<hr/>
Operating (loss) income	(89,023)	(145,883)
Non-operating revenues/(expenses):		
Unbudgeted pension credit	219,842	218,890
Unbudgeted other postemployment credit/(expense)	3,784,839	(927,606)
Commissions - vending machines, telephone, ATM	7,692	8,889
Insurance reimbursement	75	-
Interest expense	(1,888)	(3,758)
Gain on sale of asset	579,100	6,244
Miscellaneous income	225	4,438
	<hr/>	<hr/>
Total non-operating revenues/(expenses)	4,589,885	(692,903)
	<hr/>	<hr/>
Change in net position	4,500,862	(838,786)
Net position, January 1	(5,820,853)	(4,982,067)
	<hr/>	<hr/>
Net position, December 31	<u>\$ (1,319,991)</u>	<u>\$ (5,820,853)</u>

The accompanying notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Statements of Cash Flows
For the years ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash received from customers	\$ 1,267,726	\$ 641,135
Cash paid to suppliers	(989,879)	(371,212)
Cash paid to employees	(233,933)	(205,822)
Interest paid	(1,888)	(3,758)
Net cash flows from operating activities	42,026	60,343
Cash flows from investing activities:		
Proceeds from sale of equipment	29,100	40,000
Proceeds from sale of land	624,965	-
Purchases of property and equipment	(26,546)	(7,031)
Net cash flows from investing activities	627,519	32,969
Cash flows from financing activities:		
Repayment of long-term debt	(39,169)	(52,653)
Net cash flows from financing activities	(39,169)	(52,653)
Net change in cash	630,376	40,659
Cash, January 1	148,734	108,075
Cash, December 31	\$ 779,110	\$ 148,734
 Per Statements of Net Position:		
Cash - unrestricted	\$ 768,308	\$ 133,220
Cash - restricted	10,802	15,514
Cash, December 31	\$ 779,110	\$ 148,734

The accompanying notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Statements of Cash Flows (continued)
For the years ended December 31, 2022 and 2021

	2022	2021
Reconciliation of change in net position to net cash flows from operating activities:		
Change in net position	\$ 4,500,862	\$ (838,786)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:		
Depreciation	46,871	54,419
Gain on sale of asset	(504,065)	(6,244)
Unbudgeted pension (credit)/expense	(219,842)	(218,890)
Unbudgeted other postretirement (credit)/expense	(3,784,839)	927,606
Change in assets and liabilities:		
Accounts receivable	(898)	5,417
Prepaid expenses to Township of Toms River	(75,055)	-
Prepaid expenses	5,435	(5,899)
Accounts payable and accrued expenses	72,628	52,754
Pension payable	970	21,223
Unearned revenue	(18,675)	22,812
Bus fees payable	20,942	44,155
Compensated absences	(2,308)	1,776
Net cash flows from operating activities	\$ 42,026	\$ 60,343

The accompanying notes are an integral part of these financial statements.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements

NOTE 1: CREATION OF THE PARKING AUTHORITY AND NATURE OF ACTIVITIES

The Parking Authority of the Township of Toms River (the "Parking Authority") is a special governmental unit constituting an instrumentality and component unit of the Township of Toms River. The Parking Authority was created by an ordinance of the Township of Toms River and adopted by the governing body in 1973. The Parking Authority is a public body politic and corporate organized pursuant to Chapter 198, P.L. 1948 (Revised Statutes 40:11A).

The Parking Authority is authorized and empowered, among other things, to own, install, maintain, operate, and manage parking meters and parking lot projects within any nonresidential zone of the Township of Toms River. Additionally, the Parking Authority is authorized to maintain and operate a bus terminal facility at the Toms River Bus Park and Ride Facility. The Parking Authority operates municipal lots and parking garages in the Township of Toms River.

The Parking Authority is a component unit of the primary government of the Township of Toms River. The Township Committee appoints the Commissioners of the Parking Authority for staggering terms of five years. The Parking Authority is also required to seek formal approval of the Township of Toms River to change any meter rates on roads maintained by the Township.

Toms River Bus Park and Ride Facility

Under an agreement with the New Jersey Transit Corporation and the New Jersey Department of Transportation, the Parking Authority is to operate and maintain a Park and Ride Facility, which began operations on January 5, 1983. The Park and Ride Facility maintains a separate set of accounting books for the purpose of reporting to the New Jersey Transit Corporation. The terms of this agreement require the books of the Park and Ride Facility to be maintained on a contractual basis, which prescribes that fixed assets are expensed in the year purchased. The adjustments required to conform the Park and Ride Facility's fund balances to net assets in accordance with accounting principles generally accepted in the United States of America are reflected in the statement of financial position. Therefore, on a combined basis, the net assets of the Parking Authority are stated in accordance with accounting principles generally accepted in the United States of America.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Parking Authority are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The Parking Authority applies all Governmental Accounting Standards Board ("GASB") pronouncements as well as Financial Accounting Standards Board statements and interpretations.

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

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Meters and fines are recognized as revenue when the fine is issued or the service is provided. Decal revenues are collected in advance, and accordingly, the Parking Authority defers these revenues until the period of the decal expires.

Non-exchange transactions, in which the Parking Authority receives value without directly giving equal value in return are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Parking Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Parking Authority on a reimbursement basis.

Expenses:

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Accounting

The Parking Authority must adopt an annual budget in accordance with *N.J.A.C. 5:31-2*. *N.J.A.C. 5:31-2* requires the governing body to introduce the annual Parking Authority budget at least 60 days prior to the end of the current fiscal year and to adopt no later than the beginning of the Parking Authority's fiscal year.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Accounting (continued)

The budget may be amended by resolution of the Board of Commissioners of the Parking Authority. The budgetary basis of accounting is utilized to determine the Parking Authority has sufficient cash to operate and pay debt service. As such, certain items such as bond payments are included in budgetary expenses while depreciation is not included.

Accounts Receivable

A portion of the Parking Authority's revenues consists of fines and penalties, parking permits, and ATM surcharges. The related accounts receivable is based on revenue that has been earned but not yet collected. The Parking Authority believes than an allowance for doubtful accounts is not necessary due to its past history of collecting all accounts.

Operating Revenues and Revenue and Cost Recognition

Enterprise fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity to the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities. The Parking Authority recognized meter revenues as they are collected and recognizes all over revenues in accordance with customer agreements. The costs of such services are accrued as incurred.

Cash

New Jersey Authorities are required by *N.J.S.A. 40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund. *N.J.S.A. 40A:5-15.1* provides a list of securities which may be purchased by New Jersey authorities. The Parking Authority is required to deposit funds in a public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect government units from a loss of funds on deposit with a failed banking institution in New Jersey. *N.J.S.A. 17:9-42* requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public Funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of government units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the government units.

For the Statement of Cash Flows, the Parking Authority combines the unrestricted cash and cash equivalents with the restricted cash and cash equivalents. The Parking Authority considers investments with maturities of three months or less at the time of purchase to be cash equivalents.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid Expenses

Prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase.

Prepaid expenses to the Township of Toms River are funds held at the Township that will be utilized to pay for future services provided by the Township. This prepaid was a result of the sale of land to the Township. See Note 12 for additional information. Total prepaid expenses to the Township of Toms River was \$75,055 and \$0 as of December 31, 2022 and 2021, respectively.

Inventory

Inventory consists principally of packaged food and beverages utilized for resale in the vending machines. Inventory is valued at cost, and determined on a first-in, first-out basis. Inventories, which benefit future periods, are recorded as an expenditure during the year of purchase.

Property and Equipment

Property and equipment are stated at cost. The Parking Authority considers all assets with a cost exceeding \$3,000 and a useful life of more than one year to be capital assets. Depreciation is provided by the straight-line method over the estimated economic useful lives of the assets.

The estimated lives of depreciable assets are:

Meters	7-12 years
Machinery and equipment	5-15 years
Furniture and fixtures	3-10 years
Transportation equipment	5-10 years
Facility improvements	5-40 years

Accrued Sick Time

It is the Parking Authority's policy to permit employees to accumulate a limited amount of earned but unused sick time benefits, which will be paid to the employees upon separation from service. The amount of accrued sick time earned but unused and the anticipated payroll tax expense associated with the earned but unused sick time benefits is \$33,644 and \$35,952 at December 31, 2022 and 2021, respectively. This long-term unrestricted liability is included in the financial statements as "compensated absences."

Unearned Revenue

Unearned revenue consists of parking decals purchased in the current year that are to be used in the following year. The revenue will be recognized in the year the parking decal is to be used.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

The Parking Authority is exempt from Federal income tax under Section 501(c)(1) of the Internal Revenue Code since it was created by virtue of a Township of Toms River ordinance. In addition, the Parking Authority is exempt from State income taxes as a government unit.

Pension & OPEB Section

For purposes of measuring the net pension and other post-employment benefits liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits, and pension and other post-employment benefits expenses, information about the fiduciary net position of the Public Employees' Retirement System ("PERS"), the Other Post-Employment Benefits ("OPEB") and additions to/deductions from the PERS's and OPEB's fiduciary net position have been determined on the same basis as they are reported by the plan.

For these purposes, 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.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Parking Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents 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.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impact of Recently Issued Accounting Pronouncements

Adopted Accounting Pronouncements

Statement No. 87, *Leases*. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. The adoption of this standard did not have a material effect on the financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This statement is effective for reporting periods beginning after June 15, 2022. Management has yet determine the potential impact of this pronouncement on the Parking Authority's financial statements.

Statement No. 100, *Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62* . This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. The effective date is for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the potential impact of these pronouncements on the Parking Authority's financial statements.

Statement No. 101, *Compensated Absences* . This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet determine the potential impact of this pronouncement on the Parking Authority's financial statements.

Subsequent Events

The Parking Authority has evaluated subsequent events occurring after the Statements of Net Position date and through February 27, 2024, which is the date the financial statements were available to be issued. See Note 12 for additional information.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 3: CASH

The Parking Authority is governed by the deposit and investment limitations of New Jersey state law. The deposits held at December 31, 2022 and 2021, and reported at fair value, are as follows:

<u>Type:</u>	<u>2022</u>	<u>2021</u>
Deposits:		
Demand deposits	\$ 710,078	\$ 141,000
Undeposited funds	68,507	7,209
Petty Cash	525	525
Total deposits	<u>\$ 779,110</u>	<u>\$ 148,734</u>
Reconciliation to Statements of Net Position:		
Current assets:		
Cash	\$ 143,343	\$ 133,220
Cash held with trustee	624,965	-
Current restricted assets:		
Cash	10,802	15,514
Total deposits	<u>\$ 779,110</u>	<u>\$ 148,734</u>

Restricted Cash

Restricted cash consisted of the following:

	<u>2022</u>	<u>2021</u>
New Jersey Transit Park & Ride facility	\$ 10,802	\$ 15,514
	<u>\$ 10,802</u>	<u>\$ 15,514</u>

Cash held with trustee

Cash held with trustee consists of amounts held in an escrow account with the Parking Authority's attorney from the sale of land during the year ended December 31, 2022. The Parking Authority has designated these funds for the payment of obligations owed to New Jersey Transit and the New Jersey Public Employee's Retirement (see Note 12). As of December 31, 2022 and 2021, the Parking Authority had \$624,965 and \$0 in funds held with trustee, respectively.

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Parking Authority's deposits might not be recovered. Although the Parking Authority does not have a formal policy regarding custodial credit risk, *N.J.S.A. 17:9-41* et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Parking Authority in excess of FDIC insured amounts are protected by GUDPA.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 3: CASH (continued)

Custodial Credit Risk Related to Deposits (continued)

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Parking Authority relative to the happening of a future condition. If the Parking Authority had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2022 and 2021, the Parking Authority's bank balances were insured or exposed to credit risk as follows:

	2022	2021
Insured by FDIC	\$ 363,452	\$ 122,419
Collateralized in the Parking Authority's name under GUDPA	374,965	-
Total	\$ 738,417	\$ 122,419

NOTE 4: CAPITAL ASSETS

Capital assets at December 31, 2022 consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 153,250	\$ -	\$ (150,000)	\$ 3,250
Total capital assets not being depreciated	153,250	-	(150,000)	3,250
Meters	510,617	-	-	510,617
Machinery and equipment	127,782	11,984	-	139,766
Furniture and fixtures	25,594	-	-	25,594
Transportation equipment	155,952	14,562	(32,329)	138,185
Facility improvements	338,073	-	-	338,073
Totals at historical cost	1,158,018	26,546	(32,329)	1,152,235
Less accumulated depreciation:	(973,367)	(46,871)	32,329	(987,909)
Total capital assets being depreciated net of accumulated depreciation	184,651	(20,325)	-	164,326
Government activities capital assets, net	\$ 337,901	\$ (20,325)	\$ (150,000)	\$ 167,576

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 4: CAPITAL ASSETS (continued)

Capital assets at December 31, 2021 consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 153,250	\$ -	\$ -	\$ 153,250
Total capital assets not being depreciated	<u>153,250</u>	<u>-</u>	<u>-</u>	<u>153,250</u>
Meters	503,585	7,032	-	510,617
Machinery and equipment	179,714	-	(51,932)	127,782
Furniture and fixtures	25,594	-	-	25,594
Transportation equipment	155,952	-	-	155,952
Facility improvements	338,073	-	-	338,073
Totals at historical cost	<u>1,202,918</u>	<u>7,032</u>	<u>(51,932)</u>	<u>1,158,018</u>
Less accumulated depreciation:	<u>(937,124)</u>	<u>(54,419)</u>	<u>18,176</u>	<u>(973,367)</u>
Total capital assets being depreciated net of accumulated depreciation	<u>265,794</u>	<u>(47,387)</u>	<u>(33,756)</u>	<u>184,651</u>
Government activities capital assets, net	<u>\$ 419,044</u>	<u>\$ (47,387)</u>	<u>\$ (33,756)</u>	<u>\$ 337,901</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$46,871 and \$54,419, respectively.

NOTE 5: LONG-TERM OBLIGATIONS

During the years ended December 31, 2022 and 2021, the following changes occurred in long-term obligations:

	<u>Balance December 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2022</u>	<u>Balance Due Within One Year</u>
Notes Payable	\$ 67,942	\$ -	\$ 39,169	\$ 28,773	\$ 28,773
Compensated Absences	35,952	-	2,308	33,644	-
Net Pension Liability	301,452	93,384	-	394,836	-
Net Other Postemployment Benefits Liability	<u>388,213</u>	<u>-</u>	<u>131,069</u>	<u>257,144</u>	<u>-</u>
	<u>\$ 793,559</u>	<u>\$ 93,384</u>	<u>\$ 172,546</u>	<u>\$ 714,397</u>	<u>\$ 28,773</u>

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 5: LONG-TERM OBLIGATIONS (continued)

	Balance December 31, 2020	Balance Due Within One Year	Reductions	Balance December 31, 2021	Balance Due Within One Year
Notes Payable	\$ 120,594	\$ -	\$ 52,652	\$ 67,942	\$ 39,168
Compensated Absences	34,176	1,776	-	35,952	-
Net Pension Liability	822,053	-	520,601	301,452	-
Net Other Postemployment Benefits Liability	4,106,174	-	3,717,961	388,213	-
	<u>\$ 5,082,997</u>	<u>\$ 1,776</u>	<u>\$ 4,291,214</u>	<u>\$ 793,559</u>	<u>\$ 39,168</u>

Long-term debt consisted of the following as of December 31, 2022 and 2021:

Notes Payable

	<u>2022</u>	<u>2021</u>
Note payable to First Capital Equipment Leasing Corporation, secured by the equipment purchased, with an interest rate of 3.94% with monthly principal and interest payments of \$3,421 for 84 months, maturing in August 2023.	\$ 28,773	\$ 67,942
Total debt	28,773	67,942
Less: current portion	(28,773)	(39,169)
Long-term debt, net of current portion	<u>\$ -</u>	<u>\$ 28,773</u>

Future maturities of long-term debt are as follows:

December 31, 2023	<u>\$ 28,774</u>
Total	<u>\$ 28,774</u>

Compensated Absences

For the years ended December 31, 2022 and 2021, the Parking Authority accrued compensated absences in the amount of \$33,644 and \$35,952 respectively.

Net Pension Liability

For details on the net pension liability, see the Pension Obligations section below. The Parking Authority's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 6: NET POSITION – RESTRICTED FOR NEW JERSEY TRANSIT CONTINGENCY FUNDS

Under the terms of an agreement with the New Jersey Transit Corporation, parking fees generated at the Toms River Bus Park and Ride Facility shall be sufficient to meet operating and normal maintenance costs and provide a contingency fund equal to ten percent of gross monthly revenues. Beginning on January 1, 2004, the annual ten percent contingency capital fund reserve requirement was replaced with a flat contingency fund reserve amount of \$2,500 per quarter, or \$10,000 annually.

Monies accumulated in the contingency fund must be retained for major repairs of the Facility or for construction, purchases, or lease of additional commuter parking facilities. Should there be any excess revenue after these costs and the reserve for contingency capital fund, these excesses will be deposited into the contingency fund and is payable to the New Jersey Transit Corporation within thirty-one (31) days of the end of each calendar year. As of December 31, 2022 and 2021, there was a cumulative balance in this fund of \$(556,108) and \$(462,514), respectively. The contingency capital fund set aside for future major repairs as of December 31, 2022 and 2021 was \$175,245 and \$165,245, respectively. Combined, this resulted in net asset balances reserved for the New Jersey Transit contingency funds as of December 31, 2022 and 2021 of \$(380,863) and \$(297,269), respectively.

NOTE 7: RELATED PARTY COMMITMENTS

Parking Lot

The Parking Authority has a shared service agreement with the Township of Toms River for use of a parking lot on a monthly basis. There is no rental cost to the Parking Authority, providing that a tax exemption for tax-exempt use can be maintained. Otherwise, the Parking Authority will assume payments for the real estate taxes on the property. The Parking Authority provides for all maintenance and insurance costs.

Parking Garage

Under an agreement with the Township of Toms River, the Parking Authority is to operate and maintain a municipal parking garage. The Parking Authority is responsible for the operating expenses of the facility including insurance, repairs and maintenance, utilities, and personnel salaries. The second level of the garage is reserved for use by the Township of Toms River.

Office Space

The Township of Toms River also allows the Parking Authority to occupy space as an office within the Township's administration building.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 8: PENSION OBLIGATIONS

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR), which can be found at <http://www.nj.gov/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. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1.	Members who were enrolled prior to July 1, 2007
2.	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3.	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4.	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5.	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 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.

Basis of Presentation

The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 8: PENSION OBLIGATIONS (continued)

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. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Parking Authority's contractually required contribution to PERS plan was \$32,993.

Components of Net Pension Liability

At December 31, 2022, the Parking Authority's proportionate share of the PERS net pension liability was \$394,838. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Parking Authority's proportion of the net pension liability was based on the Parking Authority's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Parking Authority's proportion measured as of June 30, 2022, was 0.0026163159% which was an increase of 0.0000763159% from its proportion measured as of June 30, 2021.

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 39,849	\$ 28,344
Deferred Inflows of Resources	513,193	814,914
Net Pension Liability	394,836	301,452
Authority's portion of the Plan's total Net Pension Liability	0.00262%	0.00254%

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 8: PENSION OBLIGATIONS (continued)

Pension (Benefit) Expense and Deferred Outflows/Inflows of Resources

At December 31, 2022, the Parking Authority's proportionate share of the PERS (benefit) expense, calculated by the plan as of the June 30, 2022 measurement date is (\$186,848). At December 31, 2022, the Parking Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 2,850	\$ 2,513
Changes of Assumptions	1,223	59,123
Net Difference between Projected and Actual Earnings on Pension Plan Investments	16,342	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	19,434	451,557
	\$ 39,849	\$ 513,193

Pension (Benefit) Expense and Deferred Outflows/Inflows of Resources

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (120,294)
2024	(103,680)
2025	(94,840)
2026	(68,067)
2027	(86,463)
	\$ (473,344)

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 which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 8: PENSION OBLIGATIONS (continued)

Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation:

Price	2.75%
Wage	3.25%

Salary Increases:

2.75 - 6.55%
Based on Years of Service

Investment Rate of Return

7.00%

Mortality Rate Table

PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
------	---

Period of Actuarial Experience

Study upon which Actuarial

Assumptions were Based

July 1, 2018 - June 30, 2021

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 8: PENSION OBLIGATIONS (continued)

Long-Term Expected Rate of Return (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Parking Authority's proportionate share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Parking Authority's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Parking Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 8: PENSION OBLIGATIONS (continued)

Sensitivity of the Parking Authority's proportionate share of the Net Pension Liability to Changes in the Discount Rate (continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's Proportionate Share of the Net Pension Liability	\$ 511,547	\$ 394,836	\$ 301,704

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

The financial statements of the Authority are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The following information is provided in accordance with the requirements of the Statement.

Parking Authority of the Township of Toms River provides post-employment medical and prescription drug coverage to eligible retired employees and their spouses and additionally dental, and vision benefits to eligible retired employees and their spouses. The Parking Authority Plan is a single employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. The Parking Authority Plan does not issue a separate financial report.

Parking Authority of the Township of Toms River pays 100% of the insurance cost for the retiree.

Employees and Retirees Covered

At December 31, 2022, the following employees were covered by the Parking Authority plan:

Participant Data	<u>Amount</u>
Retired Employees	
Retirees	1
Spouses	-
Total	1
Average Age	68

Actuarial Assumptions and Other Inputs

This valuation has been conducted as of December 31, 2022 based on census, plan design and premium information provided by the Parking Authority. Census includes 1 retired participants (including spouses). The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal year ending December 31, 2022 of \$257,144 is measured at December 31, 2022 as allowed under GASB 75.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Actuarial Assumptions and Other Inputs (continued)

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. The following assumptions and other inputs applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal as a level percentage of payroll
Discount Rate	Based on average of 20 year bond indices (e.g., S&P Municipal Bond 20 Year High Grade Rate Index - 4.31% and Fidelity GO AA 20 Years - 4.05%) 4.18% at December 31, 2022
Salary Increases	Not applicable for the valuation since a closed group of retirees
Health Care Cost Trend	Year 1 Trend - 7% Ultimate Trend January 1, 2034 & Later - 4.50% Grading Per Year 0.25%
Rates of Mortality	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.
Rates of Turnover	Ultimate termination rates vary by age and years of turnover based on the NJ PERS
Rates of Retirement	Annual rates varying by age and years of service based on the NJ PERS
Rates of Disability	Rates varying by age based on the NJ PERS
Spouse Assumption	Marital status is assumed not to change prior to or after retirement
Retiree Participation	100% of eligible retirees are assumed to elect to participate in the plan
Funding Policy	Pay as you go
Investment Rate of Return	Not applicable
Asset Valuation Method	Not applicable

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Discount Rate

The discount rate is the single rate that reflects (1) the long-term expected rate of return on the OPEB plan investments that are expected to be used to finance the payments of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of Aa, to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2022, the discount rate utilized was 4.18%

Changes in the Total OPEB Liability

The changes to the total OPEB Liability during the year ending December 31, 2022 were as follows:

Total OPEB Liability	
Balance, January 1, 2021	\$ 388,213
Changes for the Year:	
Service Cost	-
Interest Cost	16,047
Changes of Assumptions	(138,474)
Difference between Actual and Expected	-
Benefits Paid (implicit)	(8,642)
Net Changes	(131,069)
Balance, December 31, 2022	\$ 257,144

The following presents the total OPEB liability of the Parking Authority, as well as what the Parking Authority's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (1.02 percent) or 1-percentage pointer higher (3.02 percent) that the current discount rate:

	December 31, 2022		
	At 1% Decrease (3.18%)	At Discount Rate (4.18%)	At 1% Increase (5.18%)
Total OPEB Liability	\$ 290,970	\$ 257,144	\$ 228,818

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Changes in the Total OPEB Liability (continued)

The following presents the total OPEB liability of the Parking Authority, as well as what the Parking Authority's total OPEB liability would be, if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage pointer higher than the current healthcare cost trend rate:

	December 31, 2022		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
Total OPEB Liability	\$ 228,844	\$ 257,144	\$ 290,242

* See Healthcare Cost Trend Assumptions for details of rates.

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Parking Authority's OPEB expense (benefit) was estimated to be \$138,474. At December 31, 2022, the Parking Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	138,474
Total	\$ -	\$ 138,474

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Schedule of Changes in the Parking Authority's Total OPEB Liability and Related Ratios

	Fiscal Year Ending December 31,			
	2022	2020	2019	2018
Service Cost	\$ -	\$ 82,858	\$ 93,880	\$ 75,972
Interest Cost	16,047	-	113,358	109,942
Changes of Assumptions	(138,474)	(3,792,244)	853,323	-
Difference between Actual and Expected	-	-	-	-
Benefits Paid (implicit)	(8,642)	(8,575)	(19,905)	(27,237)
Net Change in Total OPEB Liability	(131,069)	(3,717,961)	1,040,656	158,677
Total OPEB Liability (Beginning)	388,213	4,106,174	3,065,518	2,906,841
Total OPEB Liability (Ending)	<u>\$ 257,144</u>	<u>\$ 388,213</u>	<u>\$ 4,106,174</u>	<u>\$ 3,065,518</u>
Total Covered Employee Payroll	-	-	331,743	331,743
Net OPEB Liability as a Percentage of Payroll	0%	0%	1238%	924%

Schedule of Funding Progress

Year Ended	December 31,	
	2022	2020
Total OPEB Liability	\$ 257,144	\$ 388,213
Fiduciary Net Position	-	-
Net OPEB Liability	<u>\$ 257,144</u>	<u>\$ 388,213</u>
Funded Ratio	0%	0%
Covered Payroll	-	0
Net OPEB Liability as a Percentage of Covered Payroll	0%	0%

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Schedule of Employer Contributions

Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Payroll	Contributions Percentage Covered Payroll
2022	\$ 15,008	\$ 8,642	\$ 6,366	\$ -	0%
* 2021	-	-	-	-	0%
2020	17,417	8,575	8,842	-	0%

* No actuarial data for the fiscal year ending December 31, 2021

NOTE 10: SHARED SERVICE AGREEMENT WITH NEW JERSEY TRANSIT CORPORATION

During the year ended December 31, 2004, the Parking Authority and New Jersey Transit Corporation entered into a five year shared service agreement that required the Parking Authority to remit monthly rental payments for the Park and Ride Facility. The agreement expired on December 31, 2008. The Facility is currently operating on a month-to-month basis until the agreement is approved and a new, up-to-date agreement is entered into. The annual rental payments are set at \$48,000, payable in twelve monthly payments of \$4,000. Rent expense was \$48,000 for the years ended December 31, 2022 and 2021.

NOTE 11: DEFICIT UNRESTRICTED NET POSITION

As reflected on the statements of net position, a deficit in unrestricted net position of \$(1,077,931) and \$(5,793,543) existed as of December 31, 2022 and 2021, respectively, for governmental activities. The primary cause of this deficit is the recording of the long-term liability and deferred inflows and outflows for net pension and other postemployment benefits. In accordance with full accrual accounting, which is the basis of accounting for the statements of net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the Parking Authority in the formulation of their annual budget (see Note 1), pension liabilities and other postemployment benefits liabilities that relate to future services, or that are contingent on a specific event outside the control of the Parking Authority and its employees, are funded in the period in which such services are rendered or in which such events take place.

NOTE 12: GOING CONCERN

As indicated in the accompanying financial statements, the Parking Authority has a negative net position of \$(1,319,991) as of December 31, 2022. The Parking Authority's current liabilities exceeded its current assets by \$190,125. Revenues increased by 18% for the year ended December 31 2022 due to recovery from the COVID-19 pandemic, however, the Parking Authority continued to operate at a loss. For the year ended December 31, 2022, the Parking Authority had an net operating loss of (\$89,023).

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to Financial Statements (continued)

NOTE 12: GOING CONCERN (continued)

Those factors, as well as the uncertain conditions that the Parking Authority faces regarding its future liabilities owed to New Jersey Transit and New Jersey Public Employees' Retirement System (as discussed below) create an uncertainty about the Parking Authority's ability to continue as a going concern.

As of the date of this audit report, the Parking Authority has an outstanding payable balance with New Jersey Transit pertaining to the months of January 2020 to December 2022 totaling approximately \$547,000.

As of the date of this audit report, the Parking Authority has an outstanding payable with the New Jersey Public Employees' Retirement System as of December 31, 2022 totaling approximately \$176,300.

On December 28, 2022, in an effort to generate cash flows, the Parking Authority sold a vacant lot with a cost basis of \$150,000 to the Township of Toms River in the amount of \$700,000. \$624,965 was deposited in an escrow account with the Parking Authority's attorney and is recorded on the statements of net position as cash held with trustee. The Board of Commissioners has designated these funds to be held for payment to the above-mentioned payables. The remaining \$75,000 is being held by the Township of Toms River as a prepayment for future services provided by the Township and is recorded on the statements of net position as prepaid expenses to the Township of Toms River.

On December 28, 2023 the Board of Commissioners approved a payment in the amount of \$250,000 from the funds held with trustee. The payment was processed and sent in January 2024.

Management of the Parking Authority is developing a plan to further reduce its liabilities and operating losses with funds raised from future rate increases for decals and decrease in expenses where the Parking Authority deems feasible.

The ability of the Parking Authority to continue as a going concern is dependent on acceptance of the plan by its governing powers and is dependent on the plan's success. The financial statements do not include any adjustments that might be necessary if the Parking Authority is unable to continue as a going concern.

The Authority was not eligible for any Federal, State or Local COVID-19 pandemic aid programs.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Public Employee's Retirement System
Last Ten Fiscal Years

	Measurement Date Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability (asset)	0.00262%	0.00254%	0.00504%	0.00606%	0.00651%	0.00617%	0.00640%	0.00552%	0.00496%	0.00413%
Authority's proportionate share of the net pension liability (asset)	\$ 394,838	\$ 301,452	\$ 822,053	\$ 1,091,567	\$ 1,280,825	\$ 1,435,786	\$ 1,896,940	\$ 1,239,699	\$ 928,999	\$ 789,840
Authority's covered-employee payroll	\$ 207,210	\$ 202,891	\$ 231,450	\$ 346,972	\$ 381,442	\$ 465,609	\$ 444,702	\$ 419,996	\$ 366,970	\$ 338,378
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	190.55%	148.58%	355.18%	286.17%	275.09%	322.86%	451.66%	337.82%	274.54%	233.42%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Schedule of Changes in the Net OPEB Liability and Related Ratios
Other Postemployment Benefits Plan (OPEB)
Last Four Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Authority's Total OPEB Liability				
Service Cost	\$ -	\$ 82,858	\$ -	\$ 93,880
Interest Cost	16,047	-	-	113,358
Changes in Assumptions	(138,474)	(3,792,244)	-	853,323
Contributions: Members	-	-	-	-
Gross Benefit Payments	<u>(8,642)</u>	<u>(8,575)</u>	<u>-</u>	<u>(19,905)</u>
Net Changes in the Authority's Total OPEB Liability	<u>(131,069)</u>	<u>(3,717,961)</u>	<u>-</u>	<u>1,040,656</u>
Authority's Total OPEB Liability (Beginning)	388,213	4,106,174	4,106,174	3,065,518
Authority's Total OPEB Liability (Ending)	<u>\$ 257,144</u>	<u>\$ 388,213</u>	<u>\$ 4,106,174</u>	<u>\$ 4,106,174</u>
Authority's Covered Payroll	\$ -	\$ -	\$ 331,743	\$ 331,743
Authority's Net OPEB Liability as a Percentage of Payroll	0%	0%	1238%	1238%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date)

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10- year trend is compiled, governments should present information for those years for which information is available.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Notes to the Required Supplementary Information

Public Employees' Retirement System (PERS)

Changes of Benefit Terms

The June 30, 2022 measurement date includes three changes in plan provisions, one of which had an impact on the State's total net pension liability. Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes of Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	6.28%	2016	3.98%
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

Other Post-Employment Benefits (OPEB)

Changes of Benefit Terms

None.

Changes of Assumptions

The discount rate changed from 2.02% as of December 31, 2020, to 4.18% as of December 31, 2022.

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Statements of Net Position - Restricted and Unrestricted
For the year ended December 31, 2022 (With Comparative Totals for 2021)

Schedule IV

	2022				2021
	Parking Authority of the Township of Toms River	Toms River Bus Park and Ride Facility			(Memorandum Only)
	Unrestricted	Restricted	Elimination	Combined	Total
ASSETS					
Current unrestricted assets:					
Cash	\$ 143,343	\$ 10,802	\$ -	\$ 154,145	\$ 148,734
Cash held with trustee	624,965	-	-	624,965	-
Accounts receivable	6,070	-	-	6,070	5,172
Prepaid expenses to Township of Toms River	75,055	-	-	75,055	-
Inventory	2,348	-	-	2,348	2,348
Prepaid expenses	2,411	-	-	2,411	7,846
Due from Park and Ride	234,908	-	(234,908)	-	-
Total current unrestricted assets	1,089,100	10,802	(234,908)	864,994	164,100
Capital assets, net	167,576	-	-	167,576	337,901
Total assets	1,256,676	10,802	(234,908)	1,032,570	502,001
DEFERRED OUTFLOW OF RESOURCES					
Deferred outflows related to pensions	39,849	-	-	39,849	28,344
Total deferred outflow of resources	39,849	-	-	39,849	28,344
Total assets and deferred outflow of resources	\$ 1,296,525	\$ 10,802	\$ (234,908)	\$ 1,072,419	\$ 530,345

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Statements of Net Position - Restricted and Unrestricted (continued)
For the year ended December 31, 2022 (With Comparative Totals for 2021)

Schedule IV

	2022				2021
	Parking Authority of the Township of Toms River	Toms River Bus Park and Ride Facility	Elimination	Combined	(Memorandum Only)
	Unrestricted	Restricted			Total
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	\$ 106,844	\$ 141,907	\$ -	\$ 248,751	\$ 176,123
Pensions payable	176,372	-	-	176,372	175,402
Unearned revenue	39,467	14,850	-	54,317	72,992
Bus fees payable	546,906	-	-	546,906	525,964
Current portion of notes payable	28,773	-	-	28,773	39,168
Due to Parking Authority	-	234,908	(234,908)	-	-
Total current unrestricted liabilities	898,362	391,665	(234,908)	1,055,119	989,649
Long-term liabilities:					
Compensated absences	33,644	-	-	33,644	35,952
Notes payable, net of current portion	-	-	-	-	28,774
Net pension liability	394,836	-	-	394,836	301,452
Net other postemployment benefits liability	257,144	-	-	257,144	388,213
Total long-term unrestricted liabilities	685,624	-	-	685,624	754,391
Total liabilities	1,583,986	391,665	(234,908)	1,740,743	1,744,040
DEFERRED INFLOW OF RESOURCES					
Deferred inflows related to pensions	513,193	-	-	513,193	814,914
Deferred inflows related to other postemployment benefits	138,474	-	-	138,474	3,792,244
Total deferred inflow of resources	651,667	-	-	651,667	4,607,158
NET POSITION					
Net investment in capital assets	138,803	-	-	138,803	269,959
Restricted for New Jersey Transit contingency fund reserve	-	175,245	-	175,245	165,245
Restricted for New Jersey Transit contingency funds	-	(556,108)	-	(556,108)	(462,514)
Unrestricted net position	(1,077,931)	-	-	(1,077,931)	(5,793,543)
Total net position	(939,128)	(380,863)	-	(1,319,991)	(5,820,853)
Total liabilities, deferred inflow of resources and net position	\$ 1,296,525	\$ 10,802	\$ (234,908)	\$ 1,072,419	\$ 530,345

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Statements of Revenues, Expenses and Changes in Net Position - Restricted and Unrestricted
For the year ended December 31, 2022 (With Comparative Totals for 2021)

Schedule V

	2022				2021
	Parking Authority of the Township of Toms River	Toms River Bus Park and Ride Facility		Combined	(Memorandum Only)
	Unrestricted	Restricted		Total	Total
	General Fund	Contingency Capital Fund	Contingency Fund Reserve	Total	Total
Operating revenues:					
Meters	\$ 212,358	\$ 7,500	\$ 140,125	\$ 359,983	\$ 299,936
Bus ticket commissions	68,226	-	-	68,226	44,659
Decals	118,033	2,500	23,580	144,113	133,845
Fines	111,885	-	-	111,885	98,895
Contracts	16,000	-	-	16,000	16,000
Total operating revenues	526,502	10,000	163,705	700,207	593,335
Operating expenses:					
Cost of providing services	294,861	-	233,986	528,847	477,111
General and administrative	190,199	-	23,313	213,512	207,688
Depreciation	46,871	-	-	46,871	54,419
Total operating expenses	531,931	-	257,299	789,230	739,218
Net operating (loss) income	(5,429)	10,000	(93,594)	(89,023)	(145,883)
Non-operating revenue (expenses):					
Unbudgeted pension credit	219,842	-	-	219,842	218,890
Unbudgeted other postemployment benefit credit/(expens	3,784,839	-	-	3,784,839	(927,606)
Vending commissions	7,692	-	-	7,692	8,889
Insurance reimbursement	75	-	-	75	-
Interest expense	(1,888)	-	-	(1,888)	(3,758)
Gain on sale of assets	579,100	-	-	579,100	6,244
Miscellaneous	225	-	-	225	4,438
Total non-operating revenues (expenses)	4,589,885	-	-	4,589,885	(692,903)
Change in net position	4,584,456	10,000	(93,594)	4,500,862	(838,786)
Net position, January 1	(5,523,584)	165,245	(462,514)	(5,820,853)	(4,982,067)
Net position, December 31	\$ (939,128)	\$ 175,245	\$ (556,108)	\$ (1,319,991)	\$ (5,820,853)

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Operating Expenses - Restricted and Unrestricted
For the year ended December 31, 2022 (With Comparative Totals for 2021)

Schedule VI

	2022			2021	
	Parking Authority of the Township of Toms River	Toms River Bus Park and Ride Facility		(Memorandum Only)	
	Unrestricted	Restricted		Combined	
	General Fund	Contingency Capital Fund	Contingency Fund Reserve	Total	Total
Cost of providing services:					
Salaries	\$ 113,627	\$ -	\$ 66,047	\$ 179,674	\$ 176,225
Insurance	55,866	-	24,100	79,966	74,354
Utilities	25,425	-	42,258	67,683	65,133
Rent	-	-	48,000	48,000	48,000
Repairs and maintenance	5,193	-	19,416	24,609	6,395
Vending	4,453	-	-	4,453	3,571
Pension expense	15,910	-	11,674	27,584	24,378
Payroll taxes	8,629	-	5,442	14,071	13,555
Automotive expense	6,362	-	-	6,362	11,234
Janitorial expense	-	-	5,010	5,010	1,948
Meter parts and supplies	34,012	-	2,961	36,973	25,884
Miscellaneous	3,973	-	784	4,757	814
Security	-	-	-	-	1,645
Snow removal costs	5,171	-	6,149	11,320	10,005
Signs	441	-	-	441	-
Ticketing	5,211	-	-	5,211	4,536
Lot J shared services	10,588	-	-	10,588	7,764
Equipment expense	-	-	2,145	2,145	1,670
Total cost of providing services	294,861	-	233,986	528,847	477,111
General and administrative expenses:					
Insurance	47,610	-	10,000	57,610	54,152
Salaries	52,921	-	-	52,921	52,596
Professional fees	19,540	-	12,948	32,488	42,098
Office supplies and expense	7,498	-	365	7,863	6,713
Telephone	7,942	-	-	7,942	6,818
Hospitalization	14,512	-	-	14,512	12,962
Bank charges	18,754	-	-	18,754	18,148
Data processing	3,341	-	-	3,341	2,524
Payroll taxes	3,972	-	-	3,972	3,474
Pension expense	14,109	-	-	14,109	8,203
Total general and administrative expenses	190,199	-	23,313	213,512	207,688
Depreciation	46,871	-	-	46,871	54,419
Total operating expenses	\$ 531,931	\$ -	\$ 257,299	\$ 789,230	\$ 739,218

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Modified Revenues and Expenses - Unrestricted Budget to Actual
For the year ended December 31, 2022

Schedule VII

	<u>Original</u> <u>Budget</u>	<u>Modified</u> <u>Budget</u>	<u>Unrestricted</u> <u>Actual</u>	<u>Variance</u>
Operating revenues:				
Meters, decals, and fines	\$ 465,847	\$ 465,847	\$ 442,276	\$ (23,571)
Bus ticket commissions	45,000	45,000	68,226	23,226
Contracts	16,000	16,000	16,000	-
	<u>526,847</u>	<u>526,847</u>	<u>526,502</u>	<u>(345)</u>
Total operating revenues				
Operating expenses:				
Cost of providing services	269,543	269,543	294,861	(25,318)
General and administrative expenses	174,668	174,668	190,199	(15,531)
	<u>444,211</u>	<u>444,211</u>	<u>485,060</u>	<u>(40,849)</u>
Total operating expenses				
Modified net operating income (loss)	<u>82,636</u>	<u>82,636</u>	<u>41,442</u>	<u>(41,194)</u>
Non-operating revenues (expenses):				
Vending commissions	8,000	8,000	7,692	(308)
Insurance reimbursement	-	-	75	75
ATM surcharges	2,384	2,384	-	(2,384)
Interest expense	(1,888)	(1,888)	(1,888)	-
Equipment sale	25,000	25,000	29,100	4,100
Property sales	625,000	625,000	700,000	75,000
Miscellaneous	1,000	1,000	225	(775)
	<u>659,496</u>	<u>659,496</u>	<u>735,204</u>	<u>75,708</u>
Total non-operating revenues (expenses)				
Debt service:				
Debt service - principal payments	<u>(494,168)</u>	<u>(494,168)</u>	<u>(39,169)</u>	<u>454,999</u>
	<u>(494,168)</u>	<u>(494,168)</u>	<u>(39,169)</u>	<u>454,999</u>
Total debt service				
Net budgeted income - modified basis	<u>\$ 247,964</u>	<u>\$ 247,964</u>	<u>\$ 737,477</u>	<u>\$ 489,513</u>
Reconciliation to change in net position:				
Net budgeted loss - modified basis			\$ 737,477	
Plus: debt service			39,169	
Less: depreciation			(46,871)	
Less: Cost of land sold			(150,000)	
Less: unbudgeted pension credit			219,842	
Less: unbudgeted other postemployment credit			<u>3,784,839</u>	
Change in unrestricted net position			4,584,456	
Change in restricted net position			<u>(83,594)</u>	
Change in net position			<u>\$ 4,500,862</u>	

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, State of New Jersey)
Modified Revenues and Expenses - Unrestricted Budget to Actual
For the year ended December 31, 2021

Schedule VIII

	Original <u>Budget</u>	Modified <u>Budget</u>	Unrestricted <u>Actual</u>	<u>Variance</u>
Operating revenues:				
Meters, decals, and fines	\$ 464,594	\$ 464,594	\$ 409,499	\$ (55,095)
Bus ticket commissions	79,200	79,200	44,659	(34,541)
Contracts	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>-</u>
Total operating revenues	<u>559,794</u>	<u>559,794</u>	<u>470,158</u>	<u>(89,636)</u>
Operating expenses:				
Cost of providing services	329,191	329,191	272,602	56,589
General and administrative expenses	<u>181,408</u>	<u>181,408</u>	<u>181,183</u>	<u>225</u>
Total operating expenses	<u>510,599</u>	<u>510,599</u>	<u>453,785</u>	<u>56,814</u>
Modified net operating income (loss)	<u>49,195</u>	<u>49,195</u>	<u>16,373</u>	<u>(32,822)</u>
Non-operating revenues (expenses):				
Vending commissions	38,100	38,100	8,889	(29,211)
ATM surcharges	8,176	8,176	-	(8,176)
Interest expense	(5,367)	(5,367)	(3,758)	1,609
Equipment sale	46,000	46,000	6,244	(39,756)
Property sale	480,000	480,000	-	(480,000)
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>4,438</u>	<u>1,938</u>
Total non-operating revenues (expenses)	<u>569,409</u>	<u>569,409</u>	<u>15,813</u>	<u>(553,596)</u>
Debt service:				
Debt service - principal payments	<u>(363,790)</u>	<u>(363,790)</u>	<u>(52,652)</u>	<u>311,138</u>
Total debt service	<u>(363,790)</u>	<u>(363,790)</u>	<u>(52,652)</u>	<u>311,138</u>
Net budgeted income - modified basis	<u>\$ 254,814</u>	<u>\$ 254,814</u>	<u>\$ (20,466)</u>	<u>\$ (275,280)</u>
Reconciliation to change in net position:				
Net budgeted loss - modified basis			\$ (20,466)	
Plus: debt service			52,652	
Less: depreciation			(54,419)	
Less: unbudgeted other postemployment benefit expense			(927,606)	
Less: unbudgeted pension expense			<u>218,890</u>	
Change in unrestricted net position			(730,949)	
Change in restricted net position			<u>(107,837)</u>	
Change in net position			<u>\$ (838,786)</u>	

PARKING AUTHORITY OF THE TOWNSHIP OF TOMS RIVER
(A Component Unit of the Township of Toms River, County of Ocean, State of New Jersey)
Board of Commissioners and Management
December 31, 2022

BOARD OF COMMISSIONERS

Tariq M.S. Siddiqui	Chairman
Bill Beining	Vice Chairman
Norvella Lightbody	Secretary
Richard J. Banach (Resigned December 31, 2022)	Treasurer
Brenda Tutela	Vice Treasurer
Moshe Kupferstein	Commissioner
Michael Maulshagen	Commissioner

MANAGEMENT

Pamela Piner	Executive Director
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www.hfacpas.com

The Chairman and Commissioners of the
Parking Authority of the Township of Toms River
33 Washington Street
Toms River, NJ 08753

We have audited the financial accounts and transactions of the Parking Authority of the Township of Toms River (hereafter referred to as the Parking Authority), a component unit of the Township of Toms River, County of Ocean, State of New Jersey for the year ended December 31, 2022. In accordance with requirements prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments and Recommendations* for the year then ended.

GENERAL COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

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

Review of the minutes and financial transactions did not identify any bid request by public advertising.

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures revealed individual payments, contracts or agreements in excess of \$2,625 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*). The results of our examination did not disclose any discrepancies.

Examination of Bills

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

Payroll Fund

The examination of the payroll account included the detailed computation of various deductions or other credits from the payroll of the Parking Authority employees and ascertained that the accumulated withholdings were disbursed to the proper agencies. The results of the examination did not disclose any discrepancies.

Current Year Findings

Finding 2022-001 Lateness in Filing of Audited Financial Statements

Deficiency: The timeliness of filing the audited financial statements of the Parking Authority as required by Division of Local Government Services (DLGS), Department of Community Affairs, State of New Jersey, was not filed timely within the established deadline of September 30, 2022.

Cause: The Parking Authority had not prepared or reviewed certain accounting reconciliations to support trial balance, general ledger and/or financial statement amounts in a timely manner.

HFA Recommendation: The Parking Authority should implement a formalized close process to ensure the Parking Authority financial statements are filed with the established deadline with the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Management's response: Management recognizes the need to submit their audit report to the Division of Local Government Services, Department of Community Affairs, State of New Jersey within established deadlines in order to remain compliant with requirements. Management will make an effort to correct their timeliness and file their audits within the appropriate deadlines going forward.

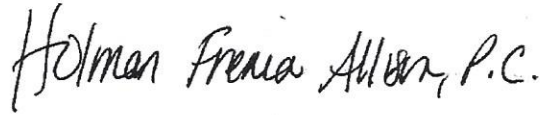
Follow-Up of Prior Year's Findings

In accordance with *Government Auditing Standards*, and audit requirements prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, our procedures included a review of prior year findings. There were no prior year findings.

Acknowledgment

We received the complete cooperation of all the Parking Authority officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions concerning our comments, please call us.



HOLMAN FRENIA ALLISON, P.C.

Certified Public Accountants

February 27, 2024
Lakewood, New Jersey