



**camden**  **county**  
**Improvement Authority**

**REPORT OF AUDIT**

**WITH  
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED  
DECEMBER 31, 2015 and 2014**

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
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For the Year Ended December 31, 2015

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**CAMDEN COUNTY IMPROVEMENT AUTHORITY**

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**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
ROSTER OF OFFICIALS  
As of December 31, 2015

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Members

William R. Hosey  
Linda M. Rohrer  
Joseph P. Schooley  
William W. Spearman  
Reginald Stevenson

Position

Chairman  
Vice-Chairman  
Member  
Member  
Member

Other Officials

James P. Blanda  
David McCollum  
David Patterson, Maressa Patterson, LLC

Executive Director  
Treasurer  
General Counsel

**CAMDEN COUNTY  
IMPROVEMENT AUTHORITY**

**PART I**

**FINANCIAL SECTION**

**FOR THE YEARS ENDED**

**DECEMBER 31, 2015 and 2014**

## **INDEPENDENT AUDITOR'S REPORT**

The Chairman and Commissioners of  
Camden County Improvement Authority  
Camden County, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Camden County Improvement Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden (Authority), as of and for the years ended December 31, 2015 and 2014 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**31400**

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Camden County Improvement Authority, in the County of Camden, State of New Jersey as of December 31, 2015 and 2014, and the changes in its financial position and its cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

*Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the year ended December 31, 2015, the Authority adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

*Prior Period Restatement*

Because of the implementation of GASB Statements No. 68 and No. 71, net position on the comparative statements of revenues, expenses and changes in net position has been restated for the year ended December 31, 2013, as discussed in note 10 to the financial statements. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the net pension liability and schedule of Authority contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the financial statements.

31400

**Other Matters (Cont'd)**

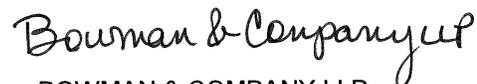
*Other Information (Cont'd)*

The accompanying supplementary schedules as listed in the table of contents and the schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards 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 August 11, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
August 11, 2016

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The Chairman and Commissioners of  
Camden County Improvement Authority  
Camden County, New Jersey

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 in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Camden County Improvement Authority, in the County of Camden, State of New Jersey, a component unit of the County of Camden, (Authority), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 11, 2016. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the adoption of new accounting principles.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the 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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

31400

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

***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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Bureau of Authority Regulation, 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.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
August 11, 2016



## **Improvement Authority**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS For the Years Ended December 31, 2015 and 2014 (Unaudited)**

#### **PURPOSE**

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Management's Discussion and Analysis (MDA) is the section of the annual audit report in which Camden County Improvement Authority (Authority) management provides an overview of the previous year's operations, and often most importantly, an overview of activity and financial results of each operating segment, along with the consolidated statements. The MDA represents the thoughts and opinions of management and provides a forecast of future operations.

Through a collaborative effort of senior management, the MDA was prepared in an effort to capture the material activities throughout the year, offer insights into the performance of each business segment, provide a summary of the consolidated financial statements, and express the highlights of both the successes and challenges over the year, along with business opportunities going forward.

#### **BUSINESS STRATEGY AND OBJECTIVES**

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From both a qualitative or quantitative standpoint, the period from January 1, 2015 to December 31, 2015 was the most active twelve (12) months of the Authority since being formed more than thirty-five (35) years ago. The Authority's primary role had long been limited to serving as the economic development arm of the County, in providing assistance to each municipality, and as issuer of tax exempt bonds for eligible public purpose projects, the latter of which had essentially been the sole source of revenue to fund Authority operations. Additionally, the Authority's clientele had been limited to those municipalities and non-profit organizations seeking to use the Authority to access the tax-exempt bond market to finance their capital projects.

Much of this past year's success can be attributed to the concerted effort initiated approximately five (5) years ago to diversify the revenue streams that fund Authority operations and expand upon the client base through the offering of additional, but related, services. As one example, as a means to market services and build relationships with the municipal sector, the client base where the greatest opportunity exists, the Authority entered into a Shared Services Agreement with Camden County (agreement extended in 2015) whereby the Authority will be the facilitator of approximately \$3 million in federal grants annually. This provided a forum to market other services of the Authority for the benefit of the local unit, and in a cost effective manor by capitalizing on economies of scale afforded a broader County agency like to Authority (given the inefficiencies that exist in a County of thirty-seven (37) local units of government).

In addition, the Authority is able to pass along the savings generated from the efficiencies created in providing a multiple services under a "one-stop-shop" approach, often able to provide services to various forms of governments, public institutions and non-profit organizations at a lower cost than most private sector clients. With statutory authority granted by the State to issue tax-exempt debt, the Authority's offers a combined financing and project management role to clients that cannot be obtained in the private market.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONT'D)**

### **BUSINESS STRATEGY AND OBJECTIVES (CONT'D)**

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While bond financing had long been the role of the Authority offered to governmental clients, this new "expanded services approach", enabled the Authority to meet its original goal of "diversifying revenue streams" to mitigate risk. It is worth noting that this risk became reality when the State of New Jersey Local Finance Board in July 2014 capped the financing fee an issuer, such as the Authority, may charge, resulting in an eighty percent (80%) decline in revenue from bond transactions. Additionally, with the benefit of a now expanded menu of services to offer its public clients, the Authority had a greater platform to not only strengthen existing relationships, but present greater opportunity to forge new relationships with public clients.

### **BUSINESS REVIEW AND HIGHLIGHTS**

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After spearheading the development of two (2) large development efforts, in the \$130 million Cooper Medical School of Rowan University and the \$50 million Rutgers Graduate Student Housing Facility, the Authority seized on the momentum to secure development and bond financing roles on a number of several large scale, public purpose, projects in Camden County (noted below). As a result, 2015 was one of the most active years for the Authority, generating more revenue than any year before, at \$8.5 million, or 8.2% greater than the previous year, 2014 (43% more revenue than 5 years ago, or 2010).

While a quantitative assessment is best accomplished in reviewing the financial statements in this audit, it is equally important to perform qualitative review of operations, and in the Authority's case in 2015, focusing on achievements related to (i) securing several lead roles in various development and financing efforts, (ii) acquisition and disposal of land (assets), (iii) creation of new business (partner) relationships. In addition, the Authority launched several innovative programs never before offered to the communities throughout the County, one of which was awarded special recognition by the State. These matters are addressed below.

While additional detail is captured in the financial statements, some highlights from 2015 are as follows:

#### ***Financial Highlights from 2015***

Unrestricted Cash and Cash Equivalents increased 22% or \$864,697.

Operating revenue increased by 9% or \$675,108.

Financing and related fees decreased by 28% or (\$259,582).

Parking Center revenue increased 6% or \$225,103 as a result of increased use.

Operating expenses increased 18% or \$1,239,002 due to increased services provided by the Authority, including community development and county project management services.

The Authority completed five (5) bond financings totaling \$98,606,000.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONT'D)**

### **BUSINESS REVIEW AND HIGHLIGHTS (CONT'D)**

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Certain notable accomplishments from 2015, are as follows (role of Authority and approximate project cost, in parenthesis):

#### ***Contracts secured (Note: Total- \$243.4 million)***

Project Development Agreement with Joint Board of Governors (*Project Manager, \$70 million*)  
Project Development Agreement with Camden Parking Authority (*Project Manager, \$38 million*)  
Project Development Agreement with Rowan Univ./CCIA Garage (*Owner/Project Mgr, \$34 million*)  
Project Development Agreement with Waterford Township (*Owner/Project Manager \$4 million*)  
<sup>1</sup>Project Management Agreement with City of Camden (*Project Manager, \$15.5 million*)  
Project Management Agreement with Camden County Technical School, PII (*Project Mgr, \$8 million*)  
Shared Services Agreement with Camden County/Community Dev. (*Sub-recipient, \$2.8 million*)  
Shared Services Agreement with Cherry Hill Twp/Community Devel. (*Program Mgmt, \$300,000*)  
Shared Services Agreement with Gloucester City/Community Devel. (*Program Mgmt, \$220,000*)  
Project Management Agreement with Waterford Township BOE, PII (*Project Manager, \$250,000*)  
Shared Services Agreement with Camden County/Board Soc. Serv. (*Owner/Project Mgr, \$70 million*)  
<sup>2</sup>Shared Services Agreement with Camden County (*Project Manager, \$350,000*)  
Redevelopment Consulting Agreement with Waterford Township (*Consultant, TBD*)  
Consulting Agreement with Borough of Pine Hill (*Consultant, TBD*)

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<sup>1</sup>Largest scattered site demolition project in State history (per City officials).

<sup>2</sup>Amount is estimated based upon budget provided by County.

#### ***Real estate transactions (Authority Assets)***

Acquisition, Baseball Stadium, formerly Campbell's Field  
Sale of land (Pennsauken Twp), per Redevelopment Agreement with Renaissance Partners LLC.  
Sale (Borough of Clementon) of land, per Redevelopment Agreement with Leewood NJ LLC  
Operating Lease (City of Camden), with Delaware River Ferry Company (water taxi)  
Sale of land (City of Camden), Camden Charter School Network

#### ***Bond financings***

Negotiated bond sales for governmental clients, four (4) transactions totaling approx. \$84.2 million  
Negotiated bond sale for non-profit client, one (1) transaction for approximately \$14.4 million

#### ***Innovation and recognition***

Award (State of NJ), PILOT Program leveraging federal Block Grant and NJ Catastr. Illness funding  
Energy efficiency, reallocated federal funding for energy efficient streetlight upgrades (\$778,000)

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONT'D)****FINANCIAL ANALYSIS**

The following table presents a summary of the Authority's financial position as of December 31, 2015 compared to December 31, 2014 and December 31, 2013.

	<u>2015</u>	<u>Percent Change</u>	<u>2014 (Restated)</u>	<u>Percent Change</u>	<u>2013 *</u>
<b>ASSETS</b>					
Current Assets:					
Unrestricted	\$ 6,463,874	15%	\$ 5,642,072	5%	\$ 5,373,928
Restricted	1,104,811	4%	1,064,548	109%	509,292
Non-Current Assets:					
Restricted:					
Investments in Redevelopments				-100%	20,396,192
Construction in Progress	91,214				
Capital Assets	25,729,352	10%	23,439,269	-4%	24,513,287
Other Restricted	504,849	1158%	40,120		
Total Assets	<u>33,894,100</u>	12%	<u>30,186,009</u>	-41%	<u>50,792,700</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to Pensions	<u>2,698,938</u>	54%	<u>1,758,088</u>		<u>-</u>
<b>LIABILITIES</b>					
Current Liabilities	2,070,447	6%	1,954,167	-91%	21,562,091
Long Term Liabilities	<u>39,400,398</u>	18%	<u>33,359,136</u>	13%	<u>29,582,030</u>
Total Liabilities	<u>41,470,845</u>	17%	<u>35,313,303</u>	-31%	<u>51,144,121</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Revenue	780,478	125%	346,550		
Related to Pensions	<u>95,046</u>	-62%	<u>253,339</u>		<u>-</u>
Total Deferred Inflows of Resources	<u>875,524</u>	46%	<u>599,889</u>		<u>-</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	(4,737,814)	16%	(4,087,771)	15%	(3,554,963)
Unrestricted	<u>(1,015,516)</u>	-956%	<u>118,676</u>	-96%	<u>3,203,541</u>
Total Net Position	<u>\$ (5,753,330)</u>	45%	<u>\$ (3,969,096)</u>	1029%	<u>\$ (351,422)</u>

\* 2013 has not been restated to comply with GASB 68. See Note 10.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONT'D)**

	<b>2015</b>	<b>Percent Change</b>	<b>2014 (Restated)</b>	<b>Percent Change</b>	<b>2013 *</b>
<b>OPERATING REVENUES</b>					
Parking Center Revenue	\$ 4,171,508	6%	\$ 3,946,405	-2%	\$ 4,019,239
Financing and Related Fees	659,758	-28%	919,340	-26%	1,240,221
Project Management Fees, Net	1,384,214	3%	1,344,151	-27%	1,846,642
Federal Financial Assistance	1,998,498		1,184,714		
Lease Income	234,061	18%	198,698	3%	192,653
Miscellaneous Revenues	82,993	-68%	262,615	126%	116,426
<b>Total Operating Revenues</b>	<b>8,531,031</b>	<b>9%</b>	<b>7,855,923</b>	<b>6%</b>	<b>7,415,181</b>
<b>OPERATING EXPENSES</b>					
Administrative Expenses:					
Salaries and Wages	1,504,996	-28%	2,093,759	24%	1,685,633
Employee Benefits	1,012,562	-4%	1,056,745	89%	559,764
Other Expenses	1,382,946	-16%	1,655,191	-2%	1,696,401
<b>COST OF PROVIDING SERVICES</b>					
Salaries and Wages	760,490	387%	156,263	14%	136,600
Employee Benefits	440,683	1360%	30,190	51%	19,983
Other Expenses	1,784,717	122%	803,917	-6%	859,671
Depreciation Expense	1,228,309	14%	1,079,636	0%	1,079,074
<b>Total Operating Expenses</b>	<b>8,114,703</b>	<b>18%</b>	<b>6,875,701</b>	<b>14%</b>	<b>6,037,127</b>
<b>OPERATING INCOME</b>	<b>416,328</b>	<b>-58%</b>	<b>980,222</b>	<b>-29%</b>	<b>1,378,053</b>
Net Non-Operating Income (Expenses)	(2,200,563)	13%	(1,946,925)	0%	(1,943,321)
Change in Net Position, Before Capital Contributions	(1,784,235)	85%	(966,703)	71%	(565,267)
Capital Contributions	-		-		23,282
Change in Net Position, After Capital Contributions	(1,784,235)	85%	(966,703)	78%	(541,985)
Net Position - Beginning, As Originally Stated	(3,969,096)	1029%	(351,422)	-284%	190,564
Restatement	-		(2,650,971)		-
Net Position - Beginning, As Restated	(3,969,096)	32%	(3,002,393)	-1676%	190,564
Change in Net Position	(1,784,235)		(966,703)		(541,985)
Net Position - Ending	\$ (5,753,330)	45%	\$ (3,969,096)	1029%	\$ (351,422)

\* 2013 has not been restated to comply with GASB 68. See Note 10.

ABOVE INCLUDES DEDUCTIONS FOR NON-CASH ITEMS SUCH AS THE RESTATEMENT OF PENSION LIABILITY AND DEPRECIATION.

***Please note that this summary of the Authority's financial position includes a significant requirement of GASB Statement 68 that requires the Authority to report its portion of NJ PERS pension liability. The 2014 financial position has also been restated to reflect this change in reporting.***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONT'D)**

### **OPERATING ACTIVITIES AND OPERATING REVENUE**

The Authority is an autonomous agency that charges fees for services it renders such as, but not limited to, bond financing, application review, project management, intergovernmental services, grant writing, proprietary responsibilities, planning services, due diligence, construction-monitoring and development fees.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### *Capital Assets*

The Authority's capital assets include investments in certain real estate redevelopment projects. These include the Crossroads Redevelopment Area in Pennsauken Township, the Parking Center Garage Project in Camden and the marina commercial site located in the City of Camden. With the exception of the Parking Center Garage Project, these project sites may ultimately be sold to private real estate developers as part of the redevelopment plan for the site which will convert these assets into cash for the Authority's use in operations.

#### *Conduit Debt*

The Authority has issued in excess of \$2.2 billion conduit debt in support of various types of projects throughout the County. The Authority assumes no responsibility for repayment of this debt beyond the resources provided by the underlying leases and mortgage loans. As of December 31, 2015 there were 51 series of these Special Revenue Bonds outstanding. The corresponding aggregate principal totaling \$812,276,131 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements other than as noted. See Note 1 to the Notes to Financial Statements for a more detailed explanation of conduit debt.

#### *Capital Debt*

The Authority has also issued two series of revenue bonds to fund the acquisition of the Camden Baseball Stadium Project and the construction of the Parking Center Garage Project. The original issue amount of the bonds of \$5,000,000, and \$28,900,000 respectively, will be redeemed through project revenues, grants, sale of the development sites, and tax revenues.

### **CONTACTING THE AUTHORITY'S MANAGEMENT**

This financial report is designed to provide New Jersey, and Camden County residents in particular, and our customers, clients, investors and creditors, a general overview of the Authority's financial operations.

Questions about this report should be directed to:

James P. Blanda, Executive Director  
Camden County Improvement Authority  
2220 Voorhees Town Center,  
Voorhees, New Jersey 08043  
856-751-2242

## **BASIC FINANCIAL STATEMENTS**

## CAMDEN COUNTY IMPROVEMENT AUTHORITY

Comparative Statements of Net Position

As of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u> <u>(Restated)</u>
<b>ASSETS</b>		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 4,788,757.97	\$ 3,924,061.42
Financing and Project Management Accounts Receivable (Net of Allowance for Doubtful Accounts of \$171,690.01 for 2015 and 2014)	702,046.77	898,644.42
Parking Fees Receivable	868,858.65	790,408.12
Other Accounts Receivable	82,386.86	
Prepaid Expenses	21,823.99	28,957.70
	<hr/>	<hr/>
Total Unrestricted Current Assets	6,463,874.24	5,642,071.66
Restricted Assets:		
Cash and Cash Equivalents	481,690.75	756,567.18
Federal and State Grants Receivable	623,119.88	307,981.14
	<hr/>	<hr/>
Total Restricted Current Assets	1,104,810.63	1,064,548.32
	<hr/>	<hr/>
Total Current Assets	7,568,684.87	6,706,619.98
Non-current Assets:		
Restricted Assets:		
Construction in Progress	91,214.00	
Capital Assets:		
Property, Plant & Equipment (Net of Accumulated Depreciation)	25,729,352.21	23,439,268.76
Loans Receivable	504,849.00	40,120.00
	<hr/>	<hr/>
Total Restricted Non-current Assets	26,325,415.21	23,479,388.76
	<hr/>	<hr/>
<b>Total Assets</b>	<b>33,894,100.08</b>	<b>30,186,008.74</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to Pensions	2,698,938.00	1,758,088.00
	<hr/>	<hr/>

(Continued)

## CAMDEN COUNTY IMPROVEMENT AUTHORITY

Comparative Statements of Net Position

As of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u> <u>(Restated)</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Liabilities Payable from Unrestricted Assets:		
Accounts Payable	\$ 835,188.80	\$ 672,232.90
Accounts Payable - Related to Pension	226,404.00	187,179.00
Unearned Revenue	259,184.35	126,667.65
	<hr/>	<hr/>
Total Current Liabilities Payable from Unrestricted Assets:	1,320,777.15	986,079.55
	<hr/>	<hr/>
Current Liabilities Payable from Restricted Assets:		
Accounts Payable	23,304.10	368,087.31
Bonds Payable	640,000.00	600,000.00
Accrued Interest Payable	86,365.70	
	<hr/>	<hr/>
Total Current Liabilities Payable from Restricted Assets:	749,669.80	968,087.31
	<hr/>	<hr/>
Long-Term Liabilities:		
Bonds Payable	33,260,000.00	28,900,000.00
Net Pension Liability	5,911,513.00	4,251,048.00
Accrued Liabilities - Related to Pension	113,202.00	113,202.00
Compensated Absences	115,682.67	94,886.36
	<hr/>	<hr/>
Total Long-Term Liabilities	39,400,397.67	33,359,136.36
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>41,470,844.62</b>	<b>35,313,303.22</b>
	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Grant Revenue	275,628.89	306,430.20
Deferred Loan Revenue	504,849.00	40,120.00
Related to Pensions	95,046.00	253,339.00
	<hr/>	<hr/>
<b>Total Deferred Inflows of Resources</b>	<b>875,523.89</b>	<b>599,889.20</b>
	<hr/>	<hr/>
<b>NET POSITION</b>		
Net Investment in Capital Assets	(4,737,813.94)	(4,087,771.24)
Unrestricted	(1,015,516.49)	118,675.56
	<hr/>	<hr/>
<b>Total Net Position</b>	<b>\$ (5,753,330.43)</b>	<b>\$ (3,969,095.68)</b>
	<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of the financial statements.

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Comparative Statements of Revenues, Expenses and Changes in Net Position  
 For The Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u> <u>(Restated)</u>
<b>Operating Revenues:</b>		
Parking Center Revenue	\$ 4,171,508.23	\$3,946,404.85
Financing and Related Fees	659,757.75	919,340.08
Project Management Fees (Net of Change in Allowance for Doubtful Accounts of \$63,000.01 for 2014 and none in 2015)	1,384,213.61	1,344,150.66
Federal Financial Assistance	1,998,497.92	1,184,713.85
Lease Income	234,060.95	198,698.42
Sale of Investment Properties		189,982.74
Miscellaneous Revenues	82,992.85	72,632.65
<b>Total Operating Revenues</b>	<u>8,531,031.31</u>	<u>7,855,923.25</u>
<b>Operating Expenses:</b>		
Administrative Expenses:		
Salaries and Wages	1,504,995.85	2,093,759.03
Employee Benefits	1,012,562.04	1,056,745.49
Other Expenses	1,382,945.87	1,655,190.77
Cost of Providing Services:		
Salaries and Wages	760,490.00	156,262.65
Employee Benefits	440,683.00	30,190.08
Other Expenses	1,784,717.10	803,916.56
Depreciation Expense	1,228,309.42	1,079,636.21
<b>Total Operating Expenses</b>	<u>8,114,703.28</u>	<u>6,875,700.79</u>
<b>Operating Income</b>	<u>416,328.03</u>	<u>980,222.46</u>
<b>Non-Operating Income (Expenses):</b>		
Investment Income	9,330.91	6,213.72
Contribution to Camden County Per N.J.S.A. 40A:5A-1	(188,720.00)	(131,059.00)
Interest Expense	(1,861,734.49)	(1,810,622.97)
Cost of Issuance	(159,439.20)	
Cancellation of Prior Year Receivable		(11,457.07)
<b>Net Non-Operating Income (Expenses)</b>	<u>(2,200,562.78)</u>	<u>(1,946,925.32)</u>
<b>Change in Net Position</b>	<u>(1,784,234.75)</u>	<u>(966,702.86)</u>
<b>Net Position - Beginning, As Originally Stated</b>	(3,969,095.68)	(351,421.82)
<b>Restatement - See Note 10</b>		<u>(2,650,971.00)</u>
<b>Net Position - Beginning, As Restated</b>	(3,969,095.68)	(3,002,392.82)
<b>Change in Net Position</b>	<u>(1,784,234.75)</u>	<u>(966,702.86)</u>
<b>Net Position - Ending</b>	<u>\$ (5,753,330.43)</u>	<u>\$ (3,969,095.68)</u>

The accompanying Notes to Financial Statements are an integral part of the financial statements.

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Comparative Statements of Cash Flows  
For The Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u> <u>(Restated)</u>
<b>Cash Flows from Operating Activities:</b>		
Receipts from Customers and Grantors	\$ 8,118,701.28	\$ 7,246,033.88
Payments to Suppliers	(3,342,450.92)	(1,672,477.59)
Payments to Employees	(3,097,387.58)	(2,928,391.62)
Other Operating Receipts	234,666.94	271,331.07
<b>Net Cash Provided by Operating Activities</b>	<u>1,913,529.72</u>	<u>2,916,495.74</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Capital Acquisitions	(3,609,606.87)	(65,166.45)
Pass Through Conduit Debt Receipts		151,062.93
Contribution to Camden County	(188,720.00)	(131,059.00)
Contribution from Camden County		29,766.32
Principal Paid on Bonds	(600,000.00)	(580,000.00)
Interest Paid on Bonds	(1,775,274.44)	(1,973,142.97)
Receipts from the Issuance of Bonds	5,000,000.00	
Bond Issue Costs	(159,439.20)	
Sale of Investment Properties		20,514,068.08
Payment of Bond Anticipation Notes		(20,315,000.00)
Interest Paid on Bond Anticipation Notes		(162,520.00)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(1,333,040.51)</u>	<u>(2,531,991.09)</u>
<b>Cash Flows from Investing Activities:</b>		
Interest Received	9,330.91	6,281.09
<b>Net Increase in Cash and Cash Equivalents</b>	589,820.12	390,785.74
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>4,680,628.60</u>	<u>4,289,842.86</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 5,270,448.72</u>	<u>\$ 4,680,628.60</u>

(Continued)

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Comparative Statements of Cash Flows  
 For The Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u> <u>(Restated)</u>
<b>Reconciliation of Operating Income to Net Cash Provided</b>		
<b>by Operating Activities:</b>		
Operating Income	\$ 416,328.03	\$ 980,222.46
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	1,228,309.42	1,079,636.21
Change in Assets:		
(Increase) Decrease in Financing and Related Fees Receivable	196,597.65	129,690.16
(Increase) Decrease in Parking Center Fees Receivable	(78,450.53)	(279,677.77)
(Increase) Decrease in Other Revenues Receivable	(82,386.86)	
(Increase) Decrease in Prepaid Expenses	7,133.71	(1,198.37)
(Increase) Decrease in Federal Grants Receivable	(315,138.74)	(281,427.79)
(Increase) Decrease in Loans Receivable	(464,729.00)	
Change in Deferred Outflows of Resources:		
(Increase) Decrease in Deferrals Related to Pensions	(940,850.00)	(1,664,498.50)
Change in Liabilities:		
Increase (Decrease) in Accounts Payable	(181,921.66)	888,377.11
Increase (Decrease) in Accounts Payable Related to Pensions	39,225.00	86,630.00
Increase (Decrease) in Unearned Revenue	132,516.70	(253,693.10)
Increase (Decrease) in Net Pension Liability	1,660,465.00	1,600,077.00
Increase (Decrease) in Accrued Liabilities Related to Pensions		19,612.50
Increase (Decrease) in Compensated Absences Payable	20,796.31	12,856.63
Change in Deferred Inflows of Resources:		
Increase (Decrease) in Deferred Grant Revenue	(30,801.31)	306,430.20
Increase (Decrease) in Deferred Loan Revenue	464,729.00	40,120.00
Increase (Decrease) in Deferrals Related to Pensions	(158,293.00)	253,339.00
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 1,913,529.72</u>	<u>\$ 2,916,495.74</u>

The accompanying Notes to Financial Statements are an integral part of the financial statements.

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Notes to Financial Statements  
For the Years Ended December 31, 2015 and 2014

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Camden County Improvement Authority (the "Authority") was created by a resolution of the Board of Chosen Freeholders of the County of Camden (the "County"), adopted March 20, 1979, pursuant to the County Improvement Authority Law, Chapter 183 of the Pamphlet Laws of 1960, of the State of New Jersey, as amended and supplemented, ("The Act").

The Act empowers improvement authorities to provide within the County, public facilities, convention halls, equipment and facilities for public transportation, aviation facilities, garbage and solid waste systems, the improvement, furtherance and promotion of tourist industries and recreational attractiveness and planning and carrying out of redevelopment projects.

The Authority consists of five members, appointed by the Camden County Board of Chosen Freeholders. One member is appointed each year for a five-year term.

**Component Unit**

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority has no component units and is a component unit of the County of Camden.

**Basis of Presentation**

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in Net Position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Basis of Presentation (Cont'd)**

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

The transactions of the Authority are divided into two separate activities (Improvement Authority General Operations and Parking Center Operations) within the enterprise fund type. Each activity is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflow of resources, net position, revenues and expenditures.

**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. Management fees, financing fees and parking fees are recognized as revenue when services are provided.

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

**Expenses / Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

**Budgets and Budgetary Accounting**

The 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 Authority budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, bond issue costs, bond discounts and deferred loss on defeasance are not included in the budget appropriations.

The legal level of budgetary control is established at the detail shown on the Comparative Statements of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended. No amending budgets were adopted by the Authority during 2015.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets and Budgetary Accounting (Cont'd)**

The Authority records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Authority has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

**Inventories**

The Authority has determined that the inventories are immaterial and are not recorded in the financial statements.

**Prepaid Expenses**

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable balance sheet date.

**Capital Assets**

Capital Assets consist primarily of the Parking Center, equipment used at the Parking Center and office equipment used by the Authority administrative staff and is stated at cost or estimated cost. Donated capital assets are recorded at their fair market value as of the date received. The Authority has no infrastructure capital assets.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Capital Assets (Cont'd)**

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Costs incurred during construction of an asset are recorded as construction in progress or Investment in Redevelopment Sites. In the year that the project is completed, these costs are transferred to completed capital assets. Interest costs incurred during construction are not capitalized into the cost of the asset.

Expenditures are capitalized when they meet the following requirements:

- 1) Cost of \$5,000 or more
- 2) Useful life of five or more years
- 3) Asset is not affected by consumption

**Depreciation**

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

	<u>Years</u>
Buildings	30-40
Furniture and Equipment	7-10
Vehicles	5
Major Moveable Equipment	7-20

Depreciation is started in the month the asset is placed in service.

**Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Authority and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the Authority is eligible to realize the revenue.

**Deferred Outflows and Deferred Inflows of Resources**

The comparative statements of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the GASB standards. The Authority is required to report the following as deferred outflows of resources and deferred inflows of resources:

**Defined Benefit Pension Plans** – The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

**Deferred Revenue** – Deferred revenue arises when resources associated with revenue transactions are received or reported as a receivable before the period when resources are required to be used or when use is first permitted in which enabling legislation includes time requirements.

**Conduit Debt Obligations**

To provide within the County public facilities, convention halls, equipment and facilities for public transportation, garbage and solid waste systems, the improvement, furtherance and promotion of tourist industries and recreational attractiveness and the planning and carrying out of redevelopment projects, the Authority has issued certain debt bearing its name to lower the cost of borrowing for specific governmental or non-governmental third parties. This debt is commonly referred to as conduit (or non-commitment) debt. Typically, the debt proceeds are used to finance facilities within the Authority's jurisdiction that are transferred to the third party either by lease or by sale. The underlying lease or mortgage loan agreement, which serves as collateral for the promise of payments by the third party, calls for payments that are essentially the same as those required by the debt. These payments are made by the third-party directly to an independent trustee, who is appointed to service and administer the arrangement. The Authority assumes no responsibility for repayment of this debt beyond the resources provided by the underlying leases or mortgage loans.

As of December 31, 2015, there were 51 series of Special Revenue Bonds outstanding with corresponding aggregate principal totaling \$818,461,121.28. As of December 31, 2014, there were 55 series of Special Revenue Bonds outstanding with corresponding aggregate principal totaling \$863,182,018.04. The conduit debt is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements. More detail regarding these balances can be found in supplemental schedule 10 of the financial statements.

**Net Position**

The Authority has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

**Net Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Net Position (Cont'd)**

**Restricted** - This component of net position consists of external constraints imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation, that restricts the use of net position.

**Unrestricted** - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets." This component includes net position that may be allocated for specific purposes by the Board.

**Income Taxes**

The Authority operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

**Operating and Non-Operating Revenues and Expenses**

Operating revenues include all revenues derived from administration fees, parking fees and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses include expenses associated with the general administration and operation of the Central Parking Garage of the Authority. Non-operating expenses principally include interest, losses, cancellations and contributions to Camden County that are not attributable to the Authority's operations.

**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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2015, the Authority adopted GASB 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. As a result of adopting such Statements, the Authority was required to measure and recognize liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. The cumulative effect of adopting GASB Statements No. 68 and No. 71 totaled \$2,650,971.00, and was recognized as a restatement of the Authority's December 31, 2013 net position on the comparative statements of net position (see note 10).

**Recently Issued Accounting Pronouncements**

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement is effective for periods beginning after June 15, 2015. Management has not yet determined the impact of this Statement on the financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. Components of this Statement are effective for periods beginning after June 15, 2015 and 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement is effective for periods beginning after June 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement is effective for periods beginning after June 15, 2017. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of GAAP. The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Statement is effective for periods beginning after June 15, 2015. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement is effective for periods beginning after December 15, 2015. Management does not expect this Statement will have an impact on the notes to the financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The Statement is effective for periods beginning after December 15, 2015. Management has not yet determined the impact of this Statement on the financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Management does not expect this Statement will have an impact on the notes to the financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement is effective for periods beginning after June 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The Statement is effective for periods beginning after December 15, 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Management has not yet determined the impact of this Statement on the financial statements.

**Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY****Compliance with finance related legal and contractual provisions**

Management of the Authority is not aware of any "Events of Default" existing under the bond resolutions authorizing the issuance of the Authority's conduit debt or material violations of finance related legal and contractual provisions.

In 2006, the Authority issued bonds to finance a parking facility located at Cooper Hospital in Camden, New Jersey and guaranteed by Cooper Hospital. As part of the bond resolution, the Authority operates the facility and any profits over a 125% debt service coverage ratio are payable to Cooper Hospital.

**Note 3: DETAIL NOTES – ASSETS****Cash and Cash Equivalents**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. Although the 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 \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Authority in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Authority relative to the happening of a future condition. If the Authority had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2015 and 2014, the Authority's bank balances were exposed to custodial credit risk as follows:

	<u>2015</u>	<u>2014</u>
Insured by FDIC and GUDPA	\$ 5,736,391.27	\$ 4,695,166.94
Uninsured and Uncollateralized	-	1,025.07
Total	<u>\$ 5,736,391.27</u>	<u>\$ 4,696,192.01</u>

**New Jersey Cash Management Fund** - During the year, the Authority participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2015 there were no deposits with the New Jersey Cash Management Fund. At December 31, 2014, the Authority's deposit with the New Jersey Cash Management Fund was \$368,087.31.

**Financing Fees, Management Fees, Parking Fees and Federal Grants**

The following is a three-year comparison of the various billings and collections for all types of accounts maintained by the Authority:

<u>Year</u>	<u>Beginning Balance</u>	<u>Billings and Pass Through Disbursements</u>	<u>Total Collections</u>	<u>Percentage of Collections</u>
2015	\$ 1,997,033.68	\$ 8,448,038.46	\$ 8,251,046.84	78.99%
2014	1,674,308.29	7,593,307.86	7,270,582.47	78.45%
2013	836,521.81	12,589,026.75	11,751,240.27	87.53%

**Note 3: DETAIL NOTES – ASSETS (CONT'D)****Capital Assets**

During the year ended December 31, 2015, the following changes in Capital Assets occurred:

	<u>Balance</u> <u>Jan. 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Land		\$ 2,053,200.00		\$ 2,053,200.00
Buildings	\$ 30,739,698.07	1,426,800.00		32,166,498.07
Furniture and Equipment	76,406.62	38,392.87		114,799.49
Vehicles	23,282.00			23,282.00
Major Movable Equipment	290,937.00			290,937.00
	31,130,323.69	3,518,392.87	-	34,648,716.56
Accumulated Depreciation	7,691,054.93	1,228,309.42	-	8,919,364.35
	<u>\$ 23,439,268.76</u>	<u>\$ 2,290,083.45</u>	<u>\$ -</u>	<u>\$ 25,729,352.21</u>

During the year ended December 31, 2014, the following changes in Capital Assets occurred:

	<u>Balance</u> <u>Jan. 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Buildings	\$ 30,739,698.07			\$ 30,739,698.07
Furniture and Equipment	70,788.68	\$ 5,617.94		76,406.62
Vehicles	23,282.00			23,282.00
Major Movable Equipment	290,937.00			290,937.00
	31,124,705.75	5,617.94	-	31,130,323.69
Depreciation	6,611,418.72	1,079,636.21		7,691,054.93
	<u>\$ 24,513,287.03</u>	<u>\$ (1,074,018.27)</u>	<u>\$ -</u>	<u>\$ 23,439,268.76</u>

**Note 4: DETAIL NOTES - LIABILITIES**

During the year ended December 31, 2015, the following changes occurred in long-term obligations:

	<u>Principal</u> <u>Outstanding</u> <u>Jan. 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal</u> <u>Outstanding</u> <u>Dec. 31, 2015</u>	<u>(Memo)</u> <u>Due Within</u> <u>One Year</u>
Revenue Bonds	\$29,500,000.00	\$ 5,000,000.00	\$ 600,000.00	\$ 33,900,000.00	\$ 640,000.00
Accrued Liabilities					
Related to Pensions	300,381.00	226,404.00	187,179.00	339,606.00	226,404.00
Net Pension Liability	4,251,048.00	1,660,465.00		5,911,513.00	
Compensated Absences	94,886.36	20,796.31		115,682.67	
	<u>\$ 34,146,315.36</u>	<u>\$ 6,907,665.31</u>	<u>\$ 787,179.00</u>	<u>\$ 40,266,801.67</u>	<u>\$ 866,404.00</u>

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**

During the year ended December 31, 2014, the following changes occurred in long-term obligations:

	<b>Principal Outstanding Jan. 1, 2014 (restated)</b>	<b>Additions</b>	<b>Reductions</b>	<b>Principal Outstanding Dec. 31, 2014</b>	<b>(Memo) Due Within One Year</b>
Revenue Bonds	\$ 30,080,000.00		\$ 580,000.00	\$ 29,500,000.00	\$ 600,000.00
Accrued Liabilities					
Related to Pensions	194,139.00	\$ 300,381.00	194,139.00	300,381.00	187,179.00
Net Pension Liability	2,550,422.00	1,700,626.00		4,251,048.00	
Compensated Absences	82,029.73	12,856.63		94,886.36	
	<u>\$ 32,906,590.73</u>	<u>\$ 2,013,863.63</u>	<u>\$ 774,139.00</u>	<u>\$ 34,146,315.36</u>	<u>\$ 787,179.00</u>

During the year ended December 31, 2015, there were no short-term obligations.

During the year ended December 31, 2014, the following changes occurred in short-term obligations:

	<b>Principal Outstanding Jan. 1, 2014</b>	<b>Additions</b>	<b>Reductions</b>	<b>Principal Outstanding Dec. 31, 2014</b>	<b>Due within One Year</b>
Bond Anticipation					
Notes	\$20,315,000.00	\$ -	\$20,315,000.00	\$ -	\$ -

**Compensated Absences**

Authority employees may accumulate unused sick days with no restrictions but are not compensated for any unused sick days upon separation from the Authority. Vacation days not used during the year may be carried forward for two years. Upon separation from the Authority, the employee will be paid for all accrued vacation time at their then current hourly rate up to a maximum of \$15,000.00. The accrued liability for accumulated vacation time at December 31, 2015 and 2014 is estimated at \$115,682.67 and \$94,886.36, respectively.

**Retirement Systems**

A substantial number of the Authority's employees participate in the Public Employees' Retirement System ("PERS"), which is administered by the New Jersey Division of Pensions and Benefits. In addition, Authority employees may participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.state.nj.us/treasury/pensions>

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Retirement Systems (Cont'd)****General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A 43:3B. The 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 the PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 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 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Retirement Systems (Cont'd)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Authority's contractually required contribution rate for the years ended December 31, 2015 and 2014 was 12.41% and 10.65% of the Authority's covered-employee payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$226,404.00 and \$187,179.00 for the years ended December 31, 2015 and 2014. Employee contributions were \$136,931.52 and \$124,824.80 for the years ended December 31, 2015 and 2014, respectively.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Authority's contribution amounts for each pay period, 3% of the employees' base salary, are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the years ended December 31, 2015 and 2014, there were no employees participating in the Defined Contribution Retirement Program.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Retirement Systems (Cont'd)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees' Retirement System** - At December 31, 2015, the Authority reported a liability of \$5,911,513.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Authority's proportion was 0.0263342590%, which was an increase of 0.0036289855% from its proportion measured as of June 30, 2014.

For the years ended December 31, 2015 and 2014, the Authority recognized pension expense of \$787,726.00 and \$496,353.00, respectively.

At December 31, 2015 and 2014, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>December 31, 2015</u>		<u>December 31, 2014</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience	\$ 141,028.00			
Changes of Assumptions	634,849.00		\$ 133,676.00	
Net Difference between Projected and Actual Earnings on Pension Plan Investments		\$ 95,046.00		\$ 253,339.00
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	1,809,859.00	-	1,511,210.00	-
Authority Contributions Subsequent to the Measurement Date	113,202.00	-	113,202.00	-
	<u>\$ 2,698,938.00</u>	<u>\$ 95,046.00</u>	<u>\$ 1,758,088.00</u>	<u>\$ 253,339.00</u>

The deferred outflows of resources related to pensions totaling \$113,202.00 and \$113,202.00 will be included as a reduction of the net pension liability in the years ended December 31, 2016 and 2015.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Retirement Systems (Cont'd)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The Authority will amortize the other deferred outflows of resources and deferred inflows of resources related to PERS over the following number of years:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Retirement Systems (Cont'd)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

<u>December 31, 2015</u>		<u>December 31, 2014</u>	
<u>Year Ending</u> <u>December 31,</u>		<u>Year Ending</u> <u>December 31,</u>	
2016	\$ 522,473.00	2015	\$ 239,034.00
2017	522,473.00	2016	239,034.00
2018	522,474.00	2017	239,034.00
2019	585,806.00	2018	239,035.00
2020	337,464.00	2019	302,369.00
	<u>337,464.00</u>	Thereafter	<u>133,041.00</u>
	<u>\$ 2,490,690.00</u>		<u>\$ 1,391,547.00</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2008 - June 30, 2011

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Retirement Systems (Cont'd)****Actuarial Assumptions (Cont'd)**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in PERS's target asset allocation as of June 30, 2015 is summarized in the table on the following page.

<u>Asset Class</u>	<u>Target Allocation %</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015 and 5.39% as of June 30, 2014. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015 and long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. 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 through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Retirement Systems (Cont'd)****Sensitivity of Authority's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

The following presents the Authority's proportionate share of the net pension liability at June 30, 2015 calculated using a discount rate of 4.90%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<u>December 31, 2015</u>		
	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
Authority's Proportionate Share of the Net Pension Liability	<u>\$ 7,347,288.00</u>	<u>\$ 5,911,513.00</u>	<u>\$ 4,707,771.00</u>

The following presents the Authority's proportionate share of the net pension liability at June 30, 2014 calculated using a discount rate of 5.39%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<u>December 31, 2014</u>		
	<b>1% Decrease (4.39%)</b>	<b>Current Discount Rate (5.39%)</b>	<b>1% Increase (6.39%)</b>
Authority's Proportionate Share of the Net Pension Liability	<u>\$ 5,347,963.00</u>	<u>\$ 4,251,048.00</u>	<u>\$ 3,329,919.00</u>

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**Postemployment Benefits Other Than Pensions****State Health Benefits Program***Plan Description*

The Authority contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Postemployment Benefits Other Than Pensions (Cont'd)**State Health Benefits Program (Cont'd)

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2012, the Authority authorized participation in the SHBP's post-retirement benefit program. The plan provides fully paid health and prescription benefits to employees retiring with twenty-five (25) years or more of service with Camden County and/or affiliated organizations and twenty-five (25) or more years of service credit in a state or locally administered retirement system and their spouses.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

*Funding Policy*

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Authority on a monthly basis. The Authority contributions to SHBP for the year ended December 31, 2015, was \$393,714.58 for active employees and \$42,747.72 for the three retired employees, which equaled the required contributions for the year. There are currently 3 retired employees and 1 spouse who are eligible for the program. The Authority contributions to SHBP for the year ended December 31, 2014, was \$339,337.09 for active employees and \$39,777.79 for the two retired employees, which equaled the required contributions for the year.

**Operating Leases**

As of December 31, 2015, the Authority had operating lease agreements in effect for office space, the Parking Center land and a copier. The future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Lease Payment Amount</u>
2016	\$ 241,588.12
2017	244,292.78
2018	246,583.96
2019	249,533.20
2020	252,545.20
2021-2025	976,335.20
2026-2030	500,000.00
2031-2035	500,000.00
2036-2038	225,000.00
	<u>\$ 3,435,878.46</u>

Rental payments under operating leases for the year ended December 31, 2015 were \$239,685.16.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Crossroads Redevelopment Area Project Bond Anticipation Notes**

On July 17, 2013, the Authority issued a bond anticipation note in the amount of \$20,315,000.00 in order to provide temporary financing for the costs of the Crossroads Redevelopment project. The note is a special obligation of the Authority which carries a guarantee by the County of Camden. The federally taxable bond anticipation note matured on July 16, 2014 and carried an interest rate of .80%. The original amount of the project was \$32,000,000.00 and the Casino Redevelopment Authority contributed \$12,000,000.00 in 2007 as part of an intergovernmental agreement.

The Crossroads Redevelopment Area Project consists of an area of approximately 35 acres located in Pennsauken Township which the Authority has been named redevelopment entity by the Township of Pennsauken in accordance with the Local Redevelopment Law. The Project includes the acquisition of the site, the relocation of merchants, and the demolition of the existing facilities and the amelioration of environmental concerns to prepare the property for sale to a redeveloper. The Authority, through a competitive process, has selected a developer that intends to create a mixed-use development comprised of residential housing with a town center and retail component.

During 2014, the County of Camden issued Long Term Bonds and paid off the Authority's Bond Anticipation Note. The County also assumed ownership of the property while the Authority acts as a project manager and continues to find a developer for the site. Since 2004, the Authority has utilized all BAN proceeds and had to utilize general operating cash to pay for the expenditures associated with the project which were capitalized into the book value of the property. As a result of this transaction, the Authority recognized a net gain of \$189,982.74 to transfer the property to the County of Camden.

**Camden Parking Facility Project Revenue Bonds**

During 2006, the Authority issued tax exempt Revenue Bonds, Series 2006 for the construction of a parking facility. The facility was built on land leased from the Cooper Medical Center in Camden New Jersey and serves as the main parking garage for Cooper Hospital. The total authorized debt for the project is the lesser of \$33,300,000 or the total principal requirements to build the facility as outlined by the bond agreement. The bonds carry a variable interest rate based on the 30 day LIBOR with a final maturity in 2038.

The following schedule reflects the debt requirements until 2038.

<b>Variable Rate Debt</b>			
<u>Year</u>	<u>Principal</u>	<u>Estimated Interest *</u>	<u>Total Estimated Debt Payments</u>
2016	\$ 640,000.00	\$ 1,156,000.00	\$ 1,796,000.00
2017	685,000.00	1,130,400.00	1,815,400.00
2018	720,000.00	1,103,000.00	1,823,000.00
2019	755,000.00	1,074,200.00	1,829,200.00
2020	805,000.00	1,044,000.00	1,849,000.00
2021-2025	4,845,000.00	1,011,800.00	5,856,800.00
2026-2030	6,530,000.00	818,000.00	7,348,000.00
2031-2035	8,795,000.00	556,800.00	9,351,800.00
2036-2038	5,125,000.00	205,000.00	5,330,000.00
	<u>\$ 28,900,000.00</u>	<u>\$ 8,099,200.00</u>	<u>\$ 36,999,200.00</u>

\* The future interest payments have been estimated at 4%.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Baseball Stadium Complex**

During 2015, the Authority issued \$5,000,000.00 in tax exempt Revenue Bonds, Series 2015 for the purchase of the Camden Baseball Stadium (the "Stadium"). The bonds have a fixed interest rate of 4.340% for 240 months (20 years) and are fully held by TD bank. The Stadium was purchased in order to prevent it from closing as the tenant was unable to meet the then current debt obligations. As a result, the Stadium was purchased through a troubled debt restructuring for \$3,500,000.00 and included debt forgiveness of \$10,765,048.00.

The New Jersey Economic Development Authority (NJEDA) issued \$3,000,000.00 in Empowerment Zone Facility Bonds, Series 2002A and \$4,000,000.00 in Empowerment Zone Facility Bond, Series 2002B that were held by Santander Bank, the successor to Sovereign Bank. At the purchase date of the Stadium the unpaid balances were \$1,814,589.32 and \$2,558,724.09, respectively and a SWAP termination fee of \$96,117.59 totaling \$4,469,431.00. The entire purchase price of \$3,500,000.00 was paid to Santander Bank in settlement of the loan balance which resulted in debt forgiveness of \$969,431.00.

In October 2002, the NJEDA also issued loans in the amount of \$2,000,000.00 for the construction of the Stadium and in 2005 the State Economic Recovery Board, by and through the NJEDA issued a loan to Rutgers University in the amount of \$1,235,617.00 for upgrades to the Stadium. Both these loans remained unpaid at the date of sale and were forgiven.

The Delaware River Port Authority (DRPA) also discharged any claims it had for a June 2000 loan for \$6,500,000.00 and another loan from November 2000 for \$2,000,000.00 that it previously gave to the operators of the Stadium. In 2005, the Casino Reinvestment Authority repaid \$1,960,000.00 of the DRPA loan thereby, leaving a remaining principal balance of \$6,540,000.00 to be forgiven.

The Stadium was previously owned by Rutgers University and operated by Camden Baseball, LLC. Further, BKK Sports, LLC was the managing member of Camden Baseball, LLC and BKK Sports, LLC also owned and operated the River Sharks baseball team who played at the Stadium. As a result of the purchase, the Authority now owns both the land and the Stadium. The remainder of the bond proceeds are intended to be utilized to renovate the Stadium in order to entice a new minor league baseball team to the Stadium. The Stadium will also continue to be the Rutgers Camden University's baseball team's home Stadium.

As part of the purchase, the County of Camden has agreed to make payment on any and all debt payments in the event that the revenues generated from the operation of the Stadium are insufficient to make a debt service payment. Further, in the event that the County is required to make any payments of principal of and/or interest on the Bonds with respect to any Interest Payment Date and/or Principal Payment Date, the Authority agrees to pay the County, immediately upon demand by the County, an amount equal to all of such principal and/or interest on the Bonds paid by the County provided, however, that funds available for repayment to the County of such principal or interest so paid by the County shall be derived solely from and shall consist only of funds received by the Authority in connection with the ownership, use, operation, lease or license of the Stadium or from proceeds derived from the sale or other disposition of the Stadium, or portions thereof, by the Authority, and not from any other funds held by the Authority.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Baseball Stadium Complex (Cont'd)**

The following schedule reflects the debt requirements until 2038.

<b>Fixed Rate Debt</b>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016		\$ 203,738.89	\$ 203,738.89
2017	\$ 150,000.00	217,000.00	367,000.00
2018	185,000.00	210,490.00	395,490.00
2019	190,000.00	202,461.00	392,461.00
2020	200,000.00	194,215.00	394,215.00
2021-2025	1,135,000.00	832,846.00	1,967,846.00
2026-2030	1,410,000.00	563,983.00	1,973,983.00
2031-2035	1,730,000.00	231,322.00	1,961,322.00
	<u>\$ 5,000,000.00</u>	<u>\$ 2,656,055.89</u>	<u>\$ 7,656,055.89</u>

**Note 5: DETAIL NOTES – DEFERRED INFLOWS OF RESOURCES****Deferred Grant Revenue**

The Authority receives program income on certain Federal grants. This income becomes part of a revolving fund that can be utilized for additional grant projects in future periods. However, the Authority must wait until a future period to utilize the funds until the applicable grantor agencies formally approves the use of the funds. The Authority recognizes the revenue in the period that the grantor formally approves a project for the funds. The deferred grant revenue as of December 31, 2015 and 2014 was \$275,628.89 and \$306,430.20, respectively.

The Authority is a sub-recipient of certain Federal grants that allow the Authority to issue loans to first time home buyers and for home improvements. Some loans contain provisions that if met, will forgive the loan. The loans that are or do become collectible are recorded as receivables and when collected will become part of the revolving grant funds. The loan repayments also require grantor approvals for the funds to be utilized by the Authority for additional grant projects. When the grantor formally approves the use of the funds received through loan repayments in future periods, the Authority will recognize the revenue. The deferred loan revenue as of December 31, 2015 and 2014 was \$504,849.00 and \$40,120.00, respectively.

**Note 6: DETAILED NOTES – NET POSITION****Net Position Appropriated**

As of December 31, 2015, the Authority had an unrestricted net position deficit balance of \$1,015,516.49. Even though the budget operates on a cash basis which results in a positive balance, none has been appropriated as support in the operating or capital budget for the year ending December 31, 2016.

The unrestricted net position balance as of December 31, 2014 was \$118,675.56, as restated, however, when the 2015 budget was formulated the effects of the implementation of GASB 68 were not known and the previously stated balance was \$3,165,355.56. As a result, \$347,759.00 was appropriated as anticipated revenue in the general operating budget for the year ended December 31, 2015.

**Note 7: RELATED PARTY TRANSACTIONS****Related Party Transactions**

The Members of the Authority are appointed by the Board of Chosen Freeholders of the County of Camden. Accordingly, the Freeholders have the ability to influence the nature and amounts of business done by the Authority. The Authority and the County have engaged in significant transactions with each other. These transactions include the issuance of conduit debt obligations and economic development activities.

The County is also a significant customer of the Authority; about 45% of total revenues are derived through the County and other component units of the County. The County also has the ability to negotiate rates significantly lower than the market rates that the Authority would charge to other customers. As a result, the Authority has a significant economic dependence on the County and would not be able to operate at its current level without the revenue generated from the County.

**Note 8: RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Any settled claims from these risks that exceed coverage will be reduced as a component of operating expense in the year incurred. The Authority has not experienced any significant claims for the past several years.

**Note 9: CONTINGENCIES**

The Authority is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Authority, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 10: RESTATEMENT OF NET POSITION**

As indicated in note 1 to the financial statements, the Authority adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, for the year ended December 31, 2015. As a result of implementing these two Statements, a restatement of unrestricted net position on the comparative statements of revenues, expenses and changes in net position was required to record the Authority's proportionate share of its net pension liability.

The cumulative effect on the financial statements as reported for December 31, 2013 is as follows:

	<u>GASBS 68 and 71 Implementation</u>				<u>As Restated December 31, 2013</u>
	<u>As Previously Reported December 31, 2013</u>	<u>Deferred Outflows (1)</u>	<u>Accounts Payable and Accrued Expense (2)</u>	<u>Net Pension Liability (3)</u>	
<b>Net Position:</b>					
Net Investment					
in Capital Assets	\$ (3,554,963)				\$ (3,554,963)
Unrestricted (Deficit)	3,203,541	\$ 93,590	\$ (194,139)	\$ (2,550,422)	552,570
Total Net Position	<u>\$ (351,422)</u>	<u>\$ 93,590</u>	<u>\$ (194,139)</u>	<u>\$ (2,550,422)</u>	<u>\$ (3,002,393)</u>

(1) Represents the Authority's Proportionate Share of the PERS Plan Total Deferred Outflows of Resources at June 30, 2013 plus an Accrual for the Authority's June 30, 2014 PERS Plan Required Contribution (April 1, 2015 PERS Pension Invoice), Contribution Subsequent to the Measurement Date.

(2) Represents the Authority's Accounts Payable for the June 30, 2013 PERS Plan Required Contribution (April 1, 2014 PERS Pension Invoices), plus an Accrual for the Authority's June 30, 2014 PERS Plan Required Contribution (April 1, 2015 PERS Pension Invoice).

(3) Represents the Authority's Proportionate Share of the PERS, June 30, 2013 Net Pension Liability.

**Note 10: RESTATEMENT OF NET POSITION**

The implementation of GASB Statement No. 68 and GASB Statement No. 71 required prior year restatement when comparative statements are presented. The following represents the cumulative effect of the restatement on the respective financial statement balances of the Authority for the year ended December 31, 2014:

**Statement of Net Position - December 31, 2014**

	<u>Previously Reported</u>	<u>Cumulative Effect - Increase / (Decrease)</u>	<u>Restated Balance</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to Pensions	\$ -	\$ 1,758,088.00	\$ 1,758,088.00
<b>LIABILITIES</b>			
Current Liabilities Payable from Unrestricted Assets:			
Accounts Payable - Related to Pension	-	187,179.00	187,179.00
Total Current Liabilities Payable from Unrestricted Assets	798,900.55	187,179.00	986,079.55
Long-term Liabilities:			
Net Pension Liability	-	4,251,048.00	4,251,048.00
Accrued Liabilities - Related to Pension	-	113,202.00	113,202.00
Total Long-term Liabilities	28,994,886.36	4,364,250.00	33,359,136.36
Total Liabilities	30,761,874.22	4,551,429.00	35,313,303.22
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pensions	-	253,339.00	253,339.00
Total Deferred Inflows of Resources	346,550.20	253,339.00	599,889.20
<b>NET POSITION</b>			
Unrestricted	3,165,355.56	(3,046,680.00)	118,675.56
Total Net Position	\$ (922,415.68)	\$ (3,046,680.00)	\$ (3,969,095.68)

**Note 10: RESTATEMENT OF NET POSITION (CONT'D)**

The implementation of GASB Statement No. 68 and GASB Statement No. 71 required prior year restatement when comparative statements are presented. The following represents the cumulative effect of the restatement on the respective financial statement balances of the Authority for the year ended December 31, 2014 (Cont'd):

**Statement of Revenues, Expenses and Changes in Net Position - December 31, 2014**

	<u>Previously Reported</u>	<u>Cumulative Effect - Increase / (Decrease)</u>	<u>Restated Balance</u>
<b>Operating Expenses:</b>			
Administration:			
Employee Benefits	\$ 661,036.49	\$ 395,709.00	\$ 1,056,745.49
Total Operating Expenses	<u>6,479,991.79</u>	<u>395,709.00</u>	<u>6,875,700.79</u>
Operating Income	<u>1,375,931.46</u>	<u>(395,709.00)</u>	<u>980,222.46</u>
Change in Net Position	<u>(570,993.86)</u>	<u>(395,709.00)</u>	<u>(966,702.86)</u>
Net Position - Beginning	<u>(351,421.82)</u>	<u>(2,650,971.00)</u>	<u>(3,002,392.82)</u>
Net Position - Ending	<u>\$ (922,415.68)</u>	<u>\$ (3,046,680.00)</u>	<u>\$ (3,969,095.68)</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Required Supplementary Information  
 Schedule of the Authority's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Three Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's Proportion of the Net Pension Liability	0.0263342590%	0.0227052735%	0.0133446218%
Authority's Proportionate Share of the Net Pension Liability	\$ 5,911,513.00	\$ 4,251,048.00	\$ 2,550,422.00
Authority's Covered-Employee Payroll	\$ 1,736,108.00	\$ 1,202,844.00	\$ 920,536.00
Authority's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	340.50%	353.42%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Required Supplementary Information  
 Schedule of the Authority's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Three Years

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 226,404.00	\$ 187,179.00	\$ 100,549.00
Contributions in Relation to the Contractually Required Contribution	<u>(226,404.00)</u>	<u>(187,179.00)</u>	<u>(100,549.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered-Employee Payroll	\$ 1,825,022.00	\$ 1,757,601.00	\$ 1,377,138.00
Contributions as a Percentage of Authority's Covered-Employee Payroll	12.41%	10.65%	7.30%

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

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2015

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**Note 1: POSTEMPLOYMENT BENEFITS - PENSION**

**Public Employees' Retirement System (PERS)**

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

## **SUPPLEMENTARY SCHEDULES**

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Combining Schedule of Revenues, Expenses and Changes in Net Position  
For the Year Ended December 31, 2015

	<u>General Operations</u>	<u>Parking Center</u>	<u>Baseball Stadium</u>	<u>Total</u>
Operating Revenues:				
Parking Center Revenue		\$ 4,171,508.23		\$ 4,171,508.23
Financing and Related Fees	\$ 659,757.75			659,757.75
Project Management Fees	1,384,213.61			1,384,213.61
Federal Grants	1,998,497.92			1,998,497.92
Lease Income		202,760.95	\$ 31,300.00	234,060.95
Miscellaneous Revenues	82,992.85			82,992.85
<b>Total Operating Revenues</b>	<b>4,125,462.13</b>	<b>4,374,269.18</b>	<b>31,300.00</b>	<b>8,531,031.31</b>
Operating Expenses:				
Administration:				
Salaries and Wages	1,122,832.95	382,162.90		1,504,995.85
Employee Benefits	938,962.09	73,599.95		1,012,562.04
Other Expenses	1,056,264.67	121,730.95	204,950.25	1,382,945.87
Cost of Providing Services:				
Salaries and Wages	760,490.00			760,490.00
Employee Benefits	440,683.00			440,683.00
Other Expenses	951,843.06	832,874.04		1,784,717.10
Depreciation	34,519.61	1,046,955.89	146,833.92	1,228,309.42
<b>Total Operating Expenses</b>	<b>5,305,595.38</b>	<b>2,457,323.73</b>	<b>351,784.17</b>	<b>8,114,703.28</b>
<b>Operating Income (Loss)</b>	<b>(1,180,133.25)</b>	<b>1,916,945.45</b>	<b>(320,484.17)</b>	<b>416,328.03</b>
Non-operating Income (Expenses):				
Investment Income	2,732.37	5,246.49	1,352.05	9,330.91
Contribution to Camden County Per N.J.S.A. 40A:5A-1	(188,720.00)			(188,720.00)
Interest Expense	(94.35)	(1,775,274.44)	(86,365.70)	(1,861,734.49)
Cost of Issuance	(11,891.30)		(147,547.90)	(159,439.20)
<b>Net Non-Operating Income (Expenses)</b>	<b>(197,973.28)</b>	<b>(1,770,027.95)</b>	<b>(232,561.55)</b>	<b>(2,200,562.78)</b>
<b>Change in Net Position</b>	<b>(1,378,106.53)</b>	<b>146,917.50</b>	<b>(553,045.72)</b>	<b>(1,784,234.75)</b>
<b>Net Position - Beginning of Year, As Restated</b>	<b>(2,638,062.42)</b>	<b>(1,331,033.26)</b>	<b>-</b>	<b>(3,969,095.68)</b>
Net Position Dec. 31, 2015:				
Net Investment in Capital Assets Unrestricted	222,595.58	(4,813,577.45)	(146,832.07)	(4,737,813.94)
	(4,238,764.53)	3,629,461.69	(406,213.65)	(1,015,516.49)
<b>Net Position - Ending</b>	<b>\$ (4,016,168.95)</b>	<b>\$ (1,184,115.76)</b>	<b>\$ (553,045.72)</b>	<b>\$ (5,753,330.43)</b>

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Schedule of Cash Receipts and Disbursements  
 For the Year Ended December 31, 2015

	Unrestricted Operating Accounts			Restricted Accounts		Total
	Financing Operations	Parking Center	Baseball Stadium	Grants and Other	Camden County Redevelopment	
Cash and Cash Equivalents Jan. 1, 2015	\$ 953,416.36	\$ 2,930,525.06		\$ 428,599.87	\$ 368,087.31	\$ 4,680,628.60
Cash Receipts:						
Parking Fees		4,078,304.38				4,078,304.38
Financing and Related Fees	2,387,839.03					2,387,839.03
Federal Grant Receipts				1,683,359.18		1,683,359.18
Interest on Investments	2,732.37	5,246.49	\$ 1,352.05			9,330.91
Other Accounts Receivable	82,992.85	217,514.27	31,300.00			331,807.12
Unearned Revenue				(30,801.31)		(30,801.31)
Receipts from the Issuance of Bonds			5,000,000.00			5,000,000.00
Transfers In	565,400.69					565,400.69
Total Cash Receipts and Cash Available	3,992,381.30	7,231,590.20	5,032,652.05	2,081,157.74	368,087.31	18,705,868.60
Cash Disbursements:						
Budget Appropriations	2,030,478.19	1,417,501.55	351,784.17	1,762,302.37		5,562,066.28
Accounts Payable	936,556.48				205,251.93	1,141,808.41
Prepaid Expenses	21,823.99					21,823.99
Principal on Bond and Notes		600,000.00				600,000.00
Interest Payable on Bonds and Notes		1,775,274.44				1,775,274.44
Bond Issue Costs	11,891.30		147,547.90			159,439.20
Capital Acquisitions	140,498.45	91,214.00	3,377,894.42			3,609,606.87
Transfers Out		565,400.69				565,400.69
Total Cash Disbursements	3,141,248.41	4,449,390.68	3,877,226.49	1,762,302.37	205,251.93	13,435,419.88
Cash and Cash Equivalents Dec. 31, 2015	\$ 851,132.89	\$ 2,782,199.52	\$ 1,155,425.56	\$ 318,855.37	\$ 162,835.38	\$ 5,270,448.72

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Schedule of Improvement Authority Revenues and Expenses - Budget and Actual  
 Non-GAAP Budgetary Basis  
 For the Year Ended December 31, 2015

	Adopted and Final Budget			Actual	Variance-- Favorable (Unfavorable)
	Financing Operations	Community Development	Total		
Operating Revenues:					
Financing and Related Fees	\$ 930,785.00		\$ 930,785.00	\$ 659,757.75	\$ (271,027.25)
Project Management Fees	2,251,023.00		2,251,023.00	1,384,213.61	(866,809.39)
Miscellaneous	42,867.00		42,867.00	82,992.85	40,125.85
Non-Operating Revenues:					
Operating Grants and Entitlements		\$ 3,084,104.00	3,084,104.00	1,998,497.92	(1,085,606.08)
Interest on Investments	3,600.00		3,600.00	2,732.37	(867.63)
<b>Total Revenues</b>	<b>3,228,275.00</b>	<b>3,084,104.00</b>	<b>6,312,379.00</b>	<b>4,128,194.50</b>	<b>(2,184,184.50)</b>
Operating Expenses:					
Administration:					
Salaries & Wages	407,299.00		407,299.00	1,122,832.95	(715,533.95)
Employee Benefits	140,970.00		140,970.00	938,962.09	(797,992.09)
Other Expenses	502,012.00		502,012.00	1,056,264.67	(554,252.67)
<b>Total Administration</b>	<b>1,050,281.00</b>	<b>-</b>	<b>1,050,281.00</b>	<b>3,118,059.71</b>	<b>(2,067,778.71)</b>
Cost of Providing Services:					
Salaries & Wages	1,685,248.00		1,685,248.00	760,490.00	924,758.00
Employee Benefits	585,875.00		585,875.00	440,683.00	145,192.00
Other Expenses	452,996.00	3,084,104.00	3,537,100.00	951,843.06	2,585,256.94
<b>Total Cost of Providing Services</b>	<b>2,724,119.00</b>	<b>3,084,104.00</b>	<b>5,808,223.00</b>	<b>2,153,016.06</b>	<b>3,655,206.94</b>
<b>Total Operating Expenses</b>	<b>3,774,400.00</b>	<b>3,084,104.00</b>	<b>6,858,504.00</b>	<b>5,271,075.77</b>	<b>1,587,428.23</b>
Non-Operating Appropriations:					
Contribution to Camden County	188,720.00	-	188,720.00	188,720.00	-
<b>Total Operating Expenses and Non-Operating Appropriations</b>	<b>3,963,120.00</b>	<b>3,084,104.00</b>	<b>7,047,224.00</b>	<b>5,459,795.77</b>	<b>1,587,428.23</b>
<b>Excess Expenses over Revenues</b>	<b>\$ (734,845.00)</b>	<b>-</b>	<b>\$ (734,845.00)</b>	<b>\$ (1,331,601.27)</b>	<b>\$ (596,756.27)</b>

Analysis of Charges to Appropriations

Cash Disbursed	\$ 3,792,780.56
Accounts Payable	1,084,896.90
Accrued Expenses	1,660,465.00
Deferred Items	(1,099,143.00)
Decrease in Compensated Absences	20,796.31
	<u>\$ 5,459,795.77</u>

Reconciliation to Operating Loss (Schedule 1)

Excess of Operating Expenses over Revenues	\$ (1,331,601.27)
Deduct: Interest Revenue	(2,732.37)
Deduct: Depreciation	(34,519.61)
Add: Contribution to Camden County	188,720.00
<b>Operating Loss</b>	<u><b>\$ (1,180,133.25)</b></u>

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Schedule of Parking Center Revenues and Expenses - Budget and Actual  
 Non-GAAP Budgetary Basis  
 For the Year Ended December 31, 2015

	Adopted and Final <u>Budget</u>	<u>Actual</u>	Variance-- Favorable (Unfavorable)
Budget Revenues:			
Operating Revenues:			
Parking Fees	\$ 4,264,344.00	\$ 4,171,508.23	\$ (92,835.77)
Lease Revenue		202,760.95	202,760.95
Non-Operating Revenues:			
Interest on Investments	1,800.00	5,246.49	3,446.49
<b>Total Budget Revenues</b>	<b>4,266,144.00</b>	<b>4,379,515.67</b>	<b>113,371.67</b>
Operating Appropriations:			
Administration:			
Salaries & Wages	196,022.00	382,162.90	(186,140.90)
Employee Benefits	64,800.00	73,599.95	(8,799.95)
Other Expenses	50,000.00	121,730.95	(71,730.95)
<b>Total Administration</b>	<b>310,822.00</b>	<b>577,493.80</b>	<b>(266,671.80)</b>
Cost of Service			
Other Expenses	1,042,664.00	832,874.04	209,789.96
<b>Total Cost of Service</b>	<b>1,042,664.00</b>	<b>832,874.04</b>	<b>209,789.96</b>
<b>Total Operating Expenses</b>	<b>1,353,486.00</b>	<b>1,410,367.84</b>	<b>(56,881.84)</b>
Principal Payments on Debt in lieu of Depreciation	600,000.00	600,000.00	-
<b>Total Operating Appropriations</b>	<b>1,953,486.00</b>	<b>2,010,367.84</b>	<b>(56,881.84)</b>
Non-Operating Appropriations			
Interest on Bonds	1,775,247.00	1,775,274.44	(27.44)
Renewal & Replacement Reserves	150,325.00		150,325.00
<b>Total Non-Operating Appropriations</b>	<b>1,925,572.00</b>	<b>1,775,274.44</b>	<b>150,297.56</b>
<b>Total Budget Appropriations</b>	<b>3,879,058.00</b>	<b>3,785,642.28</b>	<b>93,415.72</b>
<b>Excess Revenues over Expenses</b>	<b>\$ 387,086.00</b>	<b>\$ 593,873.39</b>	<b>\$ 206,787.39</b>

(Continued)

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Schedule of Parking Center Revenues and Expenses - Budget and Actual  
 Non-GAAP Budgetary Basis  
 For the Year Ended December 31, 2015

Analysis of Charges to Appropriations

	<u>Actual</u>
Cash Disbursed	\$ 1,417,501.55
Prepaid Expenses	(7,133.71)
Principal on Debt	600,000.00
Interest on Debt	<u>1,775,274.44</u>
	<u>\$ 3,785,642.28</u>
 <u>Reconciliation to Operating Income (Schedule 1)</u>	
Excess of Revenues over Operating Expenses	\$ 593,873.39
Add: Interest Expense	1,775,274.44
Add: Principal Payments on Debt	600,000.00
Deduct: Interest Revenue	(5,246.49)
Deduct: Depreciation	<u>(1,046,955.89)</u>
Operating Income	<u>\$ 1,916,945.45</u>

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Schedule of Parking, Financing and Related Fees Receivable  
 For the Year Ended December 31, 2015

	Balance Jan. 1, 2015	Accrued	Received	Balance Dec. 31, 2015
Annual Administration Fees	\$ (9,003.01)	\$ 431,909.00	\$ 437,717.83	\$ (14,811.84)
Financing Fees	63,000.00	227,848.75	290,848.75	-
Project Management Fees	1,016,337.44	1,384,213.61	1,512,002.43	888,548.62
Less: Allowance for Doubtful Accounts	(171,690.01)			(171,690.01)
Total Financing and Project Management Accounts Receivable	898,644.42	2,043,971.36	2,240,569.01	702,046.77
Federal Grants	307,981.14	1,998,497.92	1,683,359.18	623,119.88
Parking Fees	775,402.13	4,171,508.23	4,078,304.38	868,605.98
Parking Center Lease Income	15,005.99	202,760.95	217,514.27	252.67
Total Parking Fees Receivable	790,408.12	4,374,269.18	4,295,818.65	868,858.65
Stadium Lease Income	-	31,300.00	31,300.00	-
	<u>\$ 1,997,033.68</u>	<u>\$ 8,448,038.46</u>	<u>\$ 8,251,046.84</u>	<u>\$ 2,194,025.30</u>

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Schedule of Construction in Progress  
For the Year Ended December 31, 2015

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Balance Jan. 1, 2015	\$ -
Increased by:	
Disbursements	<u>91,214.00</u>
Balance Dec. 31, 2015	<u><u>\$ 91,214.00</u></u>

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**

## Schedule of Capital Assets

For the Year Ended December 31, 2015

	Balance Jan. 1, 2015	Additions	Deletions	Balance Dec. 31, 2015
Land		\$ 2,053,200.00		\$ 2,053,200.00
Buildings	\$ 30,739,698.07	1,426,800.00		32,166,498.07
Furniture and Equipment	76,406.62	38,392.87		114,799.49
Vehicles	23,282.00			23,282.00
Major Movable Equipment	290,937.00			290,937.00
	31,130,323.69	3,518,392.87	-	34,648,716.56
Decreased by:				
Accumulated Depreciation	7,691,054.93	1,228,309.42		8,919,364.35
	<u>\$ 23,439,268.76</u>	<u>\$ 2,290,083.45</u>	<u>\$ -</u>	<u>\$ 25,729,352.21</u>

## Schedule 8

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**

## Schedule of Accrued Interest Payable

For the Year Ended December 31, 2015

Balance Jan. 1, 2015	\$ -
Increased by Interest Expense on Bonds:	
Parking Center	\$ 1,775,274.44
Baseball Stadium	86,365.70
	<u>1,861,640.14</u>
	1,861,640.14
Decreased by:	
Disbursements	<u>1,775,274.44</u>
Balance Dec. 31, 2015	<u>\$ 86,365.70</u>

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Schedule of Revenue Bonds Payable  
 For the Year Ended December 31, 2015

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance Dec. 31, 2015</u>
			<u>Year</u>	<u>Amount</u>					
Camden Parking Facility Project, 2006	April 1, 2006	\$ 33,300,000.00	2016	\$ 640,000.00	Var				
			2017	685,000.00	Var				
			2018	720,000.00	Var				
			2019	755,000.00	Var				
			2020	805,000.00	Var				
			2021	860,000.00	Var				
			2022	915,000.00	Var				
			2023	965,000.00	Var				
			2024	1,020,000.00	Var				
			2025	1,085,000.00	Var				
			2026	1,155,000.00	Var				
			2027	1,230,000.00	Var				
			2028	1,305,000.00	Var				
			2029	1,380,000.00	Var				
			2030	1,460,000.00	Var				
			2031	1,560,000.00	Var				
			2032	1,650,000.00	Var				
			2033	1,745,000.00	Var				
			2034	1,860,000.00	Var				
			2035	1,980,000.00	Var				
2036	2,100,000.00	Var							
2037	2,225,000.00	Var							
2038	800,000.00	Var							
				28,900,000.00		\$ 29,500,000.00	\$ -	\$ 600,000.00	\$ 28,900,000.00
Camden Baseball Stadium Project, 2015	8/7/2015	5,000,000.00	2017	150,000.00	4.340%				
			2018	185,000.00	4.340%				
			2019	190,000.00	4.340%				
			2020	200,000.00	4.340%				
			2021	210,000.00	4.340%				
			2022	220,000.00	4.340%				
			2023	225,000.00	4.340%				
			2024	235,000.00	4.340%				
			2025	245,000.00	4.340%				
			2026	260,000.00	4.340%				
			2027	270,000.00	4.340%				
2028	280,000.00	4.340%							
2029	295,000.00	4.340%							

(Continued)

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Schedule of Revenue Bonds Payable  
 For the Year Ended December 31, 2015

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Jan. 1, 2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance Dec. 31, 2015</u>
			<u>Year</u>	<u>Amount</u>					
Camden Baseball Stadium Project, 2015 (Cont'd)			2030	\$ 305,000.00	4.340%				
			2031	320,000.00	4.340%				
			2032	330,000.00	4.340%				
			2033	345,000.00	4.340%				
			2034	360,000.00	4.340%				
			2035	375,000.00	4.340%				
					<u>5,000,000.00</u>		\$ -	\$ 5,000,000.00	\$ -
				<u>\$ 33,900,000.00</u>		<u>\$ 29,500,000.00</u>	<u>\$ 5,000,000.00</u>	<u>\$ 600,000.00</u>	<u>\$ 33,900,000.00</u>

**SUPPLEMENTARY SCHEDULES  
REQUIRED BY THE AUTHORITY'S BOND COVENANTS**

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Schedule of Conduit Debt  
For the Year Ended December 31, 2015

<u>Issue</u>	<u>Issue Date</u>	<u>Issued Amount</u>	<u>Balance Jan 1, 2015</u>	<u>Increased</u>	<u>Adjustment *</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2015</u>
<b>Guaranteed by Other Governmental Entities:</b>							
Westmont Fire Company	01/22/99	\$ 807,000.00	\$ 261,108.45			\$ 261,108.45	\$ -
Collingswood Senior Citizen Center Project	08/27/99	1,300,000.00	450,000.00			80,000.00	370,000.00
Gloucester Township Public Works	04/18/02	5,000,000.00	2,620,000.00			275,000.00	2,345,000.00
Cherry Hill Library Project	05/21/02	19,780,000.00	10,455,000.00			1,080,000.00	9,375,000.00
Health Services Center Refunding Bonds, Series A	05/28/03	35,180,000.00	16,710,000.00		\$ (16,710,000.00)		-
Lease Revenue Refunding Bonds, Series 2003A	07/14/03	44,075,000.00	9,235,000.00			4,315,000.00	4,920,000.00
Camden Academy Charter High School	12/23/03	4,000,000.00	1,971,754.46			1,971,754.46	-
Lease Revenue Refunding Bonds, Series 2005A	05/26/05	21,350,000.00	19,530,000.00			19,530,000.00	-
Lease Revenue Bonds, Series 2005B	12/13/05	32,510,000.00	1,540,000.00			1,540,000.00	-
Camden County College Project, Series 2006	01/15/06	24,640,000.00	17,745,000.00			16,535,000.00	1,210,000.00
Lease Revenue Bonds, Series 2006A	09/01/06	20,455,000.00	15,030,000.00			14,090,000.00	940,000.00
Cherry Hill Recreation Facilities	04/13/07	4,500,000.00	2,820,000.00			300,000.00	2,520,000.00
DRPA loan	05/01/07	1,000,000.00	706,015.57			47,019.02	658,996.55
Cherry Hill Library Project Refunding	09/07/07	12,950,000.00	10,855,000.00			1,165,000.00	9,690,000.00
Lease Revenue Bonds (County Capital), Series 2007	12/21/07	14,340,000.00	10,555,000.00			625,000.00	9,930,000.00
Camden County College Project, Series 2008	03/01/08	6,000,000.00	4,025,000.00			380,000.00	3,645,000.00
Loan Revenue Bonds (County Capital), Series 2008	11/17/08	32,070,000.00	25,140,000.00			1,550,000.00	23,590,000.00
Mount Ephraim Revenue Bonds	02/11/09	3,000,000.00	2,500,000.00			120,000.00	2,380,000.00
Loan Revenue Bonds, Series 2009 BABS	12/02/09	21,110,000.00	18,390,000.00			1,145,000.00	17,245,000.00
Loan Revenue Bonds, Series 2010	10/04/10	17,100,000.00	14,220,000.00			1,120,000.00	13,100,000.00
Camden County College Project, Series 2010A-2	11/24/10	5,830,000.00	5,285,000.00		545,000.00	545,000.00	5,285,000.00
Camden County College Project, Series 2010A-3	11/24/10	17,090,000.00	10,300,000.00		6,790,000.00		17,090,000.00
Loan Revenue Bonds, Series 2011A	09/01/11	5,905,000.00	3,805,000.00			1,070,000.00	2,735,000.00
Camden County College Parking Project, Series 2011	09/01/11	5,750,000.00	2,965,000.00			965,000.00	2,000,000.00
Gloucester Township Public Works Project, Series 2011	10/01/11	3,440,000.00	2,655,000.00			300,000.00	2,355,000.00
Loan Revenue Bonds (County Capital), Series 2011	12/15/11	26,565,000.00	24,420,000.00			1,120,000.00	23,300,000.00
Open Space Revenue Refunding Bonds, Series 2012	10/10/14	16,255,000.00	13,440,000.00			1,330,000.00	12,110,000.00
Lease Revenue Bonds (CCTS), Series 2012	08/02/12	7,830,000.00	7,175,000.00			450,000.00	6,725,000.00
Lease Revenue Refunding Bonds, Series 2012A	09/27/12	18,225,000.00	16,065,000.00		1,080,000.00	2,115,000.00	15,030,000.00
Loan Revenue Bonds (County Capital), Series 2012A	11/05/12	5,485,000.00	5,485,000.00				5,485,000.00
Loan Revenue Bonds (Clementon), Series 2012A	11/05/12	2,440,000.00	2,045,000.00			395,000.00	1,650,000.00
Camden County Open Space Revenue Bonds, Series 2012	11/05/12	7,265,000.00	6,505,000.00			400,000.00	6,105,000.00
Camden County College Revenue Bonds, Series 2013	03/27/13	12,795,000.00	12,340,000.00			465,000.00	11,875,000.00
Loan Revenue Bonds (County Capital), Series 2013	11/26/13	38,200,000.00	38,200,000.00				38,200,000.00
Loan Revenue Bonds (County Capital), Series 2014	12/10/14	14,605,000.00	14,605,000.00				14,605,000.00
Loan Revenue Bonds (Crossroads), Series 2014	06/26/14	21,000,000.00	21,000,000.00				21,000,000.00
Lease Revenue Refunding Bonds, Series 2014A	07/17/14	18,980,000.00	18,980,000.00				18,980,000.00

(Continued)

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Schedule of Conduit Debt  
For the Year Ended December 31, 2015

<u>Issue</u>	<u>Issue Date</u>	<u>Issued Amount</u>	<u>Balance Jan 1, 2015</u>	<u>Increased</u>	<u>Adjustment *</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2015</u>
<b>Guaranteed by Other Governmental Entities (Cont'd):</b>							
Camden County College Lease Revenue Refunding Bonds, Series 2015	05/29/15	\$ 14,655,000.00		\$ 14,655,000.00		\$ 125,000.00	\$ 14,530,000.00
Camden County Lease Revenue Refunding Bonds, Series 2015A	05/29/15	12,895,000.00		12,895,000.00		105,000.00	12,790,000.00
Camden County Loan Revenue Bonds, Series 2015A	12/10/15	39,240,000.00		39,240,000.00			39,240,000.00
Camden County Loan Revenue Refunding Bonds, Series 2015B	12/10/15	17,375,000.00		17,375,000.00		2,485,000.00	14,890,000.00
Subtotal Guaranteed by Other Governmental Entities			\$ 390,028,878.48	84,165,000.00	\$ (8,295,000.00)	77,999,881.93	387,898,996.55
<b>Other Series:</b>							
Moorestown Ecumenical Neighborhood (MEND)	02/01/96	2,000,000.00	816,077.97			112,842.51	703,235.46
Catholic Health East Health System	03/01/98	61,885,000.00	38,350,000.00			38,350,000.00	-
Ronald McDonald House	03/11/98	2,540,000.00	2,540,000.00				2,540,000.00
Trinity Presbyterian Church	11/02/00	950,000.00	401,296.37			401,296.37	-
Congregation Beth El Project	06/21/01	4,925,000.00	2,890,000.00			195,000.00	2,695,000.00
Temple Beth Shalom Project	12/12/02	3,000,000.00	1,505,243.79			161,787.74	1,343,456.05
Liberty Park Townhomes Project	02/04/03	9,350,000.00	8,135,555.16			8,135,555.16	-
Parkview Redevelopment Housing Project	04/15/06	50,400,000.00	50,400,000.00				50,400,000.00
Coriell Institute for Medical Research	07/01/08	6,000,000.00	2,944,145.72			841,899.46	2,102,246.26
VOADV 2009	05/01/09	5,500,000.00	4,600,597.52			219,410.56	4,381,186.96
Camden Pride Revenue Bonds	06/01/09	5,670,000.00	4,850,223.03			4,850,223.03	-
Cooper Health Revenue Bond	11/01/09	10,000,000.00	10,000,000.00				10,000,000.00
Cooper Medical School of Rowan University, Series 2010A	07/01/10	93,885,000.00	90,590,000.00		3,295,000.00		93,885,000.00
Cooper Medical School of Rowan University, Series 2010B	07/01/10	19,280,000.00	6,130,000.00			2,990,000.00	3,140,000.00
Rowan University School of Osteopathic Medicine Series 2013A	06/13/13	26,880,000.00	26,195,000.00			645,000.00	25,550,000.00
Rowan University School of Osteopathic Medicine Series 2013B	06/13/13	29,690,000.00	28,165,000.00		\$ (1,475,000.00)	1,385,000.00	25,305,000.00
Cooper Health Revenue Bond	07/24/13	54,915,000.00	54,915,000.00				54,915,000.00
Cooper Health System Revenue Refunding Bonds Series 2014A	10/16/14	139,725,000.00	139,725,000.00				139,725,000.00
Camden Pride Charter School Refunding Bonds	03/01/15	14,441,000.00		14,441,000.00		564,000.00	13,877,000.00
			473,153,139.56	14,441,000.00	1,820,000.00	58,852,014.83	430,562,124.73
			\$ 863,182,018.04	\$ 98,606,000.00	\$ (6,475,000.00)	\$ 136,851,896.76	\$ 818,461,121.28

\* The following beginning balance adjustments have been made to the above schedule of conduit debt:

Health Services Center Refunding Bonds, Series A - These bonds were defeased prior to December 31, 2014. However, the Camden County Improvement Authority was not a participant in the issuing of the refinancing bonds and therefore, these bonds should not be reflected in this schedule.

Camden County College Project, Series 2010A-2 - The previous year's schedules incorrectly reflected the cash transfer of the principal payments between bank accounts as principal payments.

Camden County College Project, Series 2010A-3 - The previous year's schedules incorrectly reflected the cash transfers to a sinking fund account as principal payments when in fact the principal is not due until 2030 as a term bond payment.

Lease Revenue Refunding Bonds, Series 2012A - The previous year's schedules did not correctly reflect the principal payment paid in 2014.

Cooper Medical School of Rowan University, Series 2010A - The previous year's schedules did not correctly reflect the principal payment paid in 2014.

Rowan University School of Osteopathic Medicine Series 2013B - The previous year's schedules did not correctly reflect the principal payment paid in 2014.

**CAMDEN COUNTY  
IMPROVEMENT AUTHORITY**

**PART II**

**SINGLE AUDIT SECTION**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2015**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

The Chairman and Commissioners of the  
Camden County Improvement Authority  
Camden County, New Jersey

***Report on Compliance for Each Major Federal Program***

We have audited the Camden County Improvement Authority's (Authority), in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Authority's major federal programs for the year ended December 31, 2015. The Authority's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Camden County Improvement Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

**Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

*Bowman & Company LLP*  
BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
August 11, 2016

**Camden County Improvement Authority**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2015

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Matching Contribution	Grant Period		Balance January 1, 2015		Receipts or Revenues Recognized	Adjustment (A)	Passed- Through to Subrecipients	Total Federal Disbursements / Expenditures	Balance December 31, 2015	
					From	To	(Accounts Receivable)	Unearned Revenue					Accounts Receivable	Unearned Revenue
U.S. Department of Housing and Urban Development														
Passed through the County of Camden:														
Home Investment Partnerships Program	14.239	N/A	\$ 778,314.00	N/A	7-1-15	6-30-16		\$ 142,561.20				\$ 58,110.75		
Home Investment Partnerships Program	14.239	N/A	879,914.00	N/A	7-1-14	6-30-15		69,584.73				25,392.39		
Home Investment Partnerships Program	14.239	N/A	828,524.00	N/A	7-1-13	6-30-14		43,688.00	\$ (70,938.50)			175,952.59		
Total Home Investment Partnerships Program								\$ (111,167.97)	\$ 148,098.00	255,833.93	(70,938.50)	-	259,455.73	\$ (246,014.47) \$ 208,384.20
Community Development Block Grants/Entitlement Grants	14.218	N/A	2,137,531.00	N/A	7-1-15	6-30-16		237,511.90				250,337.47		
Community Development Block Grants/Entitlement Grants	14.218	N/A	2,127,721.00	N/A	7-1-14	6-30-15		876,668.42				1,008,089.56		
Community Development Block Grants/Entitlement Grants	14.218	N/A	2,184,336.00	N/A	7-1-13	6-30-14		474,217.63	(95,595.51)			505,755.16		
Total Community Development Block Grants/Entitlement Grants								(196,813.17)	158,332.20	1,588,397.95	(95,595.51)	-	1,764,182.19	(377,105.41) 67,244.69
Total Federal Awards								\$ (307,981.14)	\$ 306,430.20	\$ 1,844,231.88	\$ (166,534.01)	\$ -	\$ 2,023,637.92	\$ (623,119.88) \$ 275,628.89

(A) See Note 3 to the Schedule of Expenditures of Federal Awards.

The accompanying Notes to Financial Statements and Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
 Notes to Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2015

**Note 1: GENERAL**

The accompanying schedule of expenditures of federal awards includes federal award activity of the Camden County Improvement Authority (hereafter referred to as the "Authority") under programs of the federal government for the year ended December 31, 2015. The Authority is defined in note 1 to the Authority's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position and changes in operations of the Authority.

**Note 2: BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. This basis of accounting is described in note 1 to the Authority's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 3: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent reimbursements to the County of Camden for expenditures of prior year grants for the period that the County administered the grant.

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Authority's financial statements. Expenditures from awards are reported in the Authority's basic financial statements on a GAAP basis as follows:

	<b><u>Federal Expenditures</u></b>
Reported in basic financial statements as:	
Administration Expenses - Salaries and Wages	\$ 469,488.09
Administrative Expenses - Other Expenses	817,482.81
Cost of Providing Services - Other Expenses	<u>736,667.02</u>
Federal Financial Assistance	<u>\$ 2,023,637.92</u>
Expenditures on schedule of federal awards	<u>\$ 2,023,637.92</u>

**Note 5: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

**Note 6: FEDERAL LOANS OUTSTANDING**

As part of the Federal Department of Housing and Urban Developments' (HUD) Home Investment Partnership Program, the Authority allocates three types of program awards to eligible recipients as follows:

**Grants** – Awardees who receive this type of program award will receive funds for home improvements with no obligation for repayment.

**5 year loans** – Awardees who receive this type of program award will receive funds for home purchases. If the grantee maintains primary residence at the home for five years after the completion of the improvements, the loan is forgiven. Upon repayment of the loan, the Authority will utilize the funds to continue the HOME programs.

**Lifetime loans** – Awardees who receive this type of program award will receive funds for home improvements. The loan does not accrue interest and only becomes payable when the grantee sells their home or upon death, whichever occurs first. Upon repayment of the loan, the Authority will utilize the funds to continue the home improvement program.

The following loan receivable balances were recorded in the Authority's basic financial statements as of December 31, 2015.

<u>Loan Program Title</u>	<u>Federal CFDA Number</u>	<u>Loans Outstanding</u>		
		<u>5 Year</u>	<u>Lifetime</u>	<u>Total</u>
Community Development Block Grants	14.218	\$ -	\$ 433,454.00	\$ 433,454.00
Home Investment Partnership Program	14.239	71,395.00	-	71,395.00
Home Investment Partnership Program		<u>\$ 71,395.00</u>	<u>\$ 433,454.00</u>	<u>\$ 504,849.00</u>

**Note 7: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**CAMDEN COUNTY  
IMPROVEMENT AUTHORITY**

**PART III**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2015**



**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015

**Section 1- Summary of Auditor's Results (Cont'd)**

**State Financial Assistance**

Not Applicable

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Type of auditor's report issued on compliance for major programs

\_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB?

yes  no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dollar threshold used to determine Type A programs

\_\_\_\_\_ \$

Auditee qualified as low-risk auditee?

yes  no

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015

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***Section 2- Schedule of Financial Statement Findings***

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

**None.**

31400

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015

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***Section 3- Schedule of Expenditures of Federal Awards Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**None.**

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

**Not Applicable.**

**CAMDEN COUNTY IMPROVEMENT AUTHORITY**  
Summary Schedule of Prior Year Audit Findings  
And Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey

**FINANCIAL STATEMENT FINDINGS**

None

**FEDERAL AWARDS**

**Finding No. 2014-001**

**Program**

Home Investment Partnerships Program (HOME) (CFDA Number 14.239)  
Community Development Block Grants/Entitlement Grants (CDBG) (CFDA Number 14.218)

**Condition**

The Authority improperly recorded seven first time home buyer loans for the grant year 2014. Further, they did not adhere to their standard reconciliation process.

**Current Status**

This finding has been resolved.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

Not Applicable

31400

**APPRECIATION**

We express our appreciation for the courtesies extended and assistance rendered to us during the course of this audit.

Respectfully submitted,

*Bowman & Company LLP*  
BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

