

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the
City of Camden, State of New Jersey)

Financial Statements and
Supplementary Information

December 31, 2022 and 2021

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Commissioners of
City of Camden Redevelopment Agency
(A Component Unit of the City of Camden, State of New Jersey)

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Camden Redevelopment Agency (the "Agency") (a Component Unit of the City of Camden, State of New Jersey) as of and for the years ended December 31, 2022 and 2021, and the related notes to financial statements, which comprise the Agency's basic financial statements, as listed in the table of contents.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audits of the Financial Statements

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

In performing an audit in accordance with GAAS; *Government Auditing Standards*; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of proportionate share of net pension liability and contributions - PERS, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Mercadien, P.C.

Certified Public Accountants

December 20, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the City of Camden, State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Introduction

The City of Camden Redevelopment Agency (the "Agency"), A Component Unit of the City of Camden, State of New Jersey, presents the accompanying annual financial report in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements* - and Management's Discussion and Analysis - for State and Local Governments, hereinafter referred to as GASB 34, and related standards.

Responsibility and Control

The Agency retained Mercadien, P.C., Certified Public Accountants, to conduct an independent audit of the financial statements as of and for the years ended December 31, 2022 and 2021.

The Agency is responsible for furnishing financial statements and pertinent data for the auditors' review and analysis.

In management's opinion, the financial statements represent, in all material respects, the financial position, and results of operations and cash flows of the Agency as of and for the years ended December 31, 2021 and 2022, in conformity with accounting principles generally accepted in the United States of America.

Mission

The Agency seizes the opportunity to move Camden forward with land use development and investments that generate social and economic benefits for Camden's residential, institutional and commercial communities.

Summary of Agency and Business

The Agency, established by ordinance of the Council of the City on August 27, 1987, is the redevelopment entity for the City of Camden (the "City"). It is charged with the redevelopment of blighted areas and areas in danger of becoming blighted.

Examples of the types of projects undertaken by the Agency include rehabilitation of historic buildings, renovation of public facilities, developing for sale and rental housing (new construction and rehabilitation), school construction projects, park and recreation facilities, commercial and institutional facilities and brownfield remediation.

Accomplishments

Neighborhood Stabilization Program II Grants

U.S. Department of Housing and Urban Development - \$11.9 million for the Neighborhood Stabilization Program II (NSP2) in six census tracts: North Camden, Cooper/Lanning, Gateway, Marlton, Stockton and Rosedale, with the following eligible activities: acquisition, new construction, rehabilitation, demolition, land banking of properties for future redevelopment, and vacant lot stabilization. The Agency met the congressional mandate for spending down of 100% of the NSP2 award by February of 2013. Beyond the aforementioned activities, job creation and the creation of a Real Estate Asset Management Program (RAMP) is one of the results. A loan program was created with approximately one-third of the \$11.9 award, thus creating funding in the out years for further redevelopment work following NSP2 guidelines. Also, a Mentoring Program was created that gave a paid work experience in the construction trades for City residents who had completed a certification course in the City of Camden Housing Authority's YouthBuild Training Program, funded by the ARRA grant. The Agency uses program income from ARRA to further planning activities for future housing development and community development and maintaining land banked properties for future redevelopment.

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the City of Camden, State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Comprehensive Economic Development Strategy ("CEDS")

The Agency is coordinating with the City on strategic execution of projects in the eight economic development districts reflected in the CEDS; namely, Downtown, North Camden, Cramer Hill/ East Camden, Admiral Wilson, Centerville/ Morgan Village/ Fairview, Liberty Park/ Parkside/ Whitman Park, Cooper Plaza/ Lanning Square/ Bergen Square and Waterfront South. The Agency continues identifying redevelopment opportunities directed by the City's Master Plan, CEDS, Redevelopment Plans and Neighborhood Plans, where they exist.

Management of Brownfield Program (City-wide)

The Agency continues to manage the City's Brownfield Program under a shared services agreement with the City. Among the terms are supervising professional services contracting for environmental investigation and remediation and applying for and administering federal and state grants.

Based upon a strategic plan funded with the U.S. Environmental Protection Agency ("EPA") Technical Assistance grant (through the New Jersey Institute of Technology), the Agency aligns its Brownfield Development Areas, certified by the New Jersey Department of Environmental Protection, for addressing environmental investigation and remediation for two neighborhoods: North Camden and Cramer Hill. The Agency currently manages 38 grants for environmental assessment and remediation from the U.S. Environmental Protection Agency ("EPA") and the New Jersey Department of Environmental Protection (the "DEP"), totaling approximately \$27 million, which assist in the implementation of the Brownfield Coordination Strategy. With these funds, the Agency undertakes environmental investigations in targeted redevelopment areas. In particular, the EPA-funded environmental investigations inform and enhance the planning efforts underway in several neighborhoods of the City. In addition, the Agency administers a Brownfield Revolving Loan Fund for which approximately \$2.2 million in grants have been received from the EPA. In 2022, EPA also awarded \$3.5 million to supplement and further expand environmental justice and clean-up activities from this Fund. The Agency is currently marketing this innovative approach to provide affordable financing to businesses and non-profits to conduct environmental cleanup activities in connection with redevelopment.

Real Estate Asset Management Program (RAMP)

RAMP is a web-based customer service driven system for the redevelopment of Agency-owned property that results in access and transparency of information for residents and businesses. One of the great achievements funded by the NSP2 grant is the development of RAMP. The disposition of properties in the RAMP inventory also provides revenue. The program allows the Agency to make huge strides in targeting and planning for specific development within established redevelopment and non-redevelopment areas.

Redevelopment Study and Plans

The Agency assists the City Department of Planning and Development in its planning priorities by acting as a pass-through for funding from the Economic Recovery Board for planning consultant services. The Agency is authorized by the governing body of the City to implement the redevelopment plan, including designating and entering into contracts with redevelopers for any construction or other work forming a part of an adopted redevelopment plan (N.J.S.A. 40A: 12A-4(c)).

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the City of Camden, State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Specific Site Redevelopment Activities

- **Campbell's Soup Redevelopment of International Headquarters and Office Park (Gateway Neighborhood)** – Having completed its \$100 million-plus world headquarters expansion for which the Agency assembled land and managed the Brownfield coordination, the Agency continues to monitor the Master Redevelopment Agreement and the coordination of Brownfield work. The Campbell's Gateway Office Park entered a new and exciting phase in 2014 with the designation by the Agency of Brandywine Realty Trust as a sub-redeveloper. Brandywine constructed Subaru of North America's 250,000 square foot headquarters and 70,000 square foot training facility on the site of the former Sears Building. The project has relocated jobs to Camden. The project was completed in late 2018.
- **Catto School Demonstration with Stockton Park (Dudley Neighborhood)** – Both the school and park are open. The construction work for the \$70 million grant from the New Jersey School Development Authority has been completed, with oversight of the park turned over to the City's management. The Agency and the New Jersey School Development Authority closed out the grant in 2020.
- **Central Waterfront Parking** – The Agency acts as the City's agent for the acquisition and land assemblage of properties through eminent domain, providing more than 1,200 temporary overflow parking spaces utilized by the BB&T Pavilion for its concert series. The City of Camden Parking Authority maintains and enforces the parking in that area. With the settlement reached in the condemnation action with the prior property owners, the City realized more than \$400,000 in back taxes. This gives the City the ability to negotiate for additional funds for the additional parking spaces. In 2018, the Agency acquired six properties required to meet the temporary overflow parking space requirement set by the BB&T Pavilion. The Agency identified several additional properties to acquire for overflow parking spaces and use of remaining grant funds.
- **Cooper/Lanning Redevelopment** – The Agency, in coordination with the City's anchor education and medical institutions (EDs and MEDs), community residents, and consultants, together issued a Request for Proposal for the redevelopment of approximately 400 parcels of land into housing, businesses and open space. The Agency has shifted its approach to one that is project-based for multifamily and single-family residential developments for the Cooper/Lanning and Downtown redevelopment areas. The preparation of a comprehensive and integrated housing plan responding to current market conditions also is under development. In furtherance of its project-based approach, the Agency acquired several privately-owned properties and completed the relocation of tenants to complete the land assembly for a signature project. In addition, the Agency continues to assemble land for redevelopment by the EDs and MEDs.
- **Cooper Plaza Historic Preservation Homes Project** – The preservation of 64 existing residential units located within 32 buildings along Washington Street and Haddon Avenue in Cooper Plaza's historic district. The redeveloper plans for the substantial rehabilitation of all of the units. No displacement of current tenants occurred as the property was redeveloped. In 2018, the redeveloper closed on the project's financing and began construction at the site. This project was completed in the fall of 2019.

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the City of Camden, State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Specific Site Redevelopment Activities (Continued)

- **Family Dollar-7th & Linden Streets** – During 2015, the Agency completed the sale of the 7th & Linden Streets site to Boos States Development, LLC for the development of a 10,000 square-foot Family Dollar Store. With all approvals in place, construction began immediately. The opening of the store culminated a nearly 25-year effort to bring retail services to North Camden. This project completed construction in 2017. The second phase includes a fast-food restaurant that completed construction in 2019.
- **Harrison Avenue Landfill Redevelopment** – With the opening of the Kroc Center on a 25-acre portion of the Harrison Avenue Landfill, the Agency has turned its attention to the remediation and redevelopment of the remaining 60 acres - “Balance of the Harrison Avenue Landfill”. The Agency is working closely with the DEP Office of Natural Resource Restoration (ONRR) on development of a river-front park that will serve as a regional recreation destination. The park will include restored wetlands, wildlife habitat and riverbank, a fishing pond, community gardens, extensive walking trails, an amphitheater and viewing areas with vistas of the Delaware River and Philadelphia Skyline. The total project cost is estimated at \$47 million. In 2013 the Agency received 3 EPA Cleanup Grants for Harrison Avenue Landfill and in 2014 and 2015 the Agency was awarded 4 more grants bringing the EPA commitment to \$1.4 million. With this commitment on the Federal level, the Agency was able to leverage an additional \$6.7 million from the New Jersey Hazardous Discharge Site Remediation Fund (HDSRF). Park construction was substantially completed in 2021.
- **Holtec** – During 2014, the Agency and City entered into negotiations with South Jersey Port Corporation (SJPC) for the purchase by the SJPC of over 150 lots from the City and Agency in the long-vacant Terraces project area. SJPC bought the property from the Agency and is renting the land to Holtec, manufacturer of, among other things, nuclear-power equipment and containers. Over the next 5 years, Holtec is slated to employ up to 4,000 people.
- **KIPP Cooper Norcross Academy at Lanning Square** – A state-of-the art, \$41 million-dollar, 110,000 square foot elementary school, was completed and opened in fall 2015. CRA will assemble area sites for the school’s planned expansion for open space and recreational uses. KIPP educates 1,100 students from Pre-K through 8th grade in this facility, which has such amenities as science labs, computer rooms, arts and music rooms. The KIPP School, unlike charter schools, is part of the City’s school district, but is a renaissance school, providing guaranteed enrollment to children living in the Cooper/Lanning neighborhoods.
- **Liberty Property Trust Camden Waterfront** – Philadelphia–based Liberty Property Trust began developing the 16-acre parcel stretching along the Camden Waterfront from the Benjamin Franklin Bridge to the Adventure Aquarium. The estimated \$1.0 billion-dollar mixed-use project will include office space, residential, entertainment and a hotel. The project, the largest in Camden history, is being made possible by the “Grow New Jersey” tax incentive program. The Agency is involved in the development through its ownership of three key parcels in the development footprint.

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the City of Camden, State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Specific Site Redevelopment Activities (Continued)

- **Mastery Cramer Hill Renaissance School** – The Agency completed the sale of a four-acre former industrial site located at the corner of River and State Streets to an affiliate of the highly respected Mastery Charter Foundation for the development of an 85,000 square foot renaissance school. The site has been vacant for several decades and in addition to bringing quality educational opportunities and positive community activity to the Cramer Hill Neighborhood, the project will address the long-standing environmental contamination of the site. The project was completed in 2017.
- **Mt. Ephraim CHOICE Neighborhood Imitative Project** – (Centerville, Liberty Park, and Whitman Park neighborhoods) Mt. Ephraim Transformation Plan: The Housing Authority of the City of Camden (HACC) was awarded a US HUD CHOICE Planning Grant in the amount of \$300,000 to create a plan for area wide development in three neighborhoods. The Agency is a member of the CHOICE Leadership Team that developed the plan, which includes development components for three neighborhoods: Centerville, Liberty Park and Whitman Park. At the end of the year, the City and HACC, as co-applicants, were awarded \$13.2 million for the 2016 Choice Implementation Grant round. The Agency and the Michaels Development Company (MDC), as partners, are designated as the Housing Development Entity under the CHOICE grant. MDC is completing the demolition and build-out of Branch Village public housing development in the Centerville neighborhood, consisting of 240 rental units over the course of 2017 – 2022.
- **The Pierre Building** – The Agency issued a Request for Proposals, and a redeveloper was designated to carry out the project. This long-term vacant building, financed under the Employment Opportunities Act of 2013 (EOA) by the NJ Economic Development Authority and by the NJ Housing & Mortgage Finance Agency underwent major rehabilitation starting in 2016. The rehabilitation of the Pierre, a circa 1919 National-Register listed building, transformed this vacant structure into 32 high quality market-rate and affordable rental apartment units. This is one of the remaining historic buildings on Cooper Street to be preserved and renovated and is only one of four residential developments awarded EOA tax credit financing. Construction of this project was completed in 2019.
- **Rowan University/Rutgers University-Camden Joint Board of Governor's Health Sciences Complex** – In 2016, the Rowan/Rutgers Joint Board continued to assemble properties in the Lanning Square neighborhood for construction of a new \$76 million health sciences complex, covering a city block. The process to acquire land within Block 181 for the project site was initiated by the Agency. The Agency, having acquired almost 60% of the site, conveyed the properties that had been assembled to the Joint Board. When completed in 2019, this health sciences complex concluded the EDs and MEDs connection to the Downtown District and houses an array of collaborative programs in the health sciences for students from both Rowan and Rutgers universities.
- Rowan/Rutgers Joint Board embarked on a Phase 2 acquisition strategy in the Cooper/Lanning Square neighborhood, acquiring and relocating businesses along the Broadway corridor and properties located within those blocks directly adjacent to the site for the health sciences complex. The Agency, as a partner, continues to assemble several sites to further expand the universities institutional uses related to the health sciences complex and redevelopment of the Broadway business corridor.

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the City of Camden, State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Financial Analysis

	2022	2021	2020	2021 to 2022	
				\$ Change	% Change
Total Assets	\$ 27,873,595	\$ 24,364,946	\$ 12,754,752	\$ 3,508,649	14.40%
Total Deferred Outflows of Resources	83,481	75,215	199,894	8,266	10.99%
Total Liabilities	19,746,343	16,769,646	6,055,009	2,976,697	17.75%
Total Deferred Inflows of Resources	798,661	1,117,427	1,065,608	(318,766)	-28.53%
Net Position	7,412,072	6,553,088	5,834,029	858,984	13.11%
Total Operating Revenues	2,326,989	2,359,595	1,499,368	(32,606)	-1.38%
Total Operating Expenses	2,004,135	1,654,590	1,987,557	349,545	21.13%

Total Assets

- Total assets increased in 2022 by \$3,508,649 or 14.4% compared to 2021. Total assets increased in 2021 by \$11,610,194 or 91.03% compared to 2020. These changes were primarily due to increases in grants receivable.

Total Liabilities

- Total liabilities increased in 2022 by \$2,976,697 or 10.99% compared to 2021. Total liabilities increased in 2021 by \$10,714,637 or 176.95% compared to 2020. These changes were primarily due to increases in unearned revenue related to grants awarded but unspent at the respective year ends.

Total Net Position

- Total net position in 2022 increased by \$858,984 or 13.11%. Total net position in 2021 increased by \$719,059 or 12.33%.

Total Operating Revenue

- The major categories affecting 2022 total operating revenue were grant revenue and project management agreement fees which collectively decreased by \$48,106, or 2%, compared to 2021 due to consistent grant activities of multiple grants managed by the Agency and consistent project management fee arrangements from the prior year.
- The major categories affecting 2021 total operating revenue were grant revenue and project management agreement fees which collectively increased by \$843,776, or 59%, compared to 2020 due to consistent grant activities of multiple grants managed by the Agency and new project management fee arrangements.

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the City of Camden, State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Financial Analysis (Continued)

Total Operating Expense

- Total operating expense increased by \$349,545 or 18% compared to 2021. This change was primarily due to an increase in grant related relocation and acquisition expenses and a consistent GASB 68 pension adjustment related to changes in the pension plan as compared to 2021.
- Total operating expense decreased by \$332,967 or 17% compared to 2020. This change was primarily due to a consistent grant related relocation and acquisition expenses and an increased GASB 68 pension credit adjustment related to changes in the pension plan as compared to 2020.

Capital Assets

The Agency's capital assets primarily consist of land inventory contributed to the Agency by the City or acquired by the Agency.

Debt

Intergovernmental loans payable in the amount of \$114,260, as of December 31, 2022 and 2021, respectively, is the result of debt due to the County in the amount of \$114,260. The Agency intends to renegotiate the debt in the upcoming fiscal year.

New Business and Goals

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a Public Health Emergency of International Concern and on March 10, 2020, declared it to be a pandemic. New Jersey Governor Murphy's Executive Order No. 107 dated March 21, 2020, mandated statewide stay at home practices and closures of all non-essential businesses to mitigate the spread of the coronavirus.

As a component of the City of Camden, the Agency implemented a continuity of operations plan from March to July 2020, incorporating remote working practices, then a return-to-work plan, which is ongoing and focused on ensuring employee/worker safety and delivery of programs and services. While the direct/indirect impacts of forced closures on the local/regional economy have yet to be fully realized, development and related activity did slow. Despite this, however, the local/regional markets affecting construction, development and related industries are adjusting to various delays.

The Agency's statutory mission of implementing redevelopment plans remains aligned with the interests of the City of Camden and allows for strategic efficient leveraging of land resources, related financing, and execution of redevelopment through projects in targeted areas City-wide.

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the City of Camden, State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

New Business and Goals (Continued)

- **Comprehensive Economic Development Strategy (CEDs)** – CEDs implementation continued throughout 2019 and 2020 with commercial and light industrial redevelopment on Admiral Wilson Boulevard, light industrial redevelopment areas, and new and rehabilitated market-rate and affordable mixed income housing.
- **1800 Davis Street, Transit-Oriented Development – Mixed-Use Residential and Primary Health Care Facility/Offices project** – Priority goals for this Project will include leveraging development opportunities and increasing density adjacent to the PATCO Hi-Speed Line at the Ferry Avenue Station. This Project involves the demolition of an existing vacant office building and the new construction of a four-story, 76,000-square-foot building for residential apartments and a primary healthcare facility and related medical offices. Joint venture redevelopers, Michaels Development Company and Our Lady of Virtua Lourdes, secured financing from the New Jersey Housing & Mortgage Finance Agency under an innovative Hospital Partnership Program. The Agency and the redevelopers are working together to bring this project closure in 2023.
- **Admiral Wilson Regional Retail Development** – This Project is located at the eastern gateway to the City in the Admiral Wilson North Redevelopment Area, consisting of a 27-acre tract for development in two phases of construction. Camden Renaissance/Matrix Development repurposes the area for new warehouse distribution uses including a 279,000-SF building and a potential 149,315-SF building with parking and related improvements. Employment opportunities at living wages for an estimated 400 +/- full- and part-time workers is contemplated. The Agency expects to go to settlement on the first phase of development in 2023.
- **Camden Waterfront Development and American Water Training Center** – The Agency designated American Water as the redeveloper of a development parcel adjacent to the company's headquarters on the Camden Waterfront. American Water will acquire the site and plans to develop a state-of-the art training center for its employees.
- **Cooper/Lanning** – The Agency, City, and community leaders continue to collaborate and plan for a process in 2023 thru 2024 of selection of redeveloper(s) for discrete infill and new construction redevelopment projects for housing (rental/homeownership) and commercial ventures.

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the City of Camden, State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

New Business and Goals (Continued)

- **Cramer Hill CHOICE Initiative Neighborhoods Implementation Project** – The Housing Authority of the City of Camden (HACC) in 2018 was awarded a US Department of Housing and Urban Development (HUD) CHOICE Neighborhoods Planning Grant for \$300,000 to create a plan, which leveraged in 2021 a \$35 million HUD Implementation Grant. The Agency is a member of the resident-driven Cramer Hill CHOICE Leadership Team. The Cramer Hill plan is transformative, providing a unified vision for the future redevelopment of William Stanley Ablett Village, a 300-unit public housing development and the surrounding neighborhood. The City of Camden and HACC as co-applicants lead the development effort, which includes plans for the demolition of the Ablett Village development and construction of 425 units of new housing. The Agency will continue to work with the HACC and Michaels Development Company on the assembly of property for sites and conceptual architectural designs for the redevelopment effort. As of 2022, a family and senior residential development, consisting of 156 new residential units were under construction. The Agency also is leading the effort to implement critical neighborhood improvements as outlined in the Plan for those areas surrounding new development activity.
- **Environmental Assessment and Remediation of Parks and Open Space** – The City has requested that the Agency conduct a Preliminary Environmental Investigation of various parks and open space where the City proposes to undertake capital improvements. The various parks and open space, which involves remediation activities, includes RCA Pier Park located in the Downtown Waterfront area, and Dominick Andujar Park in the North Camden neighborhood, and Camden Labs in the Whitman Park neighborhood. During the course of 2021 and 2022, the environmental remediation of these parks was completed, and park improvement construction handed off to the City and County of Camden. Remediation activities slated for 2023, include Cramer Hill Waterfront Park in the Cramer Hill neighborhood, North Camden Waterfront Park in the North Camden neighborhood, Elijah Perry Park in the Centerville neighborhood, and Judge Robert Johnson Park in the Liberty Park neighborhood. The Agency is securing environmental grant funds for the remediation work.
- **Former Camden Public Library Redevelopment** – Rehabilitation of the historic former Camden Public Library to include 20,000-square-feet of state-of-the art urban office space, 5,000-square-feet of retail and the Library Café. During 2021, the Agency having assembled the property for the project site proceeded to convey title to the redeveloper.
- **Knox Meadows Phase II** – The Knox Meadows Phase II project, located at 4th & Erie in North Camden, calls for the creation of multi-family housing on a site in the North Camden Brownfield Development Area (BDA). In late 2018, the Agency secured an EPA Brownfield Cleanup Grant for the site and began site investigations and remediation. While remedial activities are being undertaken, the Agency in 2024 will issue a Request for Proposals for a developer to redevelop the site for residential housing.

CITY OF CAMDEN REDEVELOPMENT AGENCY

(A Component Unit of the City of Camden, State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

New Business and Goals (Continued)

- **Preparation of New Industrial-Commercial Sites** – The Agency will assist the City with the acquisition of properties that have potential for new industrial and commercial development. The Agency will conduct environmental assessments and investigation, market the sites, and evaluate development proposals. Currently, the Agency is working with the City to redevelop an approximately 4.5-acre abandoned industrial property adjacent to I-676 for industrial or municipal use. The project includes demolition of buildings, investigation, and remediation of the site and construction of a minimum of 32,000-square-feet of new buildings along with parking, storage, and site improvements. In addition, the Agency is working with the City to redevelop two industrial sites to bring transformative light industrial or manufacturing uses to several adjacent mixed-use neighborhoods and great potential for living wage jobs for residents.
- **Radio Lofts (Downtown District)** – This former RCA Victor plant building is currently planned for market-rate residential development in the historic district of Cooper Street. In 2012, the Agency learned that an additional \$2.5 million for environmental remediation is required prior to any construction. With benefit of EPA and additional NJ HDSRF grants, the Agency is moving forward to secure funds in closing the funding gap and complete the remediation and reuse of this historic building.
- **Rowan University/Rutgers University-Camden Joint Board of Governor's Health Sciences Complex** – Rowan/Rutgers Joint Board embarked on a Phase 2 acquisition strategy in the Cooper/Lanning Square neighborhood, acquiring and relocating businesses along the Broadway corridor and properties located within those blocks directly adjacent to the site for the health sciences complex. The Agency, as a partner, will continue the assembly of sites and sale to Rowan/Rutgers Joint Board to facilitate the expansion of health related and institutional uses and redevelopment of the Broadway business corridor.
- **Human Resources**
The Agency has two certified bargaining units: United Food and Commercial Workers Local 1360 represent supervisory and non-supervisory positions. Negotiations have commenced on the terms of the bargaining agreement for the period beginning January 1, 2018. The Agency will work with these units to ensure a strong professional environment.
- **Contacting the Agency**
If you have any questions about this report or need additional information, you may contact The Executive Director at City of Camden Redevelopment Agency, City Hall, Suite 1300, P.O. Box 95120, Camden, NJ 08102 or 856.757.7600.

BASIC FINANCIAL STATEMENTS

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

STATEMENTS OF NET POSITION

	December 31,	
	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,201,993	\$ 2,260,400
Restricted cash and cash equivalents	369,070	372,584
Grants receivable	16,355,694	13,095,909
Total current assets	<u>18,926,757</u>	<u>15,728,893</u>
Noncurrent assets		
Capital assets	8,946,838	8,636,052
Total noncurrent assets	<u>8,946,838</u>	<u>8,636,052</u>
Total assets	<u>\$ 27,873,595</u>	<u>\$ 24,364,946</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	\$ 83,481	\$ 75,215
Total deferred outflows of resources	<u>\$ 83,481</u>	<u>\$ 75,215</u>
Total assets and deferred outflows of resources	<u>\$ 27,957,076</u>	<u>\$ 24,440,161</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,179,654	\$ 1,015,535
Accrued interest payable	234,585	226,473
Unearned revenue	16,355,694	14,507,853
Intergovernmental loans payable	114,260	114,260
Total Current Liabilities	<u>18,884,193</u>	<u>15,864,121</u>
Noncurrent liability		
Net pension liability	862,150	905,525
Total noncurrent liability	<u>862,150</u>	<u>905,525</u>
Total liabilities	<u>\$ 19,746,343</u>	<u>\$ 16,769,646</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	\$ 798,661	\$ 1,117,427
Total deferred inflows of resources	<u>\$ 798,661</u>	<u>\$ 1,117,427</u>
NET POSITION		
Invested in capital assets, net of related debt	\$ 8,832,578	\$ 8,521,792
Deficit	(1,420,506)	(1,968,704)
Total Net Position	<u>\$ 7,412,072</u>	<u>\$ 6,553,088</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 27,957,076</u>	<u>\$ 24,440,161</u>

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Years Ended December 31,	
	2022	2021
Operating revenues		
Grants	\$ 1,130,139	\$ 1,586,669
Project management and administrative fees	1,102,680	694,256
Rental income	46,500	31,000
In-kind revenue	47,670	47,670
Total operating revenues	<u>2,326,989</u>	<u>2,359,595</u>
Operating expenses		
Relocation and acquisition expenses	1,504,059	1,227,928
Salaries and benefits	171,423	152,166
Professional fees	99,104	52,173
Insurance expense	115,281	109,128
Payroll taxes and service fees	43,105	38,818
Other operating expenses	6,659	11,832
In-kind rent	47,670	47,670
Office supplies	15,433	14,587
Marketing	1,401	288
Total operating expenses	<u>2,004,135</u>	<u>1,654,590</u>
Operating gain	<u>322,855</u>	<u>705,005</u>
Nonoperating revenues (expenses)		
Interest revenue	-	48
Interest expense	(8,112)	(8,112)
Net nonoperating revenues	<u>(8,112)</u>	<u>(8,064)</u>
Changes in net position before capital contributions and gain/(loss) on sale of land	314,743	696,941
Capital contributions	570,418	171,202
Loss on sale of land	<u>(26,177)</u>	<u>(149,084)</u>
Changes in net position	858,984	719,059
Net position, beginning of year	<u>6,553,088</u>	<u>5,834,029</u>
Net position, end of year	<u>\$ 7,412,072</u>	<u>\$ 6,553,088</u>

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2022	2021
Cash Flows from Operating Activities		
Cash received from grants income	\$ 1,097,967	\$ 1,277,699
Cash received from rental income	46,500	30,000
Other operating cash receipts	1,253,101	488,605
Payments made to employees for services	(550,568)	(557,954)
Payments made to suppliers for goods and services	(1,771,970)	(702,528)
Net cash from operating activities	<u>75,030</u>	<u>535,822</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from land sales and redevelopment fees	<u>(128,838)</u>	<u>(315,586)</u>
Net cash from capital and related financing activities	<u>(128,838)</u>	<u>(315,586)</u>
Cash Flows from Investing Activities		
Interest expense	<u>(8,112)</u>	<u>(8,112)</u>
Net cash from investing activities	<u>(8,112)</u>	<u>(8,064)</u>
Net changes in cash and cash equivalents	(61,920)	212,172
Cash and cash equivalents, beginning of year	<u>2,632,984</u>	<u>2,420,812</u>
Cash and cash equivalents, end of year	<u>\$ 2,571,064</u>	<u>\$ 2,632,984</u>
Reconciliation of operating gain to net cash from operating activities		
Operating gain	\$ 322,855	\$ 705,005
Adjustments to reconcile operating gain to net cash from operating activities		
(Decrease) increase in cash from		
Grants receivable	(3,259,785)	(11,453,016)
Accounts payable and accrued expenses	1,164,119	175,814
Unearned revenue	<u>1,847,841</u>	<u>11,108,019</u>
Total adjustments	<u>(247,825)</u>	<u>(169,183)</u>
Net cash from operating activities	<u>\$ 75,030</u>	<u>\$ 535,822</u>

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity

City of Camden Redevelopment Agency (the "Agency"), was organized on August 27, 1987, after Council of the City of Camden, New Jersey (the "City") adopted an ordinance establishing the Agency and delegating its redevelopment functions. The Agency was created to acquire, plan, reconstruct and redevelop certain areas within the City to promote public health, safety and welfare, stimulate growth and preserve existing values of land.

The Agency's board is made up of seven commissioners, appointed by the City Council. Executive and administrative responsibility rests with the Executive Director, who is appointed by the board.

Component Unit

The Agency adopted Governmental Accounting Standards Board ("GASB") Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This standard supersedes GASB Statement No. 14, *The Financial Reporting Entity*, for determining whether the Agency is a component unit of the City. In accordance with GASB Statement No. 39, the Agency is considered a component unit of the City.

Basis of Accounting, Measurement Focus and Basis of Presentation

The Agency follows a proprietary fund type basis of accounting. Thus, the accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Enterprise funds are used to account for activities that are operating in a manner similar to private business enterprises. Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Under this basis, revenues are recognized when earned and expenses are recognized when they are incurred.

In its accounting and financial reporting, the Agency follows the pronouncements of the GASB and other entities that promulgate accounting principles. GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principles ("GAAP") are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants ("AICPA") cleared by the GASB. Authoritative GAAP is incorporated periodically into the *Codification of Governmental Accounting and Financial Reporting Standards* (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principles for similar transactions or other events within a source of authoritative GAAP described above and then may consider nonauthoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other literature of the Financial Accounting Standards Board ("FASB"), Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks and articles.

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

The Agency must adopt an annual budget in accordance with N.J.A.C. 5:31-2, which requires the governing body to introduce the Agency's annual budget at least 60 days prior to the end of the current fiscal year and to adopt it no later than the beginning of the Agency's fiscal year. The budget is adopted on the accrual basis of accounting. The Agency's board may amend the budget at any point during the year.

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 may affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include petty cash, escrow deposits and cash on deposit with public depositories.

New Jersey municipal 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 State of 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 local units.

Allowance for Uncollectible Amounts

The allowance for uncollectible amounts is management's estimate of potential losses based on historical experience and current economic conditions. The allowance is increased by the bad debt provision charged to expense. Amounts determined to be uncollectible are charged against the allowance and subsequent recoveries, if any, are recorded against allowances.

Capital Assets

Capital assets include land inventory held by the Agency, which consists of land and properties contributed (capital contributions) by the City, and properties purchased using loan and grant funds. These properties are subsequently developed with the assistance of the Agency, donated to the City, and sold to public and private developers. The City's tax assessor office determines the value of contributed properties based on the tax-assessed value. The value is not a representation of current market value, but the assessed valuation at the time the City forecloses on the property. The State of New Jersey's Division of Taxation ("Taxation") develops a market value ratio, which is adopted by the City and applied to the assessed values of donated properties in order to convert the properties to fair market value in the year contributed. Purchased properties are valued at the lower of cost or fair market value upon acquisition. Occasionally, the Agency pays a premium to purchase certain properties in order to assemble a contiguous section of land for redevelopment projects. When a premium is paid for the property, the Agency records the difference between the fair market value of the land and the purchase price as a loss on acquisition in the statement of revenues, expenses and changes in net position. The recorded value of properties owned are periodically considered for impairment. Properties are written down to market value when it is determined that impairment of value has occurred.

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

The Agency is required to report net position in the following components:

Invested in Capital Assets, Net of Related Debt - This component of net position consists of unrestricted and restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of loans and accumulated interest attributed to the acquisition of those assets.

Unrestricted - Unrestricted net position represents amounts for which the use is not externally restricted.

Operating and Non-operating Revenues and Expenses

The Agency defines revenue and expense transactions that support the principal ongoing operations of the Agency as operating including grant revenue, project management and administrative fees, rental income and acquisition/sale of land. Non-operating revenues and expenses include transactions derived from other than exchange and exchange-like transactions, such as interest expense.

Grant Revenue

The Agency recognizes grant revenue when earned on an accrual basis; that is, activities prerequisite to obtaining benefit have been completed, such as complying with the terms and conditions of the grant agreement.

Income Taxes

As a governmental entity, the Agency's income is exempt from taxes in accordance with Internal Revenue Code Section 115.

Compensated Absences

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward from year-to-year. Vacation days may be accumulated for up to two years, after which time any unused accumulated vacation time will be cancelled. At least five vacation days must be taken during each year. In the event of separation from employment, the payment of accumulated vacation leave will be disbursed to the employee. The Agency accrues sick and vacation time in accordance with the policy.

Deferred Outflows and Inflows of Resources

The statements of net position report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent 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 represent 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. The Agency is required to report the following as deferred outflows of resources and deferred inflows of resources:

Pension Plan - 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 Agency's proportion of expenses and liabilities to the pension as a whole, differences between the Agency's pension contributions and its proportionate share of contributions, and the Agency's pension contributions subsequent to the pension valuation measurement date.

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts on deposit, petty cash, change funds and investments with original maturities of ninety days or less. New Jersey statutes permit the deposit of public funds into institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation ("FDIC") or by any other agencies of the United States that insure deposits.

New Jersey local 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 ("NJCMF"). N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey local 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.

The market value of the collateral must equal five percent of the average daily balance of public funds; and, if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. Deposits were made with contracted depository banks in interest-bearing accounts that were insured under GUDPA. All such deposits are held in the Agency's name. Deposits in excess of amounts insured by the FDIC are covered by a collateral pool maintained by the banks under GUDPA requirements. The Agency's deposits are summarized as follows:

	December 31,			
	2022		2021	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Cash and cash equivalents	<u>\$2,571,063</u>	<u>\$2,635,013</u>	<u>\$2,632,984</u>	<u>\$2,793,271</u>

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

C. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	December 31,	
	2022	2021
City of Camden	\$ 52,350	\$ 52,350
Urban Enterprise Zone Authority	31,708	31,708
Less: allowance for uncollectible amounts	(84,058)	(84,058)
Total accounts receivable, net	<u>\$ -</u>	<u>\$ -</u>

D. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2022 and 2021, was as follows:

	2022			
	Beginning Balance	Increase	Decrease	Ending Balance
Non-depreciable assets				
Land inventory	\$ 8,636,052	\$ 732,152	\$ (421,367)	\$ 8,946,838
Total non-depreciable assets	<u>8,636,052</u>	<u>732,152</u>	<u>(421,367)</u>	<u>8,946,838</u>
Capital assets, net	<u>\$ 8,636,052</u>	<u>\$ 732,152</u>	<u>\$ (421,367)</u>	<u>\$ 8,946,838</u>
	2021			
	Beginning Balance	Increase	Decrease	Ending Balance
Non-depreciable assets				
Land inventory	\$ 8,637,046	\$ 517,131	\$ (518,125)	\$ 8,636,052
Total non-depreciable assets	<u>8,637,046</u>	<u>517,131</u>	<u>(518,125)</u>	<u>8,636,052</u>
Capital assets, net	<u>\$ 8,637,046</u>	<u>\$ 517,131</u>	<u>\$ (518,125)</u>	<u>\$ 8,636,052</u>

The market value ratio developed by Taxation and adopted by the Agency was 0.8894 and 0.9340 for 2022 and 2021, respectively. These rates were applied to contributed land in the year donated in order to convert from the tax-assessed value to fair market value. During 2011, the City performed a reassessment of all properties within the City, including those owned by the Agency. There was no impairment of the recorded value of the land owned by the Agency that would require a loss on impairment to be recognized in 2022 and 2021.

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

E. INTERGOVERNMENTAL LOANS PAYABLE

The Agency also has a loan from the County of Camden. This agreement, made in December 1993, for \$114,260 at an annual interest rate of 7.1%, was for a study to be undertaken to examine the engineering, architectural and financial potential for the re-use or disposition of the General Electric Company facilities. The balance on the note was \$114,260 as of December 31, 2022 and 2021. Repayments of the entire principal and accumulated interest on this loan are due on demand.

F. PENSION AND RETIREMENT PLANS

Plan Description

The Agency's permanent full-time employees participate in the Public Employees' Retirement System ("PERS") defined benefit pension plan, which is administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). The Agency has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statements No. 68 and 71 require the Agency to report its share of the defined benefit pension liability and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the PERS. The state-administered funds were established by an Act of the State Legislature that assigns the authority to establish and amend benefit provisions to the plan's board of trustees. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERS and is also available on the State of New Jersey website at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Plan Description and Benefits Provided

PERS is a cost-sharing, multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS plan provides retirement, death and disability, and medical benefits to qualified members and their beneficiaries. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:38. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

<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 1/55th of final average salary for each year of service credit are available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit are available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62, and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

NOTES TO FINANCIAL STATEMENTS

F. PENSION AND RETIREMENT PLANS (CONTINUED)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years which began with the payments due in the fiscal year ended June 30, 2012, and are adjusted by the rate of return on the actuarial value of assets.

Employee contribution rates to PERS governed by P.L. 2011, C. 78, effective June 28, 2011, were increased from 5.5% of salary to 6.5% of salary, and a phase-in to 7.5% of salary over a seven-year period. Covered Agency employees are required by PERS to contribute 7.5% of their salaries. State statute requires the Agency to contribute an actuarially determined rate which includes the normal cost and the unfunded accrued liability. The amount of the Agency's contribution is certified each year by PERS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments (7.00% on June 30, 2022 and 2021), is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees, and the actuaries. Specific information on actuarial assumptions and rates of return can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

The payroll for employees covered by PERS for the years ended December 31, 2022 and 2021, was \$421,032 and \$555,910, respectively. The Agency is billed annually for its normal contribution plus any accrued liability. Contributions to PERS from the Agency were \$72,042 and \$89,518, for the years ended December 31, 2022 and 2021, respectively. Contributions were made in accordance with the actuarial funding requirement.

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

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

F. PENSION AND RETIREMENT PLANS (CONTINUED)

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2022 and 2021, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2022 and 2021, respectively.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collected deferred outflows of resources, collective deferred inflows of resources, and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021.

At December 31, 2022 and 2021, the Agency reported a net pension liability of \$862,150 and \$905,525, respectively. The net pension liability was measured as of June 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Agency's proportionate share of the net pension liability as of December 31, 2022, was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the plan, actuarially determined. At June 30, 2022 and 2021, respectively, the Agency's proportionate share of the collective net pension liability was 0.0057128673% and 0.0076438186%, which was a decrease of 0.0019310% and 0.0014492%. For the years ended December 31, 2022 and 2021, the Agency recognized PERS pension expense of (\$379,145) and (\$405,788), respectively. The Agency reported deferred outflows and inflows of resources as follows:

	PERS			
	December 31, 2022		December 31, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,223	\$ 5,487	\$ 14,281	\$ 6,482
Changes in assumptions	2,671	129,098	4,716	322,373
Net differences between projected and actual investment earnings on pension plan investments	35,684	-	-	238,539
Changes in proportion	2,882	664,076	11,459	550,033
Agency contributions subsequent to the measurement date	36,021	-	44,759	-
	<u>\$ 83,481</u>	<u>\$ 798,661</u>	<u>\$ 75,215</u>	<u>\$1,117,427</u>

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

F. PENSION AND RETIREMENT PLANS (CONTINUED)

Pension Expense and Deferred Outflows/Inflows of Resources

The Agency recognizes the \$36,021 and \$44,750, reported as deferred outflows of resources resulting from pension contributions after the measurement date, but before the end of the Agency's reporting period, as noted in the previous table, as a reduction of the PERS net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Years Ending December 31,</u>	<u>2022</u>
2023	\$ (73,954)
2024	(37,677)
2025	(18,374)
2026	40,086
2027	(88)
Total	<u>\$ (90,008)</u>

<u>Years Ending December 31,</u>	<u>2021</u>
2022	\$ (213,664)
2023	(152,556)
2024	(104,017)
2025	(78,190)
2026	30
Total	<u>\$ (548,397)</u>

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

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 and June 30, 2021, measurement dates was determined by actuarial valuations as of July 1, 2021 and July 1, 2020, which were rolled forward to June 30, 2022 and June 30, 2021, respectively. This actuarial valuation used the following actuarial assumptions:

	<u>2022</u>	<u>2021</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary increases:		
Through 2026 (based on years of service)		2.00%-6.00%
Thereafter (based on years of service)	2.75%-6.55%	3.00%-7.00%
Investment rate of return	7.00%	7.00%

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

F. PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022 and 2021), is determined by the State Treasurer, after consultation with the directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022, 2021 and 2020, are summarized in the following tables:

Asset Class	2022		2021	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.38%	13.50%	8.71%
Emerging Markets Equity	5.50%	10.33%	5.50%	10.96%
Private Equity	13.00%	11.80%	13.00%	11.30%
Real Assets	3.00%	11.19%	3.00%	7.40%
Real Estate	8.00%	7.60%	8.00%	9.15%
High Yield	2.00%	4.95%	2.00%	3.75%
Private Credit	8.00%	8.10%	8.00%	7.60%
Investment Grade Credit	8.00%	3.38%	8.00%	1.68%
Cash Equivalents	4.00%	1.75%	4.00%	0.50%
U.S. Treasuries	5.00%	1.75%	5.00%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	3.00%	3.35%
	<u>100.00%</u>		<u>100.00%</u>	

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

F. PENSION AND RETIREMENT PLANS (CONTINUED)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The following presents the Agency's proportionate share of the collective net pension liability of the participating employers as of June 30, 2022 and 2021, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2022	<u>\$ 1,116,991</u>	<u>\$ 862,150</u>	<u>\$ 658,786</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2021	<u>\$ 1,246,287</u>	<u>\$ 905,525</u>	<u>\$ 634,185</u>

G. RISK MANAGEMENT

The Agency 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. The Agency maintains commercial insurance coverage for property, liability and surety bonds.

H. COMMITMENTS AND CONTINGENCIES

The Agency is a defendant in several legal proceedings. It is believed that the outcome, or exposure to the Agency, from such litigation is either inestimable or potential losses would not be material to the financial statements. Therefore, no liability has been recognized in the financial statements.

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

I. RELATED-PARTY TRANSACTIONS

The City provides employees and office space to the Agency at no charge. The value of these contributed services and rent is estimated at \$47,260 for 2022 and 2021. The cost of liability insurance is also contributed by the City. However, this cost cannot be reasonably estimated; consequently, no amount has been reported in the financial statements. Agency employees also participate in the State of New Jersey State Health Benefits Local Government Retired Employees Plan through the City. Contributions to the plan are made by the Agency to the City and the Agency employees are included in the City's proportionate share for purposes of GASB Statement No. 75 annual reporting completed by the State of New Jersey as plan administrator. Contributions by the Agency to the City were \$115,281 and \$109,128 for 2022 and 2021, respectively, and are included in salaries and benefits expense on the statements of revenues, expenses and changes in net position.

J. RECENT ACCOUNTING STANDARDS

The GASB has issued Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*." This statement is required to be adopted by the Agency for the year ending December 31, 2023. The Agency has not determined the effect of Statement No. 94 on the financial statements.

The GASB has issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*." This statement is required to be adopted by the Agency for the year ending December 31, 2023. The Agency has not determined the effect of Statement No. 96 on the financial statements.

The GASB has issued Statement No. 99, "*Omnibus 2022*." Certain provisions of this statement are required to be adopted by the Agency for the year ending December 31, 2024. The Agency has not determined the effect of these provisions on the financial statements.

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*." This statement is required to be adopted by the Agency for the year ending December 31, 2024. The Agency has not determined the effect of Statement No. 100 on the financial statements.

The GASB has issued Statement No. 101, "*Compensated Absences*." This statement is required to be adopted by the Agency for the year ending December 31, 2024. The Agency has not determined the effect of Statement No. 101 on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS - PERS
Year Ended December 31, 2022

	PERS - Last 10 Fiscal Years									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Agency's proportion of the net pension liability	0.0057129%	0.0076438%	0.0090930%	0.0098923%	0.0118216%	0.0117074%	0.0114979%	0.0127355%	0.0117135%	0.0125990%
Agency's proportionate share of net pension liability	\$ 862,150	\$ 905,525	\$ 1,482,833	\$ 1,782,444	\$ 2,327,620	\$ 2,725,307	\$ 3,405,358	\$ 2,858,861	\$ 2,193,078	\$ 2,407,922
Agency's covered-employee payroll	421,032	555,910	658,012	695,482	797,095	819,734	793,637	874,117	922,128	992,331
Agency's proportionate share of net pension liability as a percentage of payroll	204.77%	162.89%	225.35%	256.29%	292.01%	332.46%	429.08%	327.06%	237.83%	242.65%
Total pension liability	\$ 2,343,948	\$ 3,085,012	\$ 3,585,630	\$ 4,104,463	\$ 5,016,103	\$ 5,251,067	\$ 5,688,568	\$ 5,490,213	\$ 4,576,618	\$ 4,695,942
Plan fiduciary net position	1,481,797	2,179,487	2,102,797	2,322,019	2,688,483	2,525,761	2,283,210	2,631,353	2,383,539	2,288,020
Plan fiduciary net position as a percentage of total pension liability	63.22%	70.65%	58.65%	56.57%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

	PERS - Last 10 Fiscal Years									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 72,042	\$ 89,518	\$ 99,473	\$ 96,223	\$ 117,587	\$ 108,457	\$ 102,146	\$ 109,491	\$ 96,564	\$ 94,931
Contribution in relation to the contractually required contribution	72,042	89,518	125,611	-	118,134	109,312	117,816	103,692	107,422	100,262
Agency's covered-employee payroll	421,032	421,032	555,910	658,012	695,482	797,095	819,734	793,637	874,117	922,128
Contribution as a percentage of covered-employee payroll	17.11%	21.26%	22.60%	- %	16.99%	13.71%	14.37%	13.07%	12.29%	10.87%

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

To the Commissioners of
City of Camden Redevelopment Agency
(A Component Unit of the City of Camden, State of New Jersey)

We have audited, 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the City of Camden Redevelopment Agency (a Component Unit of the City of Camden, State of New Jersey) (the "Agency") as of and for the years ended December 31, 2021, and the related notes to the financial statements, which comprise the Agency's basic financial statements, and have issued our report thereon dated December 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of current year findings and recommendations as finding 2022-001 to be a material weakness.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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*.

Agency's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mercedien, P.C.
Certified Public Accountants

December 20, 2023

CITY OF CAMDEN REDEVELOPMENT AGENCY
(A Component Unit of the City of Camden, State of New Jersey)

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Finding 2022-001

Criteria

Management is responsible for timely and accurate financial reporting.

Condition

Various reconciliations, adjustments and year-end close procedures were not completed in a timely and accurate manner which resulted in delay of completion of the annual audit for the 2022 and 2021 audit periods.

Cause

Turnover in key finance staff and management positions occurred at year end impacting the year-end reconciliation and close processes.

Effect

Delays in completing various reconciliations, year-end close process, and audit submissions to the State of New Jersey.

Recommendation

We recommend that all activity, journal entries, and any correcting adjustments be recorded to the general ledger using the accrual basis at the time of the transaction, which will allow for a timely completion of reconciliations and the year-end close process. We also recommend that the Agency look to hire a qualified accounting professional that can keep the books and records up to date on a monthly basis.

Management's Response

Management has reviewed the finding above and will complete a corrective action plan within 45 days of the report.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Finding 2020-001

Condition

Various reconciliations, adjustments and year-end close procedures were not completed in a timely and accurate manner which resulted in delay of completion of the annual audit for the 2022 and 2021 audit periods.

Status

The finding is recurring in the current audit periods.