

ALLENTOWN PARKING AUTHORITY

AUDIT REPORT

December 31, 2023

**BUCKNO
LISICKY** 
& COMPANY

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A Professional Corporation

Certified Public Accountants | Business Consultants

ALLENTOWN PARKING AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Allentown Parking Authority
Allentown, Pennsylvania

Opinion

We have audited the accompanying financial statements of the business-type activities and the remaining fund information of the Allentown Parking Authority (a component unit of the City of Allentown), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the remaining fund information of the Allentown Parking Authority as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Allentown Parking Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Allentown Parking Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Allentown Parking Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allentown Parking Authority's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Buckno Lisicky + Company

Allentown, Pennsylvania
April 19, 2024

ALLENTOWN PARKING AUTHORITY
Management's Discussion and Analysis
(Unaudited)
Year Ended December 31, 2023

Introduction

This section of the Allentown Parking Authority's audit presents Management's Discussion and Analysis of the Authority's financial performance during the fiscal year ended December 31, 2023. Readers are encouraged to consider information presented here in conjunction with the following audited financial statements and notes.

Overview of the Financial Statements

The Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the audited financial statements, notes to the financial statements and supplementary information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance.

Required Financial Statements

The financial statements of the Authority report information about the use of full accrual accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The financial statements include a statement of net position; a statement of revenues, expenses and changes in net position; a statement of cash flows; notes to the financial statements; and both required and other supplementary information.

The statement of net position includes all the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the Authority's creditors (liabilities).

While the statement of net position provides financial information regarding the nature and amount of resources and obligations at year-end, the statement of revenues, expenses and changes in net position presents the results of the business activities over the course of the past year.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, non-financing, financing and investing activities. In simpler terms, the primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the fiscal year.

Finally, the notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the financial statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. Supplementary information comparing budget to actual revenue and expenses is provided.

Summary of Organization and Business

The Authority began operating as a Municipal Parking Authority on January 1, 1985 for the benefit of the City of Allentown. The Authority manages, supervises and administers both on-street and off-street operations within the confines of the City.

The Enforcement department of the Authority includes the enforcement of both City and State parking regulations by the issuance and processing of parking tickets and by the towing, booting and impounding of vehicles. In addition to the enforcement activities, the Authority administers a residential permit program, which allows residents to park in their respective neighborhood without having to "feed" a meter

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or move their vehicle due to time parking restrictions. The final composition of the on-street operation includes the maintenance and regulation, as well as the collection of monies, from approximately 1,500 parking meters located on the City streets.

The ownership of six parking garages in downtown Allentown comprises the majority of the Facilities, Events and Operations department. These six garages total approximately 4813 parking spaces. In addition, the Authority owns and operates 753 spaces on surface lots.

The Authority receives no financial support from the City, Lehigh County or Commonwealth of PA and has no taxing power. All revenues are derived from the collections of parking fines and penalties, meter revenue and user fees from the parking garages and lots. The Authority, since its inception, has been self-supporting and has never requested any outside operating financial funding. However, in 2020, the Authority did receive PPP loan funding from the SBA to due to the COVID-19 pandemic.

Financial Analysis

The following comparative financial statements and other selected information serve as the key financial data and indicators for management, monitoring and planning. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's fiscal year activities, which can then be used to determine whether the Authority is better or worse off because of these activities.

Condensed Statement of Net Position

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current assets	\$ 3,092,321	\$ 6,302,467	\$ (3,210,146)	-50.9%
Capital assets, net	77,237,703	78,602,282	(1,364,579)	-1.7%
Other noncurrent assets	4,103,113	3,958,600	144,513	3.7%
Total assets	<u>84,433,137</u>	<u>88,863,349</u>	<u>(4,430,212)</u>	<u>-5.0%</u>
Deferred outflows of resources	<u>582,730</u>	<u>803,153</u>	<u>(220,423)</u>	<u>-27.4%</u>
Current liabilities	2,360,806	4,096,716	(1,735,910)	-42.4%
Noncurrent liabilities	<u>50,356,584</u>	<u>51,533,106</u>	<u>(1,176,522)</u>	<u>-2.3%</u>
Total liabilities	<u>52,717,390</u>	<u>55,629,822</u>	<u>(2,912,432)</u>	<u>-5.2%</u>
Deferred inflows of resources	<u>10,280,986</u>	<u>10,519,921</u>	<u>(238,935)</u>	<u>-2.3%</u>
Net investment in capital assets	26,257,726	26,779,827	(522,101)	-1.9%
Unrestricted net position	<u>(4,240,235)</u>	<u>(3,263,068)</u>	<u>(977,167)</u>	<u>-29.9%</u>
Total net position	<u>\$ 22,017,491</u>	<u>\$ 23,516,759</u>	<u>\$ (1,499,268)</u>	<u>-6.4%</u>

As the Statement of Net Position shows, current assets decreased \$3,210,146 or -50.9% over the previous year. Year-end cash and investments were lower in 2023 by \$3,321,400 than the prior year. The decrease in non-current assets is mainly due to the \$1,364,579 reduction in capital assets, net of depreciation.

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Current liabilities decreased by \$1,735,910. The main reason for the decrease is the \$1,726,164 decrease in accounts payable, mainly in construction payables from the Maple Street Garage construction project

The \$1,176,522 decrease in noncurrent liabilities is mainly due to the \$1,397,930 reduction or paydown of bonds payable.

Overall, the Authority decreased total net position (assets available to finance both capital and day-to-day operations) for the year by \$1,499,268.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues:				
Operating revenues	\$ 11,320,296	\$ 11,223,187	\$ 97,109	0.9%
Non-operating revenues	587,665	1,491,188	(903,523)	-60.6%
	<u>11,907,961</u>	<u>12,714,375</u>	<u>(806,414)</u>	<u>-6.3%</u>
Expenses:				
Operating expenses	10,258,265	8,659,691	1,598,574	18.5%
Non-operating expense	3,148,964	1,911,297	1,237,667	64.8%
	<u>13,407,229</u>	<u>10,570,988</u>	<u>2,836,241</u>	<u>26.8%</u>
Change in net position	(1,499,268)	2,143,387	(3,642,655)	-169.9%
Beginning net position	23,516,759	21,373,372	2,143,387	10.0%
Ending net position	<u>\$ 22,017,491</u>	<u>\$ 23,516,759</u>	<u>\$ (1,499,268)</u>	<u>-6.4%</u>

The Statement of Revenues, Expenses and Changes in Fund Net Position provides the source of the changes in the Statement of Net Position. The above table reconciles total revenue of \$11,907,961 less total expenses of \$13,407,229 as the decrease of \$1,499,268 in net position for the 2023 year. The following narrative will explain the individual accounts that affect these changes.

Revenues

Operating Revenue

Enforcement department revenue includes the revenue collected from parking meters, payments for parking tickets and release fees. Parking meter revenue collected from kiosks and meters in 2023 totaled \$1,013,621, an increase of 19.9% from 2022. Parking fine revenue is comprised of ticket fines and penalties, tickets paid at the magistrate (scofflaw), tickets paid after receiving notification from APA (notices), towing, and booting and release fees. Revenue from these sources totaled \$6,191,032, representing a 4.0% decrease over 2022.

Customer service revenue includes permits, signs, key card sales, service fees and late fees. Permit revenue increased to \$172,530 in 2023, an increase of 62.9%.

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Off-street revenue is comprised of three categories. Transient revenue, which is generated from customers that pay a daily rate to park; contract revenue from customers that pay a monthly fee to park (residents and employees of downtown businesses); and Events. Off-street revenue overall increased 3.5% from 2022 to \$3,893,926. Contract revenue decreased 3.3% from 2022 to \$2,593,337. Transient revenue increased 11.4% from 2022 to \$719,439. Event parking revenue increased 33.5% from 2022 to \$567,770.

Non-Operating Revenue

Non-operating revenue is comprised of investment earnings, rental income, interest income from leases, gain on sale of capital assets and miscellaneous income. The investment earnings on operating cash remained stable in 2023. The rental income derived from LANTA (ATC), the Grace Montessori School (Spiral) and City Center Investment Corp (600 Linden) also remained stable.

Expenses

Operating Expenses

The direct costs associated with the overall administration and operations of the Authority are included in operating expenses. Three expense categories that comprise operating expenses excluding depreciation are personnel wages and benefits, services and charges and materials and supplies. These expenses totaled \$8,210,639, an increase of 23.52% from 2022.

Personnel costs make up 73% of the direct costs associated with operating expenses excluding depreciation. Salaries and wages for full and part-time employees make up 71% of personnel expenses. The other expenses that comprise personnel costs are fringe benefits. These costs, representing 29% of personnel costs include the employers' share of FICA, pension costs for management's and union employees' defined contribution plans, health insurance including the cost of OPEB (Other Post-Employment Benefits), life and disability insurance, workers' compensation insurance, healthcare reform fees, employer's cost of Pennsylvania unemployment tax and paid time off. The number of employees as of December 31, 2023 was 68 full-time and 13 part-time employees.

Services and charges, the second largest component of operating expenses excluding depreciation comprises 25% of operating expenses, excluding depreciation. The most significant expense is Repair and Maintenance which includes expenses for the maintenance of our facilities, equipment, vehicles and meters. Professional Fees is the next highest expense in this component, followed by Utilities. These three expenses represent 64% of the services and charges component.

Materials and supplies, the third and smallest component of operating expenses, decreased by 1.5% in 2023. The main items in this category are fuel expenses, office and operating supplies.

Depreciation Expense

Depreciation expense reflects the annual costs associated with an asset reduction in book value. Expenses associated with depreciation increased in 2023 by \$35,105 to \$2,047,626.

Non-Operating Expenses

This expense is comprised of interest expense on the APA's bond issues, loans, capital leases and contributions to the City of Allentown. For 2023, interest expense, the Authority's largest non-operating

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expense, increased by \$758,850 or 39.93% to \$2,659,471. During 2023, the Parking Authority disposed of 9th and Walnut and all of its assets. This decreased our assets by \$478,706.

Capital Assets

The operation of the Authority requires various capital assets to run both efficiently and effectively. The following table depicts the various asset classes that the Authority owns and utilizes.

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 9,480,325	\$ 8,253,852	\$ 1,226,473	14.9%
Construction in progress	54,846	26,648,109	(26,593,263)	-99.8%
Building and improvements	1,693,911	1,685,751	8,160	0.5%
Leasehold improvements	507,650	507,650	-	0.0%
Parking garages and lots	89,990,297	67,431,107	22,559,190	33.5%
Furniture and equipment	4,946,056	4,914,769	31,287	0.6%
Vehicles	<u>873,891</u>	<u>793,679</u>	<u>80,212</u>	<u>10.1%</u>
	107,546,976	110,234,917	(2,687,941)	-2.4%
Less accumulated depreciation	<u>(30,309,273)</u>	<u>(31,632,635)</u>	<u>1,323,362</u>	<u>-4.2%</u>
Capital assets, net	<u>\$ 77,237,703</u>	<u>\$ 78,602,282</u>	<u>\$ (1,364,579)</u>	<u>-1.7%</u>

As of December 31, 2023, the Authority had invested \$77,237,703 in capital assets net of accumulated depreciation. This amount decreased 1.7% from 2022. Total capital additions for 2023 were \$1,172,956 compared to 2022 additions in the amount of \$8,758,283. Construction in progress decreased and parking garages and lots increased due to the completion of the Maple Street Garage project being completed in 2023.

Debt Administration

Total outstanding bonds of the Authority as of December 31, 2023, totaled \$28,095,682.

In addition to the 2018A and 2018B bonds, the Parking Authority obtained a \$18,609,090 loan for the construction of the Maple Street Parking Garage. During 2023, the Authority had drawn down the full amount of the loan. The Authority also began paying off the principal balance of the construction loan during 2023. The Parking Authority refinanced the construction loan in January 2024. The outstanding amounts of the bonds and the construction loan are below:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Parking Revenue Bonds:				
Series A of 2018	\$22,699,296	\$ 23,628,020	\$ (928,724)	-3.9%
Series B of 2018	5,396,386	5,814,140	(417,754)	-7.2%
Construction Loan	<u>18,236,909</u>	<u>17,736,849</u>	<u>500,060</u>	<u>2.8%</u>
	<u>\$46,332,591</u>	<u>\$ 47,179,009</u>	<u>\$ (846,418)</u>	<u>-1.8%</u>

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In addition to restrictions placed on debt issuance by bond covenants, the Authority has instituted a financial policy that provides minimum net earnings ratio coverage. This policy, on an annual basis, requires that all pledged revenue from the Authority less operating expenses exceeds debt service by at least 20.0%. The chart below depicts the compliance of the Authority to this policy over the past two years.

Net Earnings Ratio

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Gross Revenue	\$11,907,961	\$12,714,375	\$ (806,414)	-6.3%
Total Operating Expenses (Less Depreciation)	<u>8,210,639</u>	<u>6,647,170</u>	<u>1,563,469</u>	<u>23.5%</u>
Net Revenue	<u>\$ 3,697,322</u>	<u>\$ 6,067,205</u>	<u>\$ (2,369,883)</u>	<u>-39.1%</u>
Annual Debt Service	<u>\$ 4,037,924</u>	<u>\$ 3,236,430</u>	<u>\$ 801,494</u>	<u>24.8%</u>
Debt Service Coverage	<u>0.92</u>	<u>1.87</u>	<u>(0.95)</u>	<u>-50.8%</u>

Currently Known Facts, Decisions or Conditions

As of December 31, 2023, the Maple Street deck had usage of 433 daytime and 379 nighttime parkers. Although our transient revenue was more than budgeted, our contract revenue was down by more than \$179,000 due to slower than projected City Center apartment/business occupancy.

An RFP for emergent repairs and restoration of the Spiral deck was issued May 1st. Bids were received on May 19th and awarded May 26th. The project was completed on October 5th and cost \$421,000.

Riverview Lofts is currently under construction with a completion date to be determined in the second quarter of 2025.

Contacting the Authority's Financial Management

This financial report is designed to provide our creditors, customers and other interested parties with a general overview of the Authority's finances and demonstrates the Authority's accountability for the funds it receives. If you have any questions about this report or require additional information, contact the Allentown Parking Authority's Executive Director or Finance Manager, 603 W. Linden Street, Allentown, PA 18101.

BASIC FINANCIAL STATEMENTS

ALLENTOWN PARKING AUTHORITY**Statement of Net Position****December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 613,854	\$ 3,430,059
Investments	1,723,648	2,228,843
Accounts receivable	378,789	343,432
Prepaid expenses	324,518	259,697
Lease receivables, current portion	51,512	40,436
TOTAL CURRENT ASSETS	<u>3,092,321</u>	<u>6,302,467</u>
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	77,237,703	78,602,282
Net pension asset	317,083	121,058
Lease receivables, net of current portion	3,786,030	3,837,542
TOTAL NONCURRENT ASSETS	<u>81,340,816</u>	<u>82,560,882</u>
TOTAL ASSETS	<u>84,433,137</u>	<u>88,863,349</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	392,073	427,988
Pension and OPEB	190,657	375,165
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>582,730</u>	<u>803,153</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	158,355	1,884,519
Accrued expenses	402,342	380,659
Accrued interest payable	145,820	112,360
Unearned revenue, current portion	188,549	297,266
Line of credit	5,000	5,000
Bonds payable	1,397,931	1,346,479
Financed purchases, current portion	31,410	31,975
Other current liabilities	31,399	38,458
TOTAL CURRENT LIABILITIES	<u>2,360,806</u>	<u>4,096,716</u>
NONCURRENT LIABILITIES		
Unearned revenue, net of current portion	370,500	518,700
Bonds payable, net of current portion	26,697,751	28,095,681
Construction loan payable	18,236,909	17,736,849
Financed purchases, net of current portion	8,049	39,459
Other postemployment benefit liability	43,375	142,417
Other long-term liabilities	5,000,000	5,000,000
TOTAL NONCURRENT LIABILITIES	<u>50,356,584</u>	<u>51,533,106</u>
TOTAL LIABILITIES	<u>52,717,390</u>	<u>55,629,822</u>
DEFERRED INFLOWS OF RESOURCES		
Leases	10,280,986	10,519,921

ALLENTOWN PARKING AUTHORITY**Statement of Net Position**

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>10,280,986</u>	<u>10,519,921</u>
NET POSITION		
Net investment in capital assets	26,257,726	26,779,827
Unrestricted	<u>(4,240,235)</u>	<u>(3,263,068)</u>
TOTAL NET POSITION	<u>\$ 22,017,491</u>	<u>\$ 23,516,759</u>

ALLENTOWN PARKING AUTHORITY**Statement of Revenues, Expenses, and Changes in Net Position****Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
OPERATING REVENUE		
Enforcement	\$ 7,204,653	\$ 7,292,994
Customer service	221,717	169,357
Garages and decks	3,425,854	3,273,621
Surface lots	127,986	134,921
Park and shop	340,086	352,294
TOTAL OPERATING REVENUE	<u>11,320,296</u>	<u>11,223,187</u>
OPERATING EXPENSES		
Wages and benefits	5,996,941	4,435,142
Services and charges	2,066,591	2,062,724
Materials and supplies	147,107	149,304
Depreciation	2,047,626	2,012,521
TOTAL OPERATING EXPENSES	<u>10,258,265</u>	<u>8,659,691</u>
OPERATING INCOME	<u>1,062,031</u>	<u>2,563,496</u>
NONOPERATING REVENUES (EXPENSES)		
Rental income	264,256	241,975
Interest income from leases	124,987	126,160
Miscellaneous income	83,978	140,781
Gain (loss) on sale of capital assets	(477,687)	966,510
Investment income	114,444	15,762
Interest expense	(2,659,471)	(1,900,621)
Contribution to City of Allentown	(11,806)	(10,676)
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>(2,561,299)</u>	<u>(420,109)</u>
CHANGE IN NET POSITION	<u>(1,499,268)</u>	<u>2,143,387</u>
NET POSITION, beginning	<u>23,516,759</u>	<u>21,373,372</u>
NET POSITION, ending	<u>\$ 22,017,491</u>	<u>\$ 23,516,759</u>

ALLENTOWN PARKING AUTHORITY**Statement of Cash Flows****Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 10,829,523	\$ 10,733,538
Payments to employees	(6,085,817)	(4,359,470)
Payments to suppliers	<u>(4,011,742)</u>	<u>(2,997,028)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>731,964</u>	<u>3,377,040</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Miscellaneous income	83,978	140,781
Contribution to City of Allentown	<u>(11,806)</u>	<u>(10,676)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>72,172</u>	<u>130,105</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(1,172,956)	(8,758,283)
Proceeds from construction loan	872,241	7,145,710
Proceeds from sale of capital assets	12,222	1,043,154
Principal payments on bonds payable	(1,346,478)	(1,284,718)
Principal payments on financed purchases	(31,975)	(51,091)
Principal payments on line of credit	-	(295,000)
Principal payments on construction loan	(372,181)	-
Interest paid	<u>(2,590,096)</u>	<u>(1,830,945)</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(4,629,223)</u>	<u>(4,031,173)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of investments	1,986,532	1,220,000
Purchase of investments	(1,481,337)	(1,225,366)
Payments from notes receivable	-	400,000
Investment income	114,444	15,762
Rental income	264,256	241,975
Interest income from leases	<u>124,987</u>	<u>126,160</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,008,882</u>	<u>778,531</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,816,205)	254,503
CASH AND CASH EQUIVALENTS		
Beginning	<u>3,430,059</u>	<u>3,175,556</u>
Ending	<u>\$ 613,854</u>	<u>\$ 3,430,059</u>

ALLENTOWN PARKING AUTHORITY**Statement of Cash Flows****Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 1,062,031	\$ 2,563,496
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,047,626	2,012,521
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(35,357)	(138,816)
Prepaid expenses	(64,821)	(15,024)
Net pension asset	(196,025)	807,597
Lease receivables	40,436	(3,877,978)
Deferred outflows, pension and OPEB	184,508	(305,398)
Increase (decrease) in liabilities:		
Accounts payable	(1,726,164)	(769,506)
Accrued expenses	21,683	98,253
Unearned revenues	(256,917)	(6,992,776)
Other current liabilities	(7,059)	(470)
Other postemployment benefit liability	(99,042)	1,494
Deferred inflows, pension and OPEB	-	(526,274)
Deferred inflows, leases	(238,935)	10,519,921
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 731,964</u>	<u>\$ 3,377,040</u>

ALLENTOWN PARKING AUTHORITY
Statement of Fiduciary Net Position
Fiduciary Fund - OPEB Trust Fund
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 21,028	\$ -
Investments, at fair value	<u>456,739</u>	<u>423,586</u>
TOTAL ASSETS	<u>\$ 477,767</u>	<u>\$ 423,586</u>
NET POSITION		
Restricted for OPEB	<u>\$ 477,767</u>	<u>423,586</u>
TOTAL NET POSITION	<u>\$ 477,767</u>	<u>\$ 423,586</u>

ALLENTOWN PARKING AUTHORITY
Statement of Changes in Fiduciary Net Position
Fiduciary Fund - OPEB Trust Fund
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ 54,621	\$ (64,453)
	<u>54,621</u>	<u>(64,453)</u>
TOTAL ADDITIONS	<u>54,621</u>	<u>(64,453)</u>
DEDUCTIONS		
Administrative expenses	440	453
	<u>440</u>	<u>453</u>
TOTAL DEDUCTIONS	<u>440</u>	<u>453</u>
CHANGE IN NET POSITION	54,181	(64,906)
NET POSITION, beginning	<u>423,586</u>	<u>488,492</u>
NET POSITION, ending	<u>\$ 477,767</u>	<u>\$ 423,586</u>

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Entity

The Allentown Parking Authority (the Authority), a tax-exempt organization, was incorporated on November 30, 1984 by the City Council of the City of Allentown. The Authority is governed by a five member board appointed by the Mayor of the City of Allentown. The Authority is a component unit of the City of Allentown reporting entity. The Authority's purpose is to administer, supervise, and enforce an efficient system of off-street and on-street parking including the power and right:

- To conduct research and maintain data related to off-street and on-street parking programs;
- To enforce parking regulations by the distribution, issuance, and processing of parking tickets and by booting, towing and impounding of vehicles as provided by law;
- To acquire, locate, install and maintain parking meters and related supplies;
- To administer a program of residential permit parking as provided by law; and
- To collect, on behalf of the City of Allentown, all revenue, subject to certain return provisions, derived from on-street parking programs.

The accounting policies of the Allentown Parking Authority conform to generally accepted accounting principles as established by the Governmental Accounting Standards Board. The following is a summary of the significant policies:

Basis of Presentation and Accounting

The Authority's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Authority is discussed below.

Proprietary Fund Financial Statements

Most of the activities of the Authority are accounted for within a single proprietary (enterprise) fund. The proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.

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

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Fiduciary Fund Financial Statements

The Authority also accounts for assets held as a trustee for other individuals in a fiduciary fund. The Authority’s other post-employment benefit fund is accounted for as a fiduciary fund. The fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The fiduciary funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

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

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Authority considers all highly liquid investments, with an original maturity of three months or less to be cash equivalents.

Investments, External Investment Pools, Certificates of Deposit

The Authority invests its idle funds in various instruments, including external investment pools, which invest in government secured instruments, certificates of deposit with federally-insured financial institutions and money market funds. The investments are valued at fair value, except for those that have a remaining maturity at the time of purchase of one year or less, which are valued at amortized cost. The Authority’s investment in external investment pools and money market funds are stated at fair value, which approximates cost. The Authority’s investment in certificates of deposit in federally-insured financial institutions are valued at cost because they are considered non-negotiable, non-participating contracts for which redemption terms do not consider market rates.

Accounts Receivable

Accounts receivable is stated net of an allowance for doubtful accounts. The estimate of the allowance for doubtful accounts is based upon an analysis of specific receivables taking into account the age of the past due receivable and an assessment of its ultimate collectability. Management has determined no allowance for doubtful accounts is necessary for the years ended December 31, 2023 and 2022.

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

Capital Assets

The Authority capitalizes all assets with an estimated useful life in excess of one year in excess of \$5,000. Property and equipment are stated at cost, net of accumulated depreciation. Donated or contributed assets are stated at the estimated fair market value as of the date of donation. The Authority depreciates assets using the straight-line method over the following estimated useful lives:

Buildings and building improvements	10-44 years
Leasehold improvements	5-15 years
Parking garages and lots	10-50 years
Furniture and equipment	5-20 years
Vehicles	5-7 years

Normal maintenance and repairs are charged to operations as incurred. Renewals and betterments are capitalized and depreciated based upon the expected life of such improvements. Amortization of assets under capital lease has been included as part of depreciation expense.

Deferred Outflows of Resources, Bond Refunding

The Authority has deferred the difference between the reacquisition price (the amount deposited into escrow to pay off the bonds) and the net carrying amount of previously refunded debt. This deferred amount on refunding is being amortized into interest expense on a straight-line basis over the shorter of the life of the new or old bonds. During the year ended December 31, 2023 and 2022, such amortization amounted to \$35,915 and \$35,915, respectively. The unamortized deferred amounts on refunding are reported as a deferred outflow of resources in the statement of net position.

Deferred Outflows and Inflows of Resources for Pensions and OPEB

In conjunction with pension accounting requirements, the effect of the differences in the Authority's expected and actual experience, the changes in assumptions, difference between projected and actual earnings on pension and OPEB plan investments, and Authority contributions subsequent to the measurement date are recorded as deferred outflows and inflows of resources related to pension and OPEB on the statement of net position. These amounts are determined based on the actuarial valuation performed for the pension and OPEB plans.

Deferred Inflows of Resources for Leases

The deferred inflows of resources related to lease receivables is reported in the Statement of Net Position is the result of the adoption of GASB Statement No. 87, Leases. See Note 5 for further information

Compensated Absences

Vacation pay for both salaried and union employees is based on length of service and accrues as of each employee's anniversary date. Sick pay for both salaried and union employees is based on 8 days per calendar year. Employees may carryover a maximum

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

of 4 sick days per calendar year. Compensated absences are included as part of accrued expenses in the Statement of Net Position.

Net Position

Proprietary fund net position is divided into two components:

Net investment in capital assets — consist of the historical cost of capital assets less accumulated depreciation, plus the deferred charge on refunding, and less any bond and financed purchases debt that remains outstanding that was used to finance those assets.

Unrestricted net position—includes all other net position not included in the above category.

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the principal operations of the Authority. Operating revenues consist of primarily charges to users of parking facilities. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or ancillary activities.

Lease Receivables

The Authority's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Date of Management's Review

The Allentown Parking Authority has evaluated subsequent events through April 19, 2024, the date which the financial statements were available to be issued.

NOTE 2. DEPOSITS AND INVESTMENTS

The deposit and investment activity of the Authority adheres to state statutes, prudent business practices and applicable trust indentures, which are more restrictive than existing state statutes.

Pennsylvania law stipulates the investment and deposit types the Authority may purchase as follows:

- (a) U.S. Treasury bills.
- (b) Short-term obligations of the U.S. government or its agencies.
- (c) Demand, savings and time deposits with institutions insured by Federal insurance or collateralized with securities as provided by law.

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

- (d) Obligations of the United States or any of its agencies, the Commonwealth of Pennsylvania or any of its agencies or any political subdivision of the Commonwealth of Pennsylvania or any of its agencies providing the obligations are backed by the full faith and credit of the political subdivisions.

There are no deposit or investment transactions during the year ended December 31, 2023 and 2022 that were in violation of state statutes or applicable trust indentures.

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2023 and 2022, the portion of the Authority's bank balance of \$1,113,539 and \$3,282,386, respectively, that was insured and exposed to custodial credit risk was as follows:

	2023	2022
FDIC insured	\$ 250,000	\$ 250,000
Uninsured and collateral held by pledging banks trust department not in the Authority's name	<u>863,539</u>	<u>3,032,386</u>
	<u>\$ 1,113,539</u>	<u>\$ 3,282,386</u>

Investments

External Investment Pool - Pennsylvania School District Liquid Asset Fund (PSDLAF)

The Authority invests in the Pennsylvania School District Liquid Asset Fund (PSDLAF), a customized cash management program created in 1982 by the Pennsylvania School Boards Association and the Pennsylvania Association of School Business Officials to provide a unique set of benefits and enhancements for investing public funds. The general objective of the Fund is to provide its investors current income while preserving capital in a manner compatible with the needs and requirements of public school and local government entities in Pennsylvania. The pool is not SEC regulated. The investment policy of PSDLAF is guided by Section 440.1 of the Pennsylvania School Code which governs the temporary investment of funds by School Entities. The fund is managed by a Board of Trustees, who oversees, reviews, and supervises the activities of all consultants and professional Advisers to the Fund. The Trustees also retain an Executive Director of the Fund who acts as a consultant to the Fund and performs such consulting and advisory services with respect to matters concerning the operations and activities of the Fund as may from time to time be reasonably requested by the Trustees. An independent investment company has been appointed by the Trustees to act as the Fund's Investment Adviser.

At December 31, 2023 and 2022, the Authority had the following investments with PSDLAF:

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

Investment	2023		2022	
	Fair Value	Maturity	Fair Value	Maturity
PSDLAF max series	\$ 1,723,648	N/A	\$ 268,035	N/A
PSDLAF government securities	-		1,224,855	4/13/2023
PSDLAF certificates of deposit:				
Synchrony Bank	-		245,294	6/12/2023
Barclays Bank	-		245,183	6/15/2023
Goldman Sachs Bank	-		245,476	6/15/2023
	<u>\$ 1,723,648</u>		<u>\$ 2,228,843</u>	

As of December 31, 2023 and 2022 the carrying amount of external investment pool assets were \$1,723,648 and \$2,228,843, respectively. The fair value of external investment pool assets approximate their carrying values as of December 31, 2023 and 2022. As required by the Governmental Accounting Standards Board, investments in external investment pools are uncategorized with regard to risk and are not included in the custodial credit risk – bank deposits table presented above. However, the certificates of deposit with PSDLAF are FDIC insured.

Concentration of Credit Risk - The Authority places no limit on the amount the Authority may invest in any one issuer. 100% of the Authority's investments are in PSDLAF Max accounts. at December 31, 2023.

Credit Risk – The Authority does not have a formal policy that would limit its investment choices with regard to credit risk. The Authority's investment in PSDLAF has been rated AAAM, the highest rating available, by Standard and Poor's, an independent investment rating.

Interest Rate Risk – The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs (other than quoted prices included within Level 1) that are observable for the asset or liability – either directly or indirectly.
- Level 3: Unobservable inputs – market data are not available and are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability.

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Authority has the following fair value measurements as of December 31, 2023 and 2022:

Investment	December 31, 2023			
	Total	Level 1	Level 2	Level 3
PSDLAF max series	<u>\$1,723,648</u>	<u>\$1,723,648</u>	\$ -	\$ -
	<u>\$1,723,648</u>	<u>\$1,723,648</u>	<u>\$ -</u>	<u>\$ -</u>
Investment	December 31, 2022			
	Total	Level 1	Level 2	Level 3
PSDLAF max series	\$ 268,035	\$ 268,035	\$ -	\$ -
PSDLAF government securities	1,224,855	1,224,855	-	-
PSDLAF certificates of deposit:				
Synchrony Bank	245,294	-	245,294	-
Barclays Bank	245,183	-	245,183	-
Goldman Sachs Bank	<u>245,476</u>	<u>-</u>	<u>245,476</u>	<u>-</u>
	<u>\$2,228,843</u>	<u>\$1,492,890</u>	<u>\$ 735,953</u>	<u>\$ -</u>

Money market and governmental securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Certificates of deposit classified in Level 2 of the fair value hierarchy are valued using inputs other than quoted prices that are observable.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2023 and 2022 is as follows:

ALLENTOWN PARKING AUTHORITY**Notes to the Financial Statements****December 31, 2023 and 2022**

	Balance, Jan 1, 2023	Additions	Deletions/ Transfers	Balance, Dec 31, 2023
Non-depreciable assets:				
Land	\$ 8,253,852	\$ 1,226,473	\$ -	\$ 9,480,325
Construction in progress	<u>26,648,109</u>	<u>764,108</u>	<u>(27,357,371)</u>	<u>54,846</u>
	<u>34,901,961</u>	<u>1,990,581</u>	<u>(27,357,371)</u>	<u>9,535,171</u>
Depreciable assets:				
Building and improvements	1,685,751	8,160	-	1,693,911
Leasehold improvements	507,650	-	-	507,650
Parking garages and lots	67,431,107	26,081,150	(3,521,960)	89,990,297
Furniture and equipment	4,914,769	361,287	(330,000)	4,946,056
Vehicles	<u>793,679</u>	<u>89,149</u>	<u>(8,937)</u>	<u>873,891</u>
	<u>75,332,956</u>	<u>26,539,746</u>	<u>(3,860,897)</u>	<u>98,011,805</u>
	<u>110,234,917</u>	<u>28,530,327</u>	<u>(31,218,268)</u>	<u>107,546,976</u>
Less accumulated depreciation:				
Building and improvements	1,507,149	66,269	-	1,573,418
Leasehold improvements	482,267	25,383	-	507,650
Parking garages and lots	26,783,100	1,420,233	(3,043,254)	25,160,079
Furniture and equipment	2,455,977	413,296	(327,288)	2,541,985
Vehicles	<u>404,142</u>	<u>122,445</u>	<u>(446)</u>	<u>526,141</u>
	<u>31,632,635</u>	<u>2,047,626</u>	<u>(3,370,988)</u>	<u>30,309,273</u>
	<u>\$ 78,602,282</u>	<u>\$ 26,482,701</u>	<u>\$ (27,847,280)</u>	<u>\$ 77,237,703</u>

ALLENTOWN PARKING AUTHORITY**Notes to the Financial Statements****December 31, 2023 and 2022**

	Year Ended December 31, 2022			
	Balance Jan. 1, 2022	Additions	Deletions/ Transfers	Balance Dec. 31, 2022
Non-depreciable assets:				
Land	\$ 7,824,992	\$ 488,124	\$ (59,264)	\$ 8,253,852
Construction in progress	20,230,255	7,996,535	(1,578,681)	26,648,109
	<u>28,055,247</u>	<u>8,484,659</u>	<u>(1,637,945)</u>	<u>34,901,961</u>
Depreciable assets:				
Buildings and improvements	1,685,751	-	-	1,685,751
Leasehold improvements	507,650	-	-	507,650
Parking garages and lots	67,405,972	25,135	-	67,431,107
Furniture and equipment	3,386,146	1,567,351	(38,728)	4,914,769
Vehicles	618,237	259,819	(84,377)	793,679
	<u>73,603,756</u>	<u>1,852,305</u>	<u>(123,105)</u>	<u>75,332,956</u>
	<u>101,659,003</u>	<u>10,336,964</u>	<u>(1,761,050)</u>	<u>110,234,917</u>
Less accumulated depreciation:				
Buildings and improvements	1,440,880	66,269	-	1,507,149
Leasehold improvements	456,885	25,382	-	482,267
Parking garages and lots	25,239,947	1,543,153	-	26,783,100
Furniture and equipment	2,220,815	267,564	(32,402)	2,455,977
Vehicles	358,924	110,153	(64,935)	404,142
	<u>29,717,451</u>	<u>2,012,521</u>	<u>(97,337)</u>	<u>31,632,635</u>
	<u>\$ 71,941,552</u>	<u>\$ 8,324,443</u>	<u>\$ (1,663,713)</u>	<u>\$ 78,602,282</u>

NOTE 4. DEBT AND OTHER NONCURRENT LIABILITIES

Activity in debt and other noncurrent liabilities for the years ended December 31, 2023 and 2022 is as follows:

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements December 31, 2023 and 2022

	Year Ended December 31, 2023				
	Balance Jan. 1, 2023	Additions	Reductions	Balance Dec. 31, 2023	Due within one year
Revenue Bonds:					
Tax Exempt Parking					
Revenue Bond - 2018A	\$ 23,628,020	\$ -	\$ 928,724	\$ 22,699,296	\$ 961,959
Taxable Parking					
Revenue Bond - 2018B	<u>5,814,140</u>	<u>-</u>	<u>417,754</u>	<u>5,396,386</u>	<u>435,972</u>
	29,442,160	-	1,346,478	28,095,682	1,397,931
Construction Loan	17,736,849	872,241	372,181	18,236,909	-
Line of credit	5,000	-	-	5,000	5,000
Financed purchases	71,434	-	31,975	39,459	31,410
Capital contribution payable	5,000,000	-	-	5,000,000	-
OPEB liability	<u>142,417</u>	<u>-</u>	<u>99,042</u>	<u>43,375</u>	<u>-</u>
	<u>\$ 52,397,860</u>	<u>\$ 872,241</u>	<u>\$ 1,849,676</u>	<u>\$ 51,420,425</u>	<u>\$ 1,434,341</u>

	Year Ended December 31, 2022				
	Balance Jan. 1, 2022	Additions	Reductions	Balance Dec. 31, 2022	Due within one year
Revenue Bonds:					
Tax Exempt Parking					
Revenue Bond - 2018A	\$ 24,514,906	\$ -	\$ 886,886	\$ 23,628,020	\$ 928,725
Taxable Parking					
Revenue Bond - 2018B	<u>6,211,972</u>	<u>-</u>	<u>397,832</u>	<u>5,814,140</u>	<u>417,754</u>
	30,726,878	-	1,284,718	29,442,160	1,346,479
Construction Loan	10,591,139	7,145,710	-	17,736,849	-
Line of credit	300,000	-	295,000	5,000	5,000
Financed purchases	122,525	-	51,091	71,434	31,975
Capital contribution payable	5,000,000	-	-	5,000,000	-
OPEB liability	<u>140,923</u>	<u>-</u>	<u>(1,494)</u>	<u>142,417</u>	<u>-</u>
	<u>\$ 46,881,465</u>	<u>\$ 7,145,710</u>	<u>\$ 1,629,315</u>	<u>\$ 52,397,860</u>	<u>\$ 1,383,454</u>

Parking Revenue Bonds

Tax Exempt Parking Revenue Bond, Series A of 2018

On June 20, 2018, the Authority issued the Tax Exempt Parking Revenue Bond, Series A of 2018 in the amount of \$27,405,527. The final maturity of the Bond is on November 15, 2040 with principal and interest paid quarterly on March 31st, June 30th, September 30th, and December 31st of each year. Until May 15, 2025, the Bonds bear interest at 3.70%, after which the interest rate shall be reset to and bear interest at variable rate equal to 60% of the rate of interest published by the Wall Street Journal from time to time as the U.S. Prime Rate, floating daily with a maximum rate of 5.25%.

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

Taxable Parking Revenue Bond, Series B of 2018

On June 20, 2018, the Authority issued the Taxable Parking Revenue Bond, Series B of 2018 in the amount of \$7,483,227. The final maturity of the Bond is on November 15, 2033 with principal and interest paid quarterly on March 31st, June 30th, September 30th, and December 31st of each year. Until May 15, 2025, the Bonds bear interest at 4.35%, after which the interest rate shall be reset to and bear interest at variable rate equal to the rate of interest published by the Wall Street Journal from time to time as the U.S. Prime Rate, floating daily with a maximum rate of 5.25%.

The annual aggregate maturities of the bonds as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,397,931	\$ 1,068,869	\$ 2,466,800
2025	1,349,490	1,298,210	2,647,700
2026	1,386,249	1,321,751	2,708,000
2027	1,461,524	1,246,476	2,708,000
2028	1,540,886	1,167,114	2,708,000
2029-2033	9,039,994	4,486,071	13,526,065
2034-2038	7,821,264	2,228,736	10,050,000
2039-2040	4,098,344	371,657	4,470,001
	<u>\$ 28,095,682</u>	<u>\$13,188,884</u>	<u>\$41,284,566</u>

The Bonds above are subject to certain financial covenants. As of December 31, 2023, the Authority is not in compliance with those covenants. However, the Authority has received a waiver for noncompliance from the bank.

Construction Loan – Maple Street Garage

On September 27, 2021, the Parking Authority obtained a construction loan in the amount of \$18,609,090 for the construction of the Maple Street Parking Garage. As of December 31, 2023, the Parking Authority had drawn down the full amount of the construction loan.

The interest rate on the Loan is equal to the rate of interest published by The Wall Street Journal from time to time as the "U.S. "Prime Rate", but never lower than 3.25%. At the end of the construction period, the Parking Authority may elect to retain the fluctuating rate set forth above, or convert the interest rate to a fixed rate.

During the construction period, the Parking Authority will make payments of interest only on the 1st of each month, in arrears, at the applicable interest rate as provided on the advanced and outstanding balance of principal. Beginning on September 1st, 2023, and continuing on December 1st, March 1st and June 1st each year through the maturity date, the Parking Authority will pay principal plus interest based on a 25-year amortization on the advanced and outstanding balance of principal. A final balloon payment of all outstanding principal and interest will be made by September 27, 2026, the maturity date. During 2023, the Parking Authority paid \$372,181 in principal on the construction loan. The balance of the construction loan outstanding as of December 31, 2023 and 2022 was \$18,236,909 and \$17,736,849, respectively.

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

Subsequent Event

On January 29, 2024, the Parking Authority refinanced the construction loan above with permanent financing construction loan notes. The Notes were broken out between a tax exempt Note in the amount of \$6,736,714 and a taxable Note in the amount of \$11,500,195. The tax-exempt note has a fixed rate of 5.93% and matures on January 29, 2034. The taxable note is has a fixed rate of 7.50% and matures on January 29, 2034. Principal and interest are paid quarterly for each Note.

Financed Purchases

The Authority has entered into various financed purchased agreements to finance the purchase of vehicles, energy saving LED lighting for its parking garages and single space parking meter mechanisms.

The following schedule presents the future principal and interest payments on the financed purchases as of December 31, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 31,410	\$ 1,108	\$ 32,518
2025	8,049	80	8,129
	<u>\$ 39,459</u>	<u>\$ 1,188</u>	<u>\$ 40,647</u>

The financed purchased assets included in capital assets at December 31, 2023 and 2022 are below:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 353,791	\$ 683,792
Parking garages and lots	173,327	173,327
Vehicles	52,633	52,633
Less: accumulated depreciation	(482,977)	(791,633)
	<u>\$ 96,774</u>	<u>\$ 118,119</u>

Amortization of the financed purchased vehicles and equipment is included with depreciation expense.

Line of Credit

The Parking Authority has an unsecured \$1,000,000 line of credit with ESSA Bank. The interest on the line of credit is payable quarterly at the Wall Street Journal prime rate. The Parking Authority had an outstanding balance on the line of credit as of December 31, 2023 and 2022 in the amount of \$5,000.

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

Other Long-Term Liabilities

On March 22, 2021, the Parking Authority entered into a license agreement with City Center Investment Corporation for 450 parking license rights for the new Maple Street Parking Deck. In return, for the 450 Nighttime parking spaces, City Center Investment Corporation made a capital contribution to the Parking Authority in the amount of \$5,000,000 to be used as part of the financing for the construction of the Maple Street Parking Deck. The Parking Authority has the right to repay a portion or all of the capital contribution, which will reduce City Center's Parking licenses rights proportional with the repayment amount. If no repayments are made, City Center will retain the parking licenses for 30 years. It is the intention of the Parking Authority to repay the \$5,000,000 back to City Center.

NOTE 5. LEASE RECEIVABLES

On January 1, 2005, the Authority entered into a 288 month lease with the Montessori School as Lessor for the use of building space. The lease ends on December 31, 2028. As of January 1, 2022, an initial lease receivable was recorded in the amount of \$136,682. The lease receivable is discounted at its present value over the life of the lease using the Authority's incremental borrowing rate as of January 1, 2022 of 3.25%. As of December 31, 2023 and 2022, the present value of the lease receivable is \$102,250 and \$119,745, respectively. The Authority recognized lease related revenue of \$21,823 during 2023 and 2022. Beginning January 1, 2024, the annual lease payments increase to \$22,124 per year.

On December 14, 2012, the Authority entered into a 359 month lease as Lessor with Two City Center for the use of building space. The lease ends on June 30, 2043. As of January 1, 2022, an initial lease receivable was recorded in the amount of \$3,772,515. The lease receivable is discounted at its present value over the life of the lease using the Authority's incremental borrowing rate as of January 1, 2022 of 3.25%. As of December 31, 2023 and 2022, the present value of the lease receivable is \$3,735,292 and \$3,758,233, respectively. For the first five years of the lease, the annual rent was \$120,000. Beginning in Year 6, the annual rent increases based on the Consumer Price Index published by the US Bureau of Labor Statistics for the Northeast Urban Area. All future annual rental payments were based on the CPI increase as of January 1, 2022, which was 5.90%. The Authority recognized lease related revenue of \$261,291 during 2023 and 2022.

On September 1, 2007, the Authority entered into a 99 year lease term as Lessor with LANTA for the use of building space. The Authority received \$8,000,000 upfront from the Lessee at the initial lease term and therefore no lease receivable is reported on the Statement of Net Position for this lease. Annual lease payments in the amount of \$80,808 are amortized each year and recognized as lease revenue. As of December 31, 2023 and 2022, the Authority had a deferred inflow of future lease payments in the amount of \$6,686,870 and \$6,767,678, respectively, related to this lease for payments already made but not recognized.

Future principal and interest expected to maturity as of December 31, 2023 is as follows:

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

Year	Principal	Interest	Total
2024	\$ 51,512	\$ 123,483	\$ 174,995
2025	62,394	121,624	184,018
2026	74,176	119,396	193,572
2027	86,921	116,769	203,690
2028	100,694	113,711	214,405
2029-2033	630,927	514,689	1,145,616
2034-2038	1,154,086	371,900	1,525,986
2039-2043	1,676,832	128,598	1,805,430
	<u>\$ 3,837,542</u>	<u>\$ 1,610,170</u>	<u>\$ 5,447,712</u>

NOTE 6. PENSION PLANS

The Authority maintains three pension plans for its eligible employees.

Allentown Parking Authority Union Employees' Defined Contribution Retirement Plan

This retirement plan is designed to provide retirement benefits to the Authority's eligible full-time hourly employees. The plan covers all eligible employees of the minimum age of 18 and six months of service with the Authority. Employer contributions were fixed at 5% for the year ended December 31, 2023. Participant contributions are on a voluntary basis up to 3% of compensation. The plan's provisions may be amended by resolution of the Authority's Board of Directors subject to 90 days written notice to the plan's Trustee. No modification which affects the rights, duties and responsibilities of the Trustee may be made without the Trustee's consent.

Allentown Parking Authority Salaried Employees' Defined Contribution Retirement Plan

The Authority established a defined contribution retirement plan designed to provide retirement benefits to the Authority's eligible salaried employees. The plan covers all salaried employees effective from their date of hire or plan effective date. The Authority contributes on behalf of each salaried employee an amount of 2.0% match for every 1.0% employee contribution. The employer's matching contribution is limited to 10% of earnings and may change from year-to-year. Salaried employees are 100% vested in the plan at time of enrollment.

Allentown Parking Authority Salaried Employees Defined Benefit Pension Plan

The Allentown Parking Authority Salaried Defined Benefit Plan is a single-employer defined benefit pension plan controlled by the provisions of the Plan Document. The plan is governed by the Allentown Parking Authority which may amend plan provisions, and which is responsible for the management of plan assets. All salaried employees who were participants of the former Allentown Parking Authority Defined Contribution Retirement Plan in January 1, 2002 became participants of this plan on that date. All other salaried employees shall become participants of this plan on the first day of the month following employment. Plan participation and benefit accruals were frozen as of December 31, 2010.

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

As of December 31, 2023 and 2022, the following employees were covered by the Plan:

	<u>2023</u>	<u>2022</u>
Active employees	1	1
Retirees and beneficiaries currently receiving benefits	11	11
Terminated employees entitled to benefits but not yet receiving them	<u>1</u>	<u>1</u>
	<u>13</u>	<u>13</u>

Benefits provided

Retirement Benefits

The normal retirement benefit is 2.25% of average 36 month compensation for each year of credited service to a maximum of 70% of such average compensation. In no event shall the benefit be less than the Equivalent Actuarial Value of the participant's December 31, 2001 account balance under the former Allentown Parking Authority Defined Contribution Retirement Plan. Normal retirement date is the first day of the month following the attainment of age 55.

The postponed retirement benefit is calculated using compensation and service up to age 70-1/2. Benefits will be actuarially increased for postponed retirement after age 70-1/2, and will be reduced by any distributions made after age 70-1/2. A member may postpone his retirement beyond the normal retirement date.

Death Benefits

The pre-retirement death benefit is equal to the present value of the member's accrued benefit at the date of death payable to the member's beneficiary, but in no event less than any December 31, 2001 account balance from the former Allentown Parking Authority Defined Contribution Retirement Plan with 7-1/2% interest compounded annually, plus employee contributions with 5% compounded annually.

The post-retirement death benefit is payable in accordance with the form of retirement benefit elected, but in no event less than the unpaid portion of the December 31, 2001 account balance from the former Allentown Parking Authority Defined Contribution Retirement Plan with 7-1/2% interest compounded annually plus employee contributions with 5% compounded annually.

Contributions

Act 205 requires that annual contributions to the plan be based upon the plan's Minimum Municipal Obligation (MMO), which is based on the plan's biennial actuarial valuation. Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions. Employees are not required to contribute to the Plan.

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

Net Pension Liability

An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation as of January 1, 2023. Update procedures were used to roll forward to the plan's fiscal year ending December 31, 2023.

The table below shows the changes in the total pension liability, the plan fiduciary net position (i.e. fair value of plan assets) and the net pension liability (asset) for the years ended December 31, 2023 and 2022.

	Change in Net Pension Liability (Asset)		
	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A-B)
Balances, December 31, 2022	<u>\$ 2,836,678</u>	<u>\$ 2,957,736</u>	<u>\$ (121,058)</u>
Changes for the year:			
Interest	193,043	-	193,043
Differences between expected and actual experience	49,737	-	49,737
Net investment income	-	438,805	(438,805)
Benefit payments	<u>(257,313)</u>	<u>(257,313)</u>	<u>-</u>
Net changes	<u>(14,533)</u>	<u>181,492</u>	<u>(196,025)</u>
Balances, December 31, 2023	<u>\$ 2,822,145</u>	<u>\$ 3,139,228</u>	<u>\$ (317,083)</u>

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

	Change in Net Pension Liability (Asset)		
	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Postion (B)	Net Pension Liability (Asset) (A-B)
Balances, December 31, 2021	\$ 2,899,997	\$ 3,828,652	\$ (928,655)
Changes for the year:			
Interest	193,994	-	193,994
Net investment income	-	(613,603)	613,603
Benefit payments	(257,313)	(257,313)	-
Net changes	(63,319)	(870,916)	807,597
Balances, December 31, 2022	\$ 2,836,678	\$ 2,957,736	\$ (121,058)

Actuarial Assumptions

The actuarial assumptions of the Plan include the following:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age, Normal
Investment return:	7.0% per annum, net of investment expenses
Salary increases:	None assumed
Pre-retirement mortality:	None
Post-retirement mortality:	PUBG-2010 Healthy Retiree Mortality projected 5 years past the valuation date using Scale MP-2021
Termination:	None
Disability:	None
Retirement age:	Normal retirement age or age on valuation date if greater
Form of annuity:	10 year certain and life

The long-term expected rate of return on pension plan investments 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 of 2.47%) 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 allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023 are summarized in the following table:

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity:		
Large Cap	37.00%	6.20%
Mid Cap	3.00%	7.25%
Small Cap	5.00%	7.25%
International Equity	18.00%	6.91%
Fixed Income	33.00%	3.51%
Real Estate	0.00%	5.01%
Cash	4.00%	0.76%

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund'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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in Discount Rate

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) calculated using the discount rate of 7.0% as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net Pension Liability (Asset)	<u>\$ (65,186)</u>	<u>\$ (317,083)</u>	<u>\$ (534,213)</u>

Pension Expense and Deferred Outflows and Inflows of Resources

As of December 31, 2023 and 2022, the Authority reported deferred outflows of resources related to pensions from the following sources:

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Notes to the Financial Statements

December 31, 2023 and 2022

	Deferred Outflows of Resources	
	2023	2022
Net difference between projected and actual investment earnings on pension plan investments	\$ 173,847	\$ 329,259
	<u>\$ 173,847</u>	<u>\$ 329,259</u>

For the year ended December 31, 2023 and 2022, the Authority recognized pension expense (benefit) under the defined benefit pension plan of \$(40,613) and \$21,831, respectively. Amounts reported as deferred outflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ended December 31	
2024	\$ 3,292
2025	92,343
2026	126,365
2027	<u>(48,153)</u>
	<u>\$ 173,847</u>

NOTE 7. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Authority has established a single-employer defined benefit postemployment benefit plan to provide for payment of health care insurance premiums for eligible retired employees. The Plan's financial statements are included as a trust fund in the Authority's financial statements.

Benefit Provisions

The Authority provides continuation of medical insurance coverage to employees who retire at a minimum age of 55 from a management position with at least 20 years of management service and must be a minimum of age 54 by January 1, 2019. The employee must be actively employed up to age 55 to be eligible. The benefit is not provided to employees hired after December 31, 2010. The single employer plan allows for participation in the Authority's "basic" medical plan which includes a prescription drug benefit and dental coverage. The authority under which obligations to contribute are established is the plan document and the board of directors. The Authority will pay a percentage of the cost of single coverage to age 65 or until the retiree becomes eligible for Medicare benefits, whichever comes first, at a rate of 80% and 100% for retired employees with more than 20 and 25 years of service, respectively. The Plan also provides for spousal and dependent coverage provided the premium is paid by the employee.

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Notes to the Financial Statements

December 31, 2023 and 2022

All benefits to management employees will be reviewed at various times in the future and, thus, costs and benefits are subject to change with the approval of the Authority's Board of Directors.

Contributions

The Authority makes contributions to a GASB qualified trust in addition to paying the premiums for retiree coverage. The Plan's trust fund is included in the Authority's financial statements.

As of December 31, 2023 and 2022, the following employees were covered by the Plan:

	<u>2023</u>	<u>2022</u>
Fully eligible active employees	-	-
Other active employees not fully eligible	-	-
Retirees and beneficiaries currently receiving benefits	<u>5</u>	<u>7</u>
	<u>5</u>	<u>7</u>

Net OPEB Liability

An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability was determined as part of an actuarial valuation as of January 1, 2023. Update procedures were used to roll forward to the plan's fiscal year ending December 31, 2023. The table below shows the changes in the total OPEB liability, the plan fiduciary net position (i.e. fair value of plan assets) and the net OPEB liability for the years ended December 31, 2023 and 2022.

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Notes to the Financial Statements

December 31, 2023 and 2022

	Change in Net OPEB Liability (Asset)		
	Increase (Decrease)		
	Total OPEB Liability (A)	Plan Fiduciary Net Postion (B)	Net OPEB Liability (Asset) (A-B)
Balances, December 31, 2022	\$ 566,003	\$ 423,586	\$ 142,417
Changes for the year:			
Interest	28,787	-	28,787
Differences between expected and actual experience	6,622	-	6,622
Changes in assumptions	19,503	-	19,503
Contributions - employer	-	99,773	(99,773)
Net investment income	-	54,621	(54,621)
Benefit payments (3)	(99,773)	(99,773)	-
Administrative expenses	-	(440)	440
Net changes	(44,861)	54,181	(99,042)
Balances, December 31, 2023	\$ 521,142	\$ 477,767	\$ 43,375
	Change in Net OPEB Liability (Asset)		
	Increase (Decrease)		
	Total OPEB Liability (A)	Plan Fiduciary Net Postion (B)	Net OPEB Liability (Asset) (A-B)
Balances, December 31, 2021	\$ 629,415	\$ 488,492	\$ 140,923
Changes for the year:			
Interest	31,994	-	31,994
Contributions - employer	-	95,406	(95,406)
Net investment income	-	(64,906)	64,906
Benefit payments (3)	(95,406)	(95,406)	-
Net changes	(63,412)	(64,906)	1,494
Balances, December 31, 2022	\$ 566,003	\$ 423,586	\$ 142,417

(1) Benefit payments are actually determined age-adjusted expected benefit payments, which may vary from actual premium payments due to implied subsidy and experience that is different than expected.

Actuarial Assumptions

The actuarial assumptions of the Plan include the following:

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Notes to the Financial Statements

December 31, 2023 and 2022

Valuation date	January 1, 2023
Actuarial cost method:	Entry Age, Normal
Discount rate	5.5%
Salary increases:	5% compounded annually
Inflation	2.47%
Health care inflation:	Initial rate of 7.5% in fiscal year 2023 reduced by 0.25% per year thereafter to ultimate trend of 5.0% per year.
Dental inflation:	18.8% in 2023 and 2% per year thereafter
Pre-retirement mortality:	None
Post-retirement mortality:	PUBG-2010 General Amount Weighted Mortality Tables for Healthy Retirees projected to 5 years past the valuation date using Scale MP-2021
Termination:	None
Disability:	None
Retirement age:	Age 55 if attained a minimum of 25 years. If 25 years of service not attained by age 55, the retirement is assumed at the later of 20 years of service and age 55
Participation	100% of management retirees. 0% spouses and dependents

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation of 2.47%) 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 allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Bonds	43.6%	2.41%
Non-U.S. Bonds	4.7%	1.24%
U.S. Large Cap Equity	36.3%	5.72%
U.S. Small Cap Equity	0.0%	0.00%
Non-U.S. Equity	11.1%	6.58%
Cash & Cash Equivalents	4.4%	0.92%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.5%. This is based on the investment allocation of the trust fund.

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Notes to the Financial Statements

December 31, 2023 and 2022

Net OPEB Liability Sensitivity – Discount Rate

The following is a sensitivity analysis of the net OPEB liability to changes in the discount rate. The table below presents the net OPEB liability calculated using the discount rate of 5.5% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.5%) or 1 percentage point higher (6.5%) than the current rate:

	1% Decrease 4.50%	Current Discount Rate 5.50%	1% Increase 6.50%
Net OPEB liability	<u>\$ 56,508</u>	<u>\$ 43,375</u>	<u>\$ 30,806</u>

Net OPEB Liability Sensitivity – Healthcare Trend

The following is a sensitivity analysis of the net OPEB liability to changes in the healthcare trend rate. The table below presents the net OPEB liability calculated using the current rate as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percentage point higher or 1 percentage point lower than expected:

	1% Decrease	Current Trend Rates	1% Increase
Net OPEB liability	<u>\$ 28,501</u>	<u>\$ 43,375</u>	<u>\$ 58,668</u>

OPEB Expense and Deferred Outflows and Inflows of Resources

As of December 31, 2023 and 2022, the Authority reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	
	2023	2022
Net difference between projected and actual investment earnings on plan investments	<u>\$ 16,810</u>	<u>\$ 45,906</u>
	<u>\$ 16,810</u>	<u>\$ 45,906</u>

For the year ended December 31, 2023 and 2022, the Authority recognized OPEB benefit of \$6,784 and \$22,781, respectively.

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

Amounts reported as deferred outflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ended <u>December 31</u>	
2024	\$ 3,591
2025	7,661
2026	11,826
2027	<u>(6,268)</u>
	<u>\$ 16,810</u>

NOTE 8. DEFERRED COMPENSATION PLAN

The Authority has established a deferred compensation plan for the benefit of its employees in accordance with Internal Revenue Code Section 457. This plan permits employees to voluntarily defer current compensation until future years. The assets of the Plan are held in trust by the International City/ County Management Association Retirement Corporation. Because the assets of the Plan are held in trust for the exclusive benefit of the Plan's participants and beneficiaries, as required by the Internal Revenue Code, the assets are not recorded in the financial statements of the Authority in accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Investments are managed and offered by the trustee for the benefit of the participants.

The Authority makes contributions to the deferred compensation plan through contributions to three 401(a) Money Purchase Plans. The Authority made a total contribution of \$206,371 and \$126,611 to the 401(a) plan for the years ended December 31, 2023 and 2022, respectively.

NOTE 9. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. The Authority purchases commercial insurance to cover most insurable risks.

The Authority is a member of the Pennsylvania Municipal Health Insurance Cooperative (PMHIC), a pool of municipalities to purchase health insurance coverage. The purpose of the cooperative is to control escalating health care premiums by allowing municipalities the potential for volume discounts and annual premium returns for favorable claims experience. Rates for each municipality are developed annually with a final reconciliation of total premiums to actual claims made approximately six months after each policy year end. Allocation of any surplus is determined by a board of officers appointed by participants. Unfavorable experience is included in the following year rates. Maximum limits for any one claim are established to minimize cost exposure. A 10% reserve is built into the rates to cover the cooperatives operating costs and any unfavorable experience.

ALLENTOWN PARKING AUTHORITY

Notes to the Financial Statements

December 31, 2023 and 2022

NOTE 10. STRATA III CONDOMINIUM ASSOCIATION

The Authority entered into an agreement with City Center Investment Corporation (CCIC) for the Strata III Condominium Association (the Association). The Association consists of two units. Unit 1 consists of the parking unit located in the building. Unit 2 consists of the Strata Condominium Unit. The Authority participates in the operation of Unit 1 under a parking license agreement that provides parking facilities to Unit 2 residents and the general public as space allows. Unit 1 represents a 44% interest in the Association.

Construction of the condominium was financed through the issuance of a mortgage in the name of the Parking Authority in the maximum amount of \$5,300,000. The mortgage note is payable solely from funds to be received from Allentown Neighborhood Improvement Zone Development Authority (ANIZDA) and represents a conduit debt obligation of the Authority. The Authority is not obligated in any manner for the repayment of the mortgage. Accordingly, the mortgage is not reported as a liability in the accompanying financial statements. The mortgage note is further guaranteed by CCIC and Strata III OP, LP (Apartment Developer). As of December 31, 2023 and 2022, the principal amount outstanding under the mortgage is \$2,793,043 and \$3,039,048, respectively. The Authority's participation in the Condominium Association is subject to a Parking License Agreement. Under the terms of the agreement, the parking facility of the condominium is managed by the Authority. The Authority charges the Apartment Developer a management fee equal to its share of the direct operating costs and expenses of the parking facility each month.

NOTE 11. LITIGATION

In the normal course of business, the Authority is involved in various civil disputes. It is believed that any potential losses on these various claims and lawsuits will not have a material impact on the Authority.

REQUIRED SUPPLEMENTARY INFORMATION

ALLENTOWN PARKING AUTHORITY

Required Supplementary Information

Pension

Schedule of Changes in Net Pension Liability and Related Ratios

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>	<u>2023*</u>
TOTAL PENSION LIABILITY									
Interest	\$ 218,085	\$ 220,605	\$ 212,438	\$ 203,074	\$ 204,066	\$ 202,439	\$ 198,203	\$ 193,994	\$ 193,043
Differences between expected and actual experience	-	-	(11,100)	-	14,591	-	(40,512)	-	49,737
Changes in assumptions	-	-	6,096	-	-	-	221,434	-	-
Benefit payments, including refunds	(194,346)	(174,612)	(474,376)	(200,199)	(208,700)	(242,815)	(259,343)	(257,313)	(257,313)
NET CHANGE IN TOTAL PENSION LIABILITY	23,739	45,993	(266,942)	2,875	9,957	(40,376)	119,782	(63,319)	(14,533)
TOTAL PENSION LIABILITY, BEGINNING	<u>3,004,969</u>	<u>3,028,708</u>	<u>3,074,701</u>	<u>2,807,759</u>	<u>2,810,634</u>	<u>2,820,591</u>	<u>2,780,215</u>	<u>2,899,997</u>	<u>2,836,678</u>
TOTAL PENSION LIABILITY, ENDING	<u>3,028,708</u>	<u>3,074,701</u>	<u>2,807,759</u>	<u>2,810,634</u>	<u>2,820,591</u>	<u>2,780,215</u>	<u>2,899,997</u>	<u>2,836,678</u>	<u>2,822,145</u>
PLAN FIDUCIARY NET POSITION									
Contributions - employer	-	-	-	-	9,198	13,202	13,202	-	-
Net investment income	(35,622)	246,491	498,292	(111,811)	643,072	677,131	417,306	(613,603)	438,805
Benefit payments, including refunds	(194,346)	(174,612)	(474,376)	(200,199)	(208,700)	(242,815)	(259,343)	(257,313)	(257,313)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(229,968)	71,879	23,916	(312,010)	443,570	447,518	171,165	(870,916)	181,492
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>3,212,582</u>	<u>2,982,614</u>	<u>3,054,493</u>	<u>3,078,409</u>	<u>2,766,399</u>	<u>3,209,969</u>	<u>3,657,487</u>	<u>3,828,652</u>	<u>2,957,736</u>
PLAN FIDUCIARY NET POSITION, ENDING	<u>2,982,614</u>	<u>3,054,493</u>	<u>3,078,409</u>	<u>2,766,399</u>	<u>3,209,969</u>	<u>3,657,487</u>	<u>3,828,652</u>	<u>2,957,736</u>	<u>3,139,228</u>
NET PENSION LIABILITY, ENDING	\$ 46,094	\$ 20,208	\$ (270,650)	\$ 44,235	\$ (389,378)	\$ (877,272)	\$ (928,655)	\$ (121,058)	\$ (317,083)
Plan fiduciary net position as a % of total pension liability	98.5%	99.3%	109.6%	98.4%	113.8%	131.6%	132.0%	104.3%	111.2%
COVERED EMPLOYEE PAYROLL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a % of covered-employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

* The amounts presented for each year were determined as of the measurement date, which is the December 31 of the immediately preceding fiscal year.

This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for those years only for which information is available.

ALLENTOWN PARKING AUTHORITY
Required Supplementary Information
Pension
Schedule of Employer Contributions

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions Recognized by the Plan</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions Recognized by Plan as a % of Covered Employee Payroll</u>
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2016	-	-	-	-	0.00%
2017	-	-	-	-	0.00%
2018	-	-	-	-	0.00%
2019	4,313	9,198	(4,885)	-	0.00%
2020	13,202	13,202	-	-	0.00%
2021	13,202	13,202	-	-	0.00%
2022	-	-	-	-	0.00%
2023	-	-	-	-	0.00%

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ALLENTOWN PARKING AUTHORITY

Notes to Required Supplementary Information Pension Plan

1. ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial cost method:	Entry Age, Normal
Investment return:	7.0% per annum, net of investment expenses
Salary increases:	None assumed
Pre-retirement mortality:	None
Post-retirement mortality:	PUBG-2010 Healthy Retiree Mortality projected 5 years past the valuation date using Scale MP-2021
Termination:	None
Disability:	None
Retirement age:	Normal retirement age or age on valuation date if greater
Marital Status:	100% of Members are assumed to be married
Spouse age:	Males are assumed to be three years older than females
Form of annuity:	10 Year certain and life

2. CHANGES IN ACTUARIAL ASSUMPTIONS

Significant Plan Changes	None
Significant Assumption Changes	<p>In 2015, the mortality assumption was changed from the RFP-Table to the RP-2000 Table projected to 2015 using Scale AA</p> <p>In 2017, the mortality assumption was changed from the RP-2000 Table projected to 2015 using Scale AA to the RP-2000 Table projected to 2017 using Scale AA.</p> <p>In 2021, the interest rate assumption was lowered from 7.50% to 7.00% per annum and the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubG-2010 projected 5 years past 2021 valuation date using MP-2020.</p>
Benefit Changes	None

ALLENTOWN PARKING AUTHORITY**Required Supplementary Information****Other Postemployment Benefits Plan****Schedule of Changes in Net OPEB Liability and Related Ratios**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
TOTAL OPEB LIABILITY						
Service cost	\$ 30,445	\$ 10,881	\$ 11,424	\$ -	\$ -	\$ -
Interest	72,054	53,092	51,049	35,936	31,994	28,787
Changes of benefit terms	-	(177,069)	-	-	-	-
Differences between expected and actual experience	-	(146,934)	-	(17,633)	-	6,622
Changes in assumptions	-	(13,625)	-	(107,508)	-	19,503
Benefit payments	<u>(52,464)</u>	<u>(70,233)</u>	<u>(126,879)</u>	<u>(119,808)</u>	<u>(95,406)</u>	<u>(99,773)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	50,035	(343,888)	(64,406)	(209,013)	(63,412)	(44,861)
TOTAL OPEB LIABILITY, BEGINNING	<u>1,196,687</u>	<u>1,246,722</u>	<u>902,834</u>	<u>838,428</u>	<u>629,415</u>	<u>566,003</u>
TOTAL OPEB LIABILITY, ENDING	<u>1,246,722</u>	<u>902,834</u>	<u>838,428</u>	<u>629,415</u>	<u>566,003</u>	<u>521,142</u>
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	25,000	25,000	25,000	-	95,406	99,773
Net investment income	(13,459)	47,673	43,219	45,209	(64,906)	54,621
Benefit payments, including refunds	-	-	-	-	(95,406)	(99,773)
Administrative expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(440)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	11,541	72,673	68,219	45,209	(64,906)	54,181
PLAN FIDUCIARY NET POSITION, BEGINNING	<u>290,850</u>	<u>302,391</u>	<u>375,064</u>	<u>443,283</u>	<u>488,492</u>	<u>423,586</u>
PLAN FIDUCIARY NET POSITION, ENDING	<u>302,391</u>	<u>375,064</u>	<u>443,283</u>	<u>488,492</u>	<u>423,586</u>	<u>477,767</u>
NET OPEB LIABILITY, ENDING	<u>\$ 944,331</u>	<u>\$ 527,770</u>	<u>\$ 395,145</u>	<u>\$ 140,923</u>	<u>\$ 142,417</u>	<u>\$ 43,375</u>
Plan fiduciary net position as a % of total OPEB liability	24.3%	41.5%	52.9%	77.6%	74.8%	91.7%
COVERED EMPLOYEE PAYROLL	<u>\$ 308,966</u>	<u>\$ 184,970</u>	<u>\$ 194,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability as a % of covered-employee payroll	305.6%	285.3%	203.5%	N/A	N/A	N/A

This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for those years only for which information is available.

ALLENTOWN PARKING AUTHORITY
Required Supplementary Information
Other Postemployment Benefits Plan
Schedule of Employer Contributions

Measurement Year *	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	\$ -	\$ -	\$ -	\$ 308,966	0.00%
2019	-	-	-	184,970	0.00%
2020	-	-	-	194,218	0.00%
2021	-	-	-	-	0.00%
2022	-	-	-	-	0.00%
2023	2,984	-	2,984	-	0.00%

The Authority makes occasional contributions to the OPEB Trust. A \$25,000 contribution was made for 2018, 2019 and 2020. No contribution was made for 2023.

This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for those years only for which information is available.

ALLENTOWN PARKING AUTHORITY

Notes to Required Supplementary Information Other Postemployment Benefits Plan

1. ACTUARIAL METHODS AND ASSUMPTIONS

Valuation date	January 1, 2023
Measurement date	December 31, 2023
Actuarial method:	Entry Age, Normal Cost Valuation Method
Discount rate:	5.50% per annum, net of investment expenses
Salary increases:	5% compounded annually
Inflation:	2.47% per year
Health care inflation:	Initial rate of 7.5% in fiscal year 2023 reduced by 0.25% per year thereafter to ultimate trend of 5.0% per year.
Dental inflation:	18.8% in 2023 and 2% per year thereafter
Pre-retirement mortality:	None
Post-retirement mortality:	Pub-2010 General Amount Weighted Mortality Tables for Healthy Retirees projected 5 years past the valuation date using Scale MP-2021.
Termination:	None
Disability:	None
Retirement age:	Assumed at age 55 if attained a minimum of 25 years of service. If 25 years of service is not attained by age 55, then retirement is assumed when the employee attains the later of 20 years of service and age 55.
Participation	100% of management retirees are assumed to participate in retiree medical and prescription drug coverages. 0% of spouses and dependents are assumed to participate in coverage

2. CHANGES IN ACTUARIAL ASSUMPTIONS

Significant Plan Changes	None
Significant Assumption Changes	<p>In 2020, the assumed rate of increase to the combined medical and prescription drug costs has changed from 8.25% to 5.00% by 0.25% to 6.50% during 2020, 8.000% during 2021 reduced by 0.25% thereafter to an ultimate level of 5.00% per year.</p> <p>In 2021, the discount rate was changed from 6% to 5.5%. The rate that medical and prescription drug costs as assumed to increase has changed in 2021 reduced by 0.25% per year to an ultimate level of 5% per year to -7.562% during 2021, 8.25% in 2022 decreasing by 0.25% per year to an ultimate level of 5% per year. The 2021 rate is based on actual renewal information</p>

OTHER SUPPLEMENTARY INFORMATION

ALLENTOWN PARKING AUTHORITY**Schedule of Revenues and Expenses - Budget vs Actual
Year Ended December 31, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES			
Enforcement:			
Parking meters	\$ 900,000	\$ 1,013,621	\$ 113,621
Parking tickets	6,942,000	4,675,996	(2,266,004)
Scofflaw	1,000,000	954,774	(45,226)
Release fees	453,100	548,997	95,897
Lot enforcement	13,500	11,265	(2,235)
	<u>9,308,600</u>	<u>7,204,653</u>	<u>(2,103,947)</u>
Customer service:			
Residential parking permits	16,000	19,933	3,933
Parking meter permits	82,000	152,597	70,597
Signs	49,500	46,868	(2,632)
Key card sales	-	810	810
Service fees	-	1,509	1,509
Late fees	1,200	-	(1,200)
	<u>148,700</u>	<u>221,717</u>	<u>73,017</u>
Garages and decks:			
Contract parking	2,484,000	2,297,781	(186,219)
Transient parking	515,710	646,590	130,880
Event parking	359,000	468,103	109,103
Electrical charging stations	7,290	13,380	6,090
	<u>3,366,000</u>	<u>3,425,854</u>	<u>59,854</u>
Surface lots:			
Contract parking	109,000	106,077	(2,923)
Transient parking	26,000	21,909	(4,091)
	<u>135,000</u>	<u>127,986</u>	<u>(7,014)</u>
Park and shop:			
Contract parking	182,000	189,479	7,479
Transient parking	98,000	50,940	(47,060)
Event parking	64,000	99,667	35,667
	<u>344,000</u>	<u>340,086</u>	<u>(3,914)</u>
TOTAL OPERATING REVENUES	<u>13,302,300</u>	<u>11,320,296</u>	<u>(1,982,004)</u>
NONOPERATING REVENUES			
Space rental	103,500	240,535	137,035
Billboard rentals	2,000	23,721	21,721
Interest income from leases	-	124,987	124,987
Miscellaneous income	-	83,978	83,978
Loss on sale of equipment	-	(477,687)	(477,687)
Investment income	16,000	114,444	98,444

ALLENTOWN PARKING AUTHORITY**Schedule of Revenues and Expenses - Budget vs Actual
Year Ended December 31, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOTAL NONOPERATING REVENUES	121,500	109,978	(11,522)
TOTAL REVENUES	13,423,800	11,430,274	(1,993,526)
OPERATING EXPENSES			
WAGES AND BENEFITS			
Salaries - Management	1,863,618	2,004,580	(140,962)
Wages - Clerks, PCOs & Attendants- Full Time	2,403,756	2,076,484	327,272
Wages - Clerks, PCOs & Attendants- Part Time	274,570	176,110	98,460
FICA	348,974	316,826	32,148
Retirement plans	217,106	165,758	51,348
Health insurance	1,321,397	1,060,696	260,701
Wellness initiative	5,500	5,498	2
Healthcare reform fees	-	192	(192)
OPEB	66,000	(6,784)	72,784
Life insurance	40,827	32,861	7,966
Worker's compensation	57,092	88,311	(31,219)
Unemployment tax	53,631	66,002	(12,371)
Uniforms	48,000	10,407	37,593
TOTAL WAGES AND BENEFITS	6,700,471	5,996,941	703,530
SERVICES AND CHARGES			
Electric	99,600	200,667	(101,067)
Telephone	104,900	109,462	(4,562)
Cable	4,500	3,351	1,149
Internet	17,250	13,183	4,067
Water and sewer	6,900	6,646	254
Natural Gas	2,550	2,606	(56)
Advertising	10,000	6,062	3,938
Postage	13,200	11,999	1,201
Publications and memberships	13,100	14,549	(1,449)
Training and professional development	99,000	79,122	19,878
Insurance	204,300	238,966	(34,666)
Repair and Maintenance-Facilities	312,300	268,714	43,586
Repair and Maintenance-Equipment	112,000	87,605	24,395
Repair and Maintenance-Vehicles	86,500	96,450	(9,950)
Repair and Maintenance-Meters	35,000	30,631	4,369
Towing & Boating Expense	40,800	25,599	15,201
Equipment Leasing	4,250	4,288	(38)
Vehicle lease	-	2,951	(2,951)
Professional Fees - Accounting	17,000	16,326	674
Professional Fees - Computer Fees	200,000	196,365	3,635
Professional Fees - Legal	50,000	68,142	(18,142)

ALLENTOWN PARKING AUTHORITY**Schedule of Revenues and Expenses - Budget vs Actual
Year Ended December 31, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Professional Fees - Pension Admin	35,000	35,980	(980)
Professional Fees - Payroll	40,000	26,010	13,990
Professional Fees- Miscellaneous	68,750	143,526	(74,776)
Computer operating system	205,300	156,222	49,078
Safety Committee	4,000	3,434	566
Bank Fees	-	8,457	(8,457)
Credit Card Fees	126,450	113,281	13,169
Bad Debts	-	298	(298)
Coin/Currency Counting Expense	2,000	1,051	949
Miscellaneous Collections Expense	300	176	124
Meetings Expense	12,000	12,123	(123)
Signs	35,850	2,378	33,472
Real estate taxes	17,000	15,229	1,771
Stormwater fees	22,150	17,440	4,710
Miscellaneous services & charges	62,450	47,302	15,148
Tuition reimbursement	25,000	-	25,000
TOTAL SERVICES AND CHARGES	<u>2,089,400</u>	<u>2,066,591</u>	<u>22,809</u>
MATERIALS AND SUPPLIES			
Office supplies	42,000	31,903	10,097
Gasoline	71,000	68,049	2,951
Miscellaneous Operating Supplies	97,800	47,155	50,645
TOTAL MATERIALS AND SUPPLIES	<u>210,800</u>	<u>147,107</u>	<u>63,693</u>
TOTAL OPERATING EXPENSES	<u>9,000,671</u>	<u>8,210,639</u>	<u>790,032</u>
CAPITAL OUTLAY	<u>541,591</u>	<u>28,530,327</u>	<u>(27,988,736)</u>
DEBT SERVICE			
Principal payments	1,346,478	1,346,478	-
Interest expense	2,529,564	2,659,471	(129,907)
TOTAL DEBT SERVICE	<u>3,876,042</u>	<u>4,005,949</u>	<u>(129,907)</u>
TRANSFER TO CITY OF ALLENTOWN	<u>420</u>	<u>11,806</u>	<u>(11,386)</u>
TOTAL EXPENSES	<u>13,418,724</u>	<u>40,758,721</u>	<u>(27,339,997)</u>
EXCESS (DEFICIT) REVENUES OVER EXPENSES - BUDGETARY BASIS	<u>5,076</u>	<u>(29,328,447)</u>	<u>(29,333,523)</u>

ALLENTOWN PARKING AUTHORITY**Schedule of Revenues and Expenses - Budget vs Actual
Year Ended December 31, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
RECONCILIATION TO GAAP BASIS:			
Less: Debt service principal	-	1,346,478	1,346,478
Less: Capital outlay	-	28,530,327	28,530,327
Add: Depreciation expense	-	(2,047,626)	(2,047,626)
	<u>-</u>	<u>27,829,179</u>	<u>27,829,179</u>
CHANGE IN NET POSITION	5,076	(1,499,268)	(1,504,344)
NET POSITION, BEGINNING	<u>23,516,759</u>	<u>23,516,759</u>	<u>-</u>
NET POSITION, ENDING	<u>\$ 23,521,835</u>	<u>\$ 22,017,491</u>	<u>\$ (1,504,344)</u>