

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON,
STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

December 31, 2020

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Title</u>	<u>Page Number</u>
	INDEPENDENT AUDITORS' REPORT	
	Independent Auditors' Report.....	1
	BASIC FINANCIAL STATEMENTS - REGULATORY BASIS	
	<u>Current Fund:</u>	
A	Comparative Statements of Assets, Liabilities, Reserves and Fund Balance.....	4
A-1	Comparative Statements of Operations and Changes in Fund Balance.....	6
A-2	Statement of Revenues.....	7
A-3	Statement of Expenditures.....	9
	<u>Trust Funds:</u>	
B	Comparative Statements of Assets, Liabilities, Reserves and Fund Balance.....	15
B-1	Statement of Fund Balance.....	16
	<u>General Capital Fund:</u>	
C	Comparative Statements of Assets, Liabilities, Reserves and Fund Balance.....	17
C-1	Statement of Fund Balance.....	18
	<u>Public Assistance Trust Fund:</u>	
E	Comparative Statements of Assets and Reserves.....	19
	<u>General Fixed Assets Account Group:</u>	
F	Comparative Statements of General Fixed Assets.....	20
	Notes to Financial Statements	21

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Title</u>	<u>Page Number</u>
SUPPLEMENTAL SCHEDULES		
<u>Current Fund:</u>		
A-4	Schedule of Cash - Treasurer	46
A-5	Schedule of Cash - Collector	47
A-6	Schedule of Interfunds	48
A-7	Schedule of Change Funds.....	49
A-8	Schedule of Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	50
A-9	Schedule of Taxes Receivable and Analysis of Property Tax Levy	51
A-10	Schedule of Tax Title Liens	52
A-11	Schedule of Miscellaneous Reserve	53
A-12	Schedule of Revenue Accounts Receivable	54
A-13	Schedule of Petty Cash.....	55
A-14	Schedule of Encumbrances Payable	55
A-15	Schedule of Grants Receivable - Grant Fund	56
A-16	Schedule of Reserves for Grants-Appropriated - Grant Fund	57
A-17	Schedule of County Taxes Payable	58
A-18	Schedule of Prepaid Taxes	58
A-19	Schedule of Municipal Open Space Tax Payable	59
A-20	Schedule of Encumbrances Payable - Grant Fund	59
A-21	Schedule of Tax Overpayments	60
A-22	Schedule of Regional High School Taxes Payable	61
A-23	Schedule of 2019 Appropriation Reserves.....	62
A-24	Schedule of Fire District Taxes Payable	65
A-25	Schedule of Interfunds - Grant Fund	65
A-26	Schedule of Deferred Charges.....	66
<u>Trust Funds:</u>		
B-2	Schedule of Cash – Treasurer	67
B-3	Schedule of Reserve for Municipal Open Space Tax.....	68
B-4	Schedule of Reserve for CDBG Rehabilitation Loan Repayment - Brewery.....	68
B-5	Schedule of Reserve for State Unemployment Insurance	69
B-6	Schedule of Reserve for Tax Sale Premiums	69
B-7	Schedule of Reserve for Other Federal Programs	70
B-8	Schedule of Interfunds.....	71
B-9	Schedule of Reserve for Performance Deposits	72
B-10	Schedule of Reserve for CDBG Rehabilitation Loan Repayment	72
B-11	Schedule of Reserve for Various Deposits.....	73

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Title</u>	<u>Page Number</u>
B-12	Schedule of Reserve for UDAG Loan Repayment	74
B-13	Schedule of Reserve for Payroll Agency	75
B-14	Schedule of Reserve for C.O.A.H.	75
B-15	Schedule of Encumbrances Payable - Animal Control Trust Fund	76
B-16	Schedule of Encumbrances Payable - Trust Other	76
B-17	Schedule of Reserve for Animal Control Fund Expenditures	77
B-18	Schedule of Interfunds - Animal Control Trust Fund	78
B-19	Schedule of Overexpenditures - Animal Control Trust Fund	79
 <u>General Capital Fund:</u>		
C-2	Schedule of General Capital Cash - Treasurer	80
C-3	Analysis of General Capital Cash and Investments	81
C-4	Schedule of Capital Improvement Fund	82
C-5	Schedule of Improvement Authorizations.....	83
C-6	Schedule of Deferred Charges to Future Taxation-Unfunded	84
C-7	Schedule of Bond Anticipation Notes	85
C-8	Schedule of Reserve for Deposits	86
C-9	Schedule of Interfunds.....	87
C-10	Schedule of Reserve for C.O.A.H. Deposits	88
C-11	Schedule of General Serial Bonds	89
C-12	Schedule of Green Acres Loans	90
C-13	Schedule of Deferred Charges to Future Taxation – Funded	91
C-14	Schedule of Grants Receivable.....	92
C-15	Schedule of Bonds and Notes Authorized Not Issued	93
 <u>Public Assistance Trust Fund:</u>		
E-1	Schedule of Public Assistance Cash – Treasurer	94
E-2	Schedule of Public Assistance Revenues	95
E-3	Schedule of Public Assistance Expenditures	95
 Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		
		96

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Title</u>	<u>Page Number</u>
SUPPLEMENTARY INFORMATION (UNAUDITED)		
	Schedule of Current Year Findings and Recommendations	98
	Summary Schedule of Prior Year Audit Findings	99
	Schedule of Proportionate Share of Net Pension Liability.....	100
	Schedule of Contributions	101
	Schedule of Proportionate Share of Net OPEB Liability and Contributions	102
STATISTICAL SECTION (UNAUDITED)		
	Comparative Schedules of Operations and Change in Fund Balance – Current Fund	103
	Schedule of Tax Information	104
	Officials in Office and Surety Bonds.....	106
	General Comments	107

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
City of Lambertville

Report on the Financial Statements

We have audited the accompanying financial statements - regulatory basis of the various funds and account group of the City of Lambertville, County of Hunterdon, State of New Jersey (the "City"), as of and for the year ended December 31, 2020, and the related notes to financial statements, which comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles

As described in Note A of the financial statements, these financial statements are prepared by the City on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the City as of December 31, 2020, and the respective changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fund and account group of the City as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note A.

Report on Summarized Comparative Information

We have previously audited the City's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 14, 2020, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental schedules as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Matters (Continued)

Required Supplementary Information (Continued)

The supplemental schedules are the responsibility of management and were derived from and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

Other Information

The supplementary information and statistical section as listed in the table of contents has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Merodien, P.C.

Certified Public Accountants

October 13, 2021

CURRENT FUND

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE

	Ref.	December 31,	
		2020	2019
ASSETS:			
Cash - Treasurer	A-4	\$ 701,420.15	\$ 1,174,464.93
Cash - Change Funds	A-7	300.00	300.00
Cash - Petty Cash	A-13	0.19	0.19
		<u>701,720.34</u>	<u>1,174,765.12</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	155,874.89	171,103.54
Tax Title Liens Receivable	A-10	156,969.96	148,714.51
Revenue Accounts Receivable	A-12	20,749.32	44,770.32
Interfunds Receivable		-	6,281.67
		<u>333,594.17</u>	<u>370,870.04</u>
Deferred Charges:			
Special Emergency for Anticipated Revenue Deficit	A-1, A-26	395,000.00	-
Special Emergency for COVID-19	A-3, A-26	43,000.00	-
Overexpenditure of Appropriations	A-26	8,003.97	1,176.03
Overexpenditure of Trust Funds	A-26, B	-	3,119.83
		<u>446,003.97</u>	<u>4,295.86</u>
Sub-total Current Fund		<u>1,481,318.48</u>	<u>1,549,931.02</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-15	839,764.39	319,746.35
Interfunds Receivable	A-6, A-25	25,991.33	25,051.64
Sub-total Grant Fund		<u>865,755.72</u>	<u>344,797.99</u>
Total		<u>\$ 2,347,074.20</u>	<u>\$ 1,894,729.01</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
(CONTINUED)**

	Ref.	December 31,	
		2020	2019
LIABILITIES, RESERVES AND FUND BALANCE:			
Appropriation Reserves	A-3, A-23	\$ 182,896.93	\$ 47,033.48
Reserve for Encumbrances	A-3, A-14, A-23	88,598.72	64,208.23
Tax Overpayments	A-21	199.63	11,380.46
Due to State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-8	249.16	949.16
Prepaid Taxes	A-18	105,642.35	123,216.53
Miscellaneous Reserves	A-11	9,122.55	3,652.01
Interfunds Payable	A-6, A-25	25,991.33	82,664.55
		<u>412,700.67</u>	<u>333,104.42</u>
Reserve for Receivables and Other Assets	A	333,594.17	370,870.04
Fund Balance	A-1	<u>735,023.64</u>	<u>845,956.56</u>
		<u>1,068,617.81</u>	<u>1,216,826.60</u>
Sub-total Current Fund		<u>1,481,318.48</u>	<u>1,549,931.02</u>
Federal and State Grant Fund:			
Reserve for Grants - Appropriated	A-16	864,235.72	333,897.03
Reserve for Grants - Unappropriated	A-15	1,520.00	6,050.96
Encumbrances Payable	A-20	-	4,850.00
		<u>865,755.72</u>	<u>344,797.99</u>
Sub-total Grant Fund		<u>865,755.72</u>	<u>344,797.99</u>
Total		<u>\$ 2,347,074.20</u>	<u>\$ 1,894,729.01</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
Years Ended December 31, 2020 and 2019**

	Ref.	2020	2019
REVENUE AND OTHER INCOME REALIZED:			
Fund Balance Utilized	A-2	\$ 400,000.00	\$ 445,454.00
Miscellaneous Revenue Anticipated	A-2	2,685,089.80	2,400,776.38
Receipts from Delinquent Taxes	A-2	171,103.54	197,864.03
Receipts from Current Taxes	A-2	17,503,223.97	16,406,506.30
Non-Budget Revenue	A-2	14,381.25	24,056.46
Other Credits to Income:			
Special Emergency for COVID-19 Operating Deficit	A	395,000.00	-
Unexpended Balance of Appropriation Reserves	A-23	42,263.68	13,077.07
Cancellation of Tax Overpayments	A-21	1,937.01	1,656.22
Interfunds Returned		33,822.73	-
Total Income		<u>\$ 21,246,821.98</u>	<u>\$ 19,489,390.46</u>
EXPENDITURES:			
Budget and Emergency Appropriations:			
Operations Within "CAPS":			
Salaries and Wages		1,904,672.77	1,673,181.00
Other Expenses		1,560,001.99	1,505,420.08
Deferred Charges and Statutory Expenditures		497,313.49	471,942.46
Operations Excluded from "CAPS":			
Salaries and Wages		81,422.11	12,140.00
Other Expenses		922,950.29	400,223.80
Capital Improvements		18,200.00	17,500.00
Municipal Debt Service		1,451,358.50	1,328,571.00
Fire District Taxes	A-24	1,184,569.00	646,698.00
Regional High School Tax	A-22	10,453,049.00	10,238,857.00
Municipal Open Space Tax	A-19	79,533.80	78,028.16
County Taxes	A-17	2,812,687.92	2,703,180.87
Interfunds Advanced		-	18,938.71
Total Expenditures		<u>20,965,758.87</u>	<u>19,094,681.08</u>
Excess in Revenue		281,063.11	394,709.38
Adjustment to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year		<u>8,003.97</u>	<u>4,295.86</u>
Statutory Excess to Fund Balance		289,067.08	399,005.24
FUND BALANCE:			
Balance January 1,	A	<u>845,956.56</u>	<u>892,405.32</u>
		1,135,023.64	1,291,410.56
Decreased by:			
Utilized as Revenue		<u>400,000.00</u>	<u>445,454.00</u>
Balance December 31,		<u>\$ 735,023.64</u>	<u>\$ 845,956.56</u>

See notes to financial statements.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF REVENUES
Year Ended December 31, 2020**

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 400,000.00	\$ -	\$ 400,000.00	\$ -
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	23,508.00	-	23,508.00	-
Other	22,667.00	-	16,041.00	(6,626.00)
Fees and Permits:				
Construction Code Official	127,912.00	-	80,538.70	(47,373.30)
Fees and Permits:				
Municipal Court Fines	116,257.00	-	111,220.56	(5,036.44)
Interests and Costs on Taxes	45,225.00	-	46,352.06	1,127.06
Parking Meters	191,385.00	-	269,100.55	77,715.55
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	41,006.00	-	41,006.00	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	374,064.00	-	374,064.01	0.01
Dedicated Uniform Construction Code Fees Offset with Appropriations:				
Uniform Construction Code Fees	203,457.00	-	261,451.70	57,994.70
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements:				
Interlocal Service Agreement - Frenchtown	2,250.00	-	2,250.00	-
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Additional Revenues:				
Licenses - Alcoholic Beverages	4,368.00	-	4,368.00	-
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues:				
Recycling Tonnage Grant	6,050.96	-	6,050.96	-
Distracted Driving Grant	-	1,000.00	1,000.00	-
Stay Sober	-	1,320.00	1,320.00	-
Drunk Driving Enforcement Fund	3,135.00	-	3,135.00	-
FEMA - Swan Creek Embankment Erosion Mitigation	-	460,000.00	460,000.00	-
Local Efficiency Achievement Program	-	75,000.00	75,000.00	-
Clean Communities	-	9,279.30	9,279.30	-
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Uniform Fire Safety Act	37,800.00	-	17,654.59	(20,145.41)
Cable TV Franchise Fees	19,300.56	-	19,647.71	347.15
Reserve for Debt Service	941,361.33	-	487,167.00	(454,194.33)
Payment in Lieu of Taxes:				
Econo Tech Development Company	42,241.00	-	43,100.00	859.00
South Hunterdon Regional Apartments	11,758.00	-	11,927.45	169.45
Community Investment Strategy	53,000.00	-	52,000.00	(1,000.00)
Reserve for Open Space	56,000.00	-	56,000.00	-
Hotel and Motel Occupancy Fees	61,590.00	-	79,907.21	18,317.21
Contribution from LMSA	72,000.00	-	72,000.00	-
Reimbursement of Library Costs	60,000.00	-	60,000.00	-
Total Miscellaneous Revenues	<u>2,516,335.85</u>	<u>546,599.30</u>	<u>2,685,089.80</u>	<u>(377,845.35)</u>
Receipts from Delinquent Taxes	153,750.00	-	171,103.54	17,353.54
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>3,133,230.03</u>	<u>-</u>	<u>3,338,384.25</u>	<u>205,154.22</u>
Budget Totals	6,203,315.88	546,599.30	6,594,577.59	(155,337.59)
Non-Budget Revenue	-	-	14,381.25	14,381.25
	<u>\$ 6,203,315.88</u>	<u>\$ 546,599.30</u>	<u>\$ 6,608,958.84</u>	<u>\$ (140,956.34)</u>
Ref.	A-3	A-3		

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)
Year Ended December 31, 2020

	<u>Ref.</u>	
Allocation of Current Tax Collections:		
Revenue from Collections	A-1, A-9	\$ 17,503,223.97
Less Allocated:		
Schools, County and District Taxes		<u>14,529,839.72</u>
Balance for Support of Municipal Budget Appropriations		2,973,384.25
Add:		
Appropriation Reserve for Uncollected Taxes	A-3	<u>365,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 3,338,384.25</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-9	\$ 171,103.54
Tax Title Lien Collections	A-10	<u>-</u>
	A-2	<u>\$ 171,103.54</u>
Fees and Permits - Other:		
Fees and Permits	A-12	\$ 8,590.47
Clerk - Landlord Registration	A-12	3,268.00
Clerk - Vacant Properties	A-12	2,500.00
Clerk - Parking Permits	A-12	32,385.00
Clerk - Bulk Garbage	A-12	6,273.50
Clerk - Dumpster Permits	A-12	2,550.00
Clerk - Street Openings	A-12	2,000.00
Clerk - Application Fees	A-12	16,152.00
Police - Fees	A-12	795.05
Police - Road Jobs	A-12	756.68
Police - No Parking Signs	A-12	<u>5,268.00</u>
Balance for Fees and Permits - Other	A-2	<u>\$ 80,538.70</u>
Miscellaneous Revenue not Anticipated:		
Interest on Investments		\$ 12,690.49
State of New Jersey Motor Vehicle Fines		50.00
Miscellaneous Collector	A-5	<u>1,640.76</u>
Balance for Miscellaneous Revenues not Anticipated	A-1, A-2	<u>\$ 14,381.25</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES
Year Ended December 31, 2020**

	Appropriations		Expended			Unexpended Balance Canceled	Over Expenditure
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
OPERATIONS WITHIN "CAPS"							
General Administration:							
Salaries and Wages	\$ 123,000.00	\$ 72,433.00	\$ 72,034.12	\$ -	\$ 398.88	\$ -	\$ -
Other Expenses	108,725.00	118,253.52	113,579.74	4,673.78	-	-	-
Mayor and City Council:							
Salaries and Wages	13,400.00	14,400.00	14,400.00	-	-	-	-
Other Expenses	39,200.00	16,200.00	9,274.00	5,584.88	1,341.12	-	-
Municipal Clerk:							
Salaries and Wages	126,041.50	128,341.50	128,254.85	-	86.65	-	-
Other Expenses	27,750.00	27,750.00	21,778.14	1,351.03	4,620.83	-	-
Financial Administration:							
Salaries and Wages	74,000.00	77,400.00	77,391.45	-	8.55	-	-
Other Expenses	5,999.75	10,999.75	10,354.30	151.57	493.88	-	-
Auditor:							
Other Expenses	45,000.00	45,000.00	42,240.00	-	2,760.00	-	-
Tax Collector:							
Salaries and Wages	17,375.75	17,375.75	17,089.26	-	286.49	-	-
Other Expenses	8,500.00	8,500.00	6,915.54	-	1,584.46	-	-
Liquidation of TTL and Foreclosed Property:							
Other Expenses	500.00	500.00	-	-	500.00	-	-
Tax Assessor:							
Salaries and Wages	34,604.00	34,604.00	34,453.08	-	150.92	-	-
Other Expenses	4,600.00	6,600.00	5,793.02	-	806.98	-	-
Maintenance of Tax Map:							
Other Expenses	2,000.00	-	-	-	-	-	-
City Attorney:							
Other Expenses	70,500.00	93,000.00	73,554.24	10,840.23	8,605.53	-	-
Municipal Prosecutor:							
Other Expenses	27,500.00	22,500.00	21,844.25	-	655.75	-	-
Police:							
Salaries and Wages	1,040,060.00	1,035,060.00	1,019,366.47	-	15,693.53	-	-
Other Expenses	53,100.00	45,100.00	26,983.48	1,047.50	17,069.02	-	-
Dog Regulation:							
Other Expenses	100.00	7,600.00	7,600.00	-	-	-	-

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2020**

	Appropriations		Expended			Unexpended Balance Canceled	Over Expenditure
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
OPERATIONS WITHIN "CAPS" (CONT'D)							
Emergency Management:							
Other Expenses	200.00	200.00	-	-	200.00	-	-
Inspection and Code Enforcement:							
Other Expenses	10,000.00	7,000.00	4,600.00	-	2,400.00	-	-
Municipal Court:							
Salaries and Wages	79,468.25	81,235.76	81,235.76	-	-	-	-
Other Expenses	8,500.00	8,500.00	4,259.41	762.23	3,478.36	-	-
Public Defender:							
Salaries and Wages	3,600.00	3,600.00	2,400.00	-	1,200.00	-	-
Public Works:							
Salaries and Wages	128,385.75	123,385.75	122,914.67	-	471.08	-	-
Other Expenses	30,250.00	26,250.00	6,773.60	10,489.54	8,986.86	-	-
Solid Waste Collection:							
Salaries and Wages	113,611.00	132,015.42	132,015.42	-	-	-	-
Other Expenses	208,000.00	227,241.72	210,747.37	16,494.35	-	-	-
Street Lighting:							
Other Expenses	36,800.00	37,300.00	33,019.18	3,779.46	501.36	-	-
Parks and Playgrounds:							
Other Expenses	1,000.00	-	-	-	-	-	-
Buildings and Grounds:							
Other Expenses	22,000.00	30,000.00	24,174.43	2,611.35	3,214.22	-	-
Municipal Land Use Law - Planning Board:							
Salaries and Wages	7,841.25	7,877.53	7,877.53	-	-	-	-
Other Expenses	825.00	1,375.00	1,352.95	-	22.05	-	-
Master Plan	5,000.00	-	-	-	-	-	-
Zoning Board of Adjustment:							
Salaries and Wages	11,608.13	11,608.13	11,254.24	-	353.89	-	-
Other Expenses	1,000.00	1,000.00	452.55	-	547.45	-	-

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2020**

	Appropriations		Expended			Unexpended Balance Canceled	Over Expenditure
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
OPERATIONS WITHIN "CAPS" (CONT'D)							
Uniform Fire Safety Act - Fire Inspection Official:							
Salaries and Wages	28,513.00	28,513.00	24,157.15	-	4,355.85	-	-
Other Expenses	1,485.00	4,085.00	4,030.31	-	54.69	-	-
Administration of Public Assistance:							
Salaries and Wages	16,779.25	16,779.25	16,706.12	-	73.13	-	-
Other Expenses	1,040.00	1,040.00	207.90	-	832.10	-	-
Public Events, Anniversary or Holiday:							
Other Expenses	4,800.00	4,800.00	403.36	2,021.45	2,375.19	-	-
Contribution to Lambertville Senior Citizen Center:							
Other Expenses	500.00	500.00	-	-	500.00	-	-
Historic Preservation:							
Salaries and Wages	1,185.00	1,185.00	1,175.82	-	9.18	-	-
Other Expenses	100.00	100.00	-	-	100.00	-	-
Insurance:							
Group Insurance Plan	501,000.00	501,000.00	478,313.86	-	22,686.14	-	-
Other Insurance Premiums	115,000.00	121,517.00	121,517.00	-	-	-	-
Workers Compensation	67,000.00	67,000.00	66,661.00	-	339.00	-	-
Group Insurance Plan - Health Benefit Waivers	15,000.00	6,000.00	5,565.14	-	434.86	-	-
State Uniform Construction Code - Construction Official:							
Salaries and Wages	106,610.40	108,858.68	108,858.68	-	-	-	-
Other Expenses	7,750.00	7,750.00	3,057.43	-	4,692.57	-	-
Unclassified:							
Utilities (All)	99,540.00	105,340.00	75,537.51	28,076.76	1,725.73	-	-
Accumulated Compensated Absences:							
Salaries and Wages	10,000.00	10,000.00	10,000.00	-	-	-	-
Total Operations - Within "CAPS"	3,466,348.03	3,464,674.76	3,262,174.33	87,884.13	114,616.30	-	-
Total Operations Including Contingent Within "CAPS"	3,466,348.03	3,464,674.76	3,262,174.33	87,884.13	114,616.30	-	-
Detail:							
Salaries and Wages	1,936,083.28	1,904,672.77	1,881,584.62	-	23,088.15	-	-
Other Expenses	1,530,264.75	1,560,001.99	1,380,589.71	87,884.13	91,528.15	-	-

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2020**

	Appropriations		Expended			Unexpended Balance Canceled	Over Expenditure
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>							
Deferred Charges:							
Overexpenditure of Appropriation	1,176.03	1,176.03	1,176.03	-	-	-	-
Deficit in Trust Other Fund	226.63	226.63	226.63	-	-	-	-
Deficit in Animal Control Trust Fund	2,893.20	2,893.20	2,893.20	-	-	-	-
Statutory Expenditures - Contribution to:							
Public Employees' Retirement System	128,320.00	128,320.00	128,320.00	-	-	-	-
Social Security System (O.A.S.I.)	149,762.39	151,435.66	159,439.63	-	-	-	8,003.97
Police & Firemen's Retirement System	205,258.00	205,258.00	205,258.00	-	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>487,636.25</u>	<u>489,309.52</u>	<u>497,313.49</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,003.97</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>3,953,984.28</u>	<u>3,953,984.28</u>	<u>3,759,487.82</u>	<u>87,884.13</u>	<u>114,616.30</u>	<u>-</u>	<u>8,003.97</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>							
Maintenance of Free Public Library	269,248.03	269,248.03	245,807.99	120.69	23,319.35	-	-
Coronavirus Response	34,900.00	34,900.00	4,046.45	49.90	30,803.65	-	-
Special Emergency - Coronavirus Response	-	43,000.00	42,958.60	-	41.40	-	-
Interlocal Municipal Service Agreements:							
Borough of Frenchtown							
Construction Code Official - Salaries & Wages	82,572.11	78,172.11	78,042.00	-	130.11	-	-
Construction Code Official - Other Expenses	10,000.00	14,400.00	-	544.00	13,856.00	-	-
Borough of Frenchtown							
Zoning - Salaries & Wages	3,250.00	3,250.00	3,119.88	-	130.12	-	-
Increase in ABC Licenses:							
Municipal Clerk:							
Other Expenses	4,368.00	4,368.00	4,368.00	-	-	-	-
Total Other Operations - Excluded from "CAPS"	<u>404,338.14</u>	<u>447,338.14</u>	<u>378,342.92</u>	<u>714.59</u>	<u>68,280.63</u>	<u>-</u>	<u>-</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2020**

	Appropriations		Expended			Unexpended Balance Canceled	Over Expenditure
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
Public and Private Programs Offset by Revenues:							
Recycling Tonnage Grant	6,050.96	6,050.96	6,050.96	-	-	-	-
Stay Sober Grant	-	1,320.00	1,320.00	-	-	-	-
Distracted Driving Grant	-	1,000.00	1,000.00	-	-	-	-
Drunk Driving Enforcement Fund	3,135.00	3,135.00	3,135.00	-	-	-	-
FEMA - Swan Creek Embankment Erosion Mitigation	-	460,000.00	460,000.00	-	-	-	-
Local Efficiency Achievement Program	-	75,000.00	75,000.00	-	-	-	-
Clean Communities Program	-	9,279.30	9,279.30	-	-	-	-
Supplemental Fire District Payment	1,249.00	1,249.00	1,249.00	-	-	-	-
Total Public and Private Programs Offset by Revenues	10,434.96	557,034.26	557,034.26	-	-	-	-
Total Operations - Excluded from "CAPS"	414,773.10	1,004,372.40	935,377.18	714.59	68,280.63	-	-
Detail:							
Salaries and Wages	85,822.11	81,422.11	81,161.88	-	260.23	-	-
Other Expenses	328,950.99	922,950.29	854,215.30	714.59	68,020.40	-	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>							
Capital Improvement Fund	18,200.00	18,200.00	18,200.00	-	-	-	-
Total Capital Improvements - Excluded from "CAPS"	18,200.00	18,200.00	18,200.00	-	-	-	-

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2020**

	Appropriations		Expended			Unexpended Balance Canceled	Over Expenditure
	Budget	Budget After Modification	Paid	Encumbered	Reserved		
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"							
Payment of Bond Principal	995,000.00	995,000.00	995,000.00	-	-	-	-
Interest on Bonds	390,972.50	390,972.50	390,972.50	-	-	-	-
Interest on Notes	47,500.00	47,500.00	47,499.99	-	-	0.01	-
Loan Repayments for Principal and Interest:							
Green Trust Loan Principal & Interest	17,886.00	17,886.00	17,885.75	-	-	0.25	-
Total Municipal Debt Service - Excluded from "CAPS"	1,451,358.50	1,451,358.50	1,451,358.24	-	-	0.26	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,884,331.60	2,473,930.90	2,404,935.42	714.59	68,280.63	0.26	-
Subtotal General Appropriations	5,838,315.88	6,427,915.18	6,164,423.24	88,598.72	182,896.93	0.26	8,003.97
Reserve for Uncollected Taxes	365,000.00	365,000.00	365,000.00	-	-	-	-
Total General Appropriations	\$ 6,203,315.88	\$ 6,792,915.18	\$ 6,529,423.24	\$ 88,598.72	\$ 182,896.93	\$ 0.26	\$ 8,003.97
Ref.	A-2			A-14	A		A, A-26
Original Budget		\$ 6,203,315.88					
Emergency Appropriations (40A:4-53)	A	43,000.00					
Appropriation by NJSA 40A:4-87	A-2	546,599.30					
		<u>\$ 6,792,915.18</u>					
Reserve for Grants Appropriated	A-16		\$ 555,785.26				
Reserve for Uncollected Taxes	A-2A		365,000.00				
Cash Disbursed	A-4		5,612,675.75				
Less: Refunds	A-4		4,037.77				
			<u>\$ 6,529,423.24</u>				

See notes to financial statements.

TRUST FUND

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUNDS
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

ASSETS:	Ref.	December 31,	
		2020	2019
Animal Control Fund:			
Cash	B-2	\$ 529.50	\$ 714.21
Over-expenditure of Trust Reserve	B-19	-	2,893.20
		<u>529.50</u>	<u>3,607.41</u>
Other Funds:			
Cash	B-2	1,177,692.49	963,407.46
Interfunds Receivable	B-8	-	57,612.91
Accounts Receivable		25.00	25.00
Over-expenditure of Payroll Trust Reserve	B-13	-	226.63
		<u>1,177,717.49</u>	<u>1,021,272.00</u>
Total Assets		<u>\$ 1,178,246.99</u>	<u>\$ 1,024,879.41</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Animal Control Fund:			
Interfunds Payable	B-18	\$ -	\$ 715.41
Due to State of New Jersey		46.80	-
Reserve	B-17	53.70	-
Encumbrances Payable	B-15	429.00	2,892.00
		<u>529.50</u>	<u>3,607.41</u>
Other Funds:			
Encumbrances Payable	B-16	-	15,577.47
Reserve for:			
Municipal Open Space Tax	B-3	28,218.88	76,729.77
CDBG Rehabilitation Loan - Brewery	B-4	100,213.33	99,737.28
State Unemployment Insurance	B-5	64,356.03	61,147.38
Tax Sale Premiums	B-6	227,642.03	105,680.22
Other Federal Programs	B-7	64,552.49	56,534.42
Performance Deposits	B-9	172,478.45	175,738.04
CDBG Rehabilitation Loan Repayment	B-10	272,160.27	224,218.83
Miscellaneous Trust Deposits	B-11	123,744.44	145,949.14
UDAG Loan Repayment	B-12	1.18	1.18
Payroll Agency	B-13	18,083.80	-
C.O.A.H.	B-14	106,266.48	59,958.16
Fund Balance	B-1	0.11	0.11
		<u>1,177,717.49</u>	<u>1,021,272.00</u>
Total Liabilities, Reserves, and Fund Balance		<u>\$ 1,178,246.99</u>	<u>\$ 1,024,879.41</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

TRUST FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 0.11
Balance December 31, 2020	B	\$ 0.11

GENERAL CAPITAL FUND

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

ASSETS:	Ref.	December 31,	
		2020	2019
Cash	C-2	\$ 764,497.97	\$ 1,710,085.94
Deferred Charges to Future Taxation:			
Funded	C-13	10,455,308.16	11,462,997.09
Unfunded	C-6	2,966,650.42	2,466,663.42
Grants Receivable	C-14	86,800.00	86,800.00
Total Assets		\$ 14,273,256.55	\$ 15,726,546.45
LIABILITIES, RESERVES AND FUND BALANCE:			
Bond Anticipation Notes Payable	C-7	\$ 2,000,000.00	\$ 2,000,000.00
General Serial Bonds	C-11	10,205,000.00	11,200,000.00
Green Acres Loans	C-12	250,308.16	262,997.09
Capital Improvement Fund	C-4	16,502.24	19,765.24
Interfunds Payable	C-9	-	5,566.26
Improvement Authorizations:			
Funded	C-5	50,176.82	292,647.37
Unfunded	C-5	905,625.47	928,411.80
Reserve for Debt Service & Insurance Refunds	C-8	601,199.31	945,323.83
Reserve for C.O.A.H. Deposits	C-10	-	15,685.43
Fund Balance	C-1	244,444.55	56,149.43
Total Liabilities, Reserves and Fund Balance		\$ 14,273,256.55	\$ 15,726,546.45

There were Bonds and Notes Authorized but not Issued at December 31, 2020 and 2019, in the amount of \$966,650.42 and \$466,663.42, respectively. (C-15)

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

Balance December 31, 2019	<u>Ref.</u> C		\$ 56,149.43
Increased by:			
Fully Funded Ordinances Canceled	C-5	<u>\$ 188,295.12</u>	<u>188,295.12</u>
Balance December 31, 2020	C		<u><u>\$ 244,444.55</u></u>

PUBLIC ASSISTANCE TRUST FUND

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**PUBLIC ASSISTANCE TRUST FUND
COMPARATIVE STATEMENTS OF ASSETS AND RESERVES**

		December 31,	
	Ref.	2020	2019
ASSETS:			
Cash	E-1	\$ 26,043.50	\$ 48,442.95
RESERVES:			
Reserve for Encumbrances		\$ 26,043.50	\$ 48,442.95

GENERAL FIXED ASSETS ACCOUNT GROUP

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS

	December 31,	
	2020	2019
FIXED ASSETS:		
Land	\$ 3,611,100.00	\$ 3,171,500.00
Buildings	3,032,500.00	3,005,300.00
Machinery and Equipment	2,507,725.00	2,394,326.23
	<u>\$ 9,151,325.00</u>	<u>\$ 8,571,126.23</u>
RESERVES:		
Investment in General Fixed Assets	<u>\$ 9,151,325.00</u>	<u>\$ 8,571,126.23</u>

NOTES TO FINANCIAL STATEMENTS

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Lambertville (the “City”) is an instrumentality of the State of New Jersey (the “State”), established to function as a municipality. The City Council consists of elected officials and is responsible for the fiscal control of the City. Except as noted below, the financial statements of the City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City do not include the operations of the municipal library, fire district or the Board of Education, inasmuch as their activities are administered by separate boards.

Description of Funds

The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”).

The accounting policies of the City conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (The “Division” or “DLGS”). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the City are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operations of a specific government activity. As required by the Division, the City accounts for its financial transactions through the following individual funds and account group:

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the City pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the comparative statements of assets, liabilities, reserves, and fund balance of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the City's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded at the lower of appraised value or the book value of the taxes receivable on the property, including any penalties, interest and foreclosure costs.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, *Accounting for Governmental Fixed Assets*, as promulgated by the Division, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the City as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year, and an acquisition cost of \$1,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The City has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared internally. Adjustments for assets acquired/sold subsequent to this date have been recorded. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at historical cost or an estimated cost based on the most recent assessed value if the actual historical cost or another reasonable estimate is not available.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants in aid or contributed capital has not been accounted for separately.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various comparative statements of assets, liabilities, reserves, and fund balance. GAAP requires the cost of inventories to be reported as a current asset with a nonspendable fund balance or reserve offset of equal value.

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board approved Statement No. 68, "*Accounting and Financial Reporting for Pensions Administered by State and Local Government Employers*" ("GASB 68"). GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. GASB 68 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under GAAP, GASB Statement No. 68 requires the pension liability to be recorded in the statement of net position and notes to the financial statements. The liability required to be displayed by GASB 68 is displayed as a separate line item in the noncurrent liabilities and unrestricted net position area of the statement of net position.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their statements of net position. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the notes to the financial statements.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) - The GASB has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("GASB 75"). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the "OPEB Plan"). GASB 75 does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, GASB Statement No. 75 requires the OPEB liability to be recorded in the statement of net position and notes to the financial statements. The liability required to be displayed by GASB 75 is displayed as a separate line item in the noncurrent liability and unrestricted net position area of the statement of net position.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the notes to the financial statements.

Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division and which differ from the financial statements required by GAAP.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH

The City considers petty cash, change funds, cash in banks, and certificates of deposit as cash and cash equivalents.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in or having a branch office in the State, the deposits of which are federally insured.

The market value of the collateral must equal five percent of the average daily balance of public funds; and, if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

As of December 31, 2020, the City's bank balance of \$2,699,873.85 was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 250,000.00
Uninsured and Collateralized	2,425,042.79
Uninsured and Uncollateralized	<u>24,831.06</u>
Total	<u>\$ 2,699,873.85</u>

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation. The City Council approves and designates the authorized depository institution based on evaluation of solicited responses and certifications provided by financial institutions.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH (CONTINUED)

Deposits (Continued)

Concentration of Credit Risk – This is the risk associated with the amount of investments the City has with any one issuer that exceeds five percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and the NJCMF are excluded from this requirement. None of the investments held by the City are exposed to concentration of credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the City does not have an investment policy regarding Credit Risk; however, the City had no investments that were subject to credit risk as of December 31, 2020. The NJCMF is not rated.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations. However, its practice is to hold investments to maturity.

C. LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City.

Summary of Debt

Issued	2020	2019	2018
General:			
Bonds, Loans and Notes	\$ 12,455,308.16	\$ 13,462,997.09	\$ 12,745,435.99
Less: Reserve for Payment of Debt Service - General Capital	597,236.81	941,361.33	1,543,703.33
Net Debt Issued	11,858,071.35	12,521,635.76	11,201,732.66
Authorized but not Issued			
General:			
Bonds and Notes	966,650.42	466,663.42	2,185,663.42
Bonds and Notes Issued and Authorized but not Issued	\$ 12,824,721.77	\$ 12,988,299.18	\$ 13,387,396.08

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

C. LONG-TERM DEBT (CONTINUED)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.601%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Purposes	\$ 4,881,251.24	\$ 4,881,251.24	\$ -
General	13,421,958.58	597,236.81	12,824,721.77
	<u>\$ 18,303,209.82</u>	<u>\$ 5,478,488.05</u>	<u>\$ 12,824,721.77</u>

Net debt of \$12,824,721.77 divided by the equalized valuation basis per N.J.S.A. 40A:2-2 of \$801,233,304.00 equals 1.601%. A revised annual debt statement should be filed by the Chief Financial Officer.

<u>Equalized Valuation Basis</u>	
2018 Equalized Valuation Basis of Real Property	\$777,032,029.00
2019 Equalized Valuation Basis of Real Property	807,744,909.00
2020 Equalized Valuation Basis of Real Property	818,922,974.00
	<u>\$801,233,304.00</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the City for the last three (3) preceding years.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

Equalized Valuation Basis - December 31, 2019	<u>\$801,233,304.00</u>
3 1/2% of Equalized Valuation Basis	\$ 28,043,165.64
Net Debt	<u>12,824,721.77</u>
Remaining Borrowing Power	<u>\$ 15,218,443.87</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

C. LONG-TERM DEBT (CONTINUED)

At December 31, 2020, the City has authorized but not issued bonds and notes as follows:

General Capital Fund \$966,650.42

General Serial Bonds:

\$2,425,000.00 of 2003 General Improvement Bonds due in annual installments of \$65,000.00 to \$200,000.00 through August 2024, at variable interest rates of 3.00% to 4.00%.	\$ 800,000.00
\$3,335,000.00 of 2010 General Improvement Bonds due in annual installments of \$150,000.00 to \$300,000.00 through March 2024, at variable interest rates of 2.00% to 4.00%.	1,200,000.00
\$4,365,000.00 of 2014 General Improvement Bonds due in annual installments of \$150,000.00 to \$815,000.00 through March 2033, at variable interest rates of 3.00% to 4.00%.	3,315,000.00
\$5,385,000.00 of 2018 General Improvement Bonds due in annual installments of \$195,000.00 to \$385,000.00 through March 2033, at variable interest rates of 3.00% to 5.00%.	<u>4,890,000.00</u>
	<u>\$ 10,205,000.00</u>

Green Acres Trust Loans:

\$220,000.00 of 2017 Green Acres Trust Loan due in semi-annual installments of \$4,640.15 to \$6,772.43 through March 2037, at an interest rate of 2.0%.	\$ 191,453.72
\$67,629.79 of 2017 Green Acres Trust Loan due in semi-annual installments of \$1,426.42 to \$2,081.90 through March 2037, at an interest rate of 2.0%.	<u>58,854.44</u>
	<u>\$ 250,308.16</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

C. LONG-TERM DEBT (CONTINUED)

Schedule of annual debt service for principal and interest for bonded debt issued and outstanding as of December 31, 2020.

Year	Principal	Interest	Total
2021	\$ 1,030,000.00	\$ 352,112.50	\$ 1,382,112.50
2022	1,070,000.00	309,350.00	1,379,350.00
2023	1,090,000.00	263,687.50	1,353,687.50
2024	1,115,000.00	217,712.50	1,332,712.50
2025	630,000.00	177,687.50	807,687.50
2026	635,000.00	154,862.50	789,862.50
2027	650,000.00	135,256.25	785,256.25
2028	660,000.00	114,931.25	774,931.25
2029	660,000.00	94,443.75	754,443.75
2030	660,000.00	73,956.25	733,956.25
2031	660,000.00	53,468.75	713,468.75
2032	660,000.00	32,637.50	692,637.50
2033	685,000.00	11,025.00	673,975.00
	<u>\$ 10,205,000.00</u>	<u>\$ 1,991,131.25</u>	<u>\$ 12,174,081.25</u>

Schedule of annual debt service for green acres loans payable as of December 31, 2020.

Year	Principal	Interest	Total
2021	\$ 12,943.97	\$ 4,941.76	\$ 17,885.73
2022	13,204.14	4,681.59	17,885.73
2023	13,469.55	4,416.19	17,885.74
2024	13,740.29	4,145.45	17,885.74
2025	14,016.46	3,869.27	17,885.73
2026	14,298.20	3,587.54	17,885.74
2027	14,585.59	3,300.15	17,885.74
2028	14,878.76	3,006.97	17,885.73
2029	15,177.83	2,707.91	17,885.74
2030	15,482.91	2,402.83	17,885.74
2031	15,794.11	2,091.63	17,885.74
2032	16,111.57	1,774.16	17,885.73
2033	16,435.40	1,450.33	17,885.73
2034	16,765.76	1,119.97	17,885.73
2035	17,102.75	782.98	17,885.73
2036	17,446.52	439.22	17,885.74
2037	8,854.33	88.54	8,942.87
	<u>\$ 250,308.14</u>	<u>\$ 44,806.49</u>	<u>\$ 295,114.63</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. BOND ANTICIPATION NOTES

In accordance with N.J.S.A. 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

- (1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;
- (2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and
- (3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

The City issued bond anticipation notes to temporarily finance various capital projects prior to the issuance of serial bonds. At December 31, 2020, the City had bond anticipation notes outstanding totaling \$2,000,000.00.

E. FUND BALANCES APPROPRIATED

Current fund balances were appropriated and included as anticipated revenue in the succeeding year's budget for the past five years as follows:

<u>Year</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
December 31, 2020	\$ 735,023.64	\$ 292,810.26
December 31, 2019	845,956.56	400,000.00
December 31, 2018	892,405.32	445,454.00
December 31, 2017	987,832.56	435,454.00
December 31, 2016	996,817.24	465,585.00

F. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The City bills and collects its own property taxes and also taxes residents on behalf of the County and local school district. The collections and remittance of County and school taxes are accounted for in the Current Fund. City property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the City's Current Fund. Taxes collected in advance and recorded as cash liabilities in the financial statements were \$105,642.35 as of December 31, 2020.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. PENSION PLANS

A substantial number of the City's employees participate in the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and Police and Firemen's Retirement System ("PFRS"), which are administered and/or regulated by the State of New Jersey Division of Pensions and Benefits (the "Division of Pension and Benefits"). Both plans have a board of trustees that is primarily responsible for its administration. The Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Plan Descriptions

PERS and PFRS are cost-sharing multiple-employer defined benefit pension plans which were established as of January 1, 1955 and July 1, 1944, respectively. For additional information about PERS and PFRS, please refer to the Division's Comprehensive Annual Financial Report ("CAFR") which can be found at:

<https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Benefits Provided

For PERS, vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

For PFRS, vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation of each year of creditable service, as defined, up to 20 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 50% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving 10 years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions and Special Funding Situation

PERS Contributions - The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. City contributions to PERS amounts to \$114,303 for 2020. The employee contribution rate was 7.50% effective since July 1, 2018.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. PENSION PLANS (CONTINUED)

Contributions and Special Funding Situation (Continued)

PFRS Contributions - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State contributed an amount less than the actuarially determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of fifteen years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. City contributions to PFRS amounted to \$218,992 for 2020. The employee contributions for PFRS is ten percent of employees' annual compensation, as defined.

PFRS Special Funding Situation - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer-specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation. For the special funding situation, the unaudited proportionate share of the net pension liability of the State related to the City for the year ended December 31, 2020, was .019602% and \$393,092. Unaudited State contributions and pension expense for the year ended December 31, 2020, was \$30,248 and \$44,549, respectively.

Net Pension Liability and Pension Expense

At December 31, 2020, the City's proportionate share of the PERS net pension liability is valued to be \$1,703,902. The net pension liability was measured as of plan year ended June 30, 2020. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The City's proportion measured as of June 30, 2020, was .010449%, which was an decrease of .00040% from its proportion measured as of June 30, 2019. The City's PERS pension expense was \$9,915.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. PENSION PLANS (CONTINUED)

Net Pension Liability and Pension Expense (Continued)

At December 31, 2020, the City's proportionate share of the PFRS net pension liability is valued to be \$2,532,885. The net pension liability was measured as of plan year ended June 30, 2020. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the plan year ended June 30, 2020. The City's proportion measured as of June 30, 2020, was .019602%, which was an increase of .00026% from its proportion measured as of June 30, 2019. The City's PFRS pension expense was \$140,175.

Actuarial Assumptions

The collective total pension liability for the plan year ended June 30, 2020, measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

	2020	
	PERS	PFRS
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026 (based on years of service)	2.00%-6.00%	
Thereafter (based on years of service)	3.00%-7.00%	
Through all future years (based on years of service)		3.25%-15.25%
Investment rate of return	7.00%	7.00%

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020. The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

For PFRS, pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020. The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at plan year ended June 30, 2020), is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability for PERS and PFRS was 7.00% as of plan year ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and non-employer contributing entity will be based on 78% of the actuarially determined contribution for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate as disclosed above, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS	<u>\$ 2,161,795.00</u>	<u>\$ 1,703,902.00</u>	<u>\$ 1,340,135.00</u>
PFRS	<u>\$ 3,890,947.67</u>	<u>\$ 2,532,885.00</u>	<u>\$ 2,124,495.85</u>

Deferred Outflows of Resources and Deferred inflows of Resources

The following presents a summary of the collective deferred outflows of resources and deferred inflows of resources for the plan year ended June 30, 2020:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,025	\$ 6,026	\$ 25,536	\$ 9,090
Changes of assumptions	55,277	713,440	6,374	679,051
Net difference between projected and actual investment earnings on pension plan investments	58,241	-	148,515	-
Changes in proportion	99,762	189,747	80,276	33,294
City contributions subsequent to the measurement date	114,303	-	218,992	-
	<u>\$ 358,608</u>	<u>\$ 909,213</u>	<u>\$ 479,693</u>	<u>\$ 721,435</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred inflows of Resources (Continued)

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

Year	PERS	PFRS
2021	\$ (108,106.00)	\$ (146,295.00)
2022	(303,122.00)	(217,441.00)
2023	(186,666.00)	(89,242.00)
2024	(56,248.00)	(9,038.00)
2025	(10,766.00)	1,282.00
	<u>\$ (664,908.00)</u>	<u>\$ (460,734.00)</u>

H. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The City participates in the State Health Benefit Local Government Retired Employees Plan (the "OPEB Plan"), which is a cost sharing multiple-employer defined post-retirement benefit plan administered by the Division of Pension and Benefits. The OPEB Plan provides continued health care benefits to employees retiring after twenty-five years of service. Benefits, contributions, funding and the manner of administration are determined by the State of New Jersey Legislature. The Division of Pensions and Benefits charges the City for its contributions. The total number of retired participants eligible for benefits was 46 at December 31, 2019.

Please refer to the State website, www.state.nj.us for more information regarding the OPEB Plan. The OPEB Plan's financial report may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The GASB Statement No. 75 report of the State Health Benefits Local Government Retired Employees Plan (the "Plan") for the period ended June 30, 2020, was not available as of the date of this report. Per Local Finance Notice 2021-10, issued by the Division of Local Government Services, calendar year municipalities are able to include in their annual audits the most recent audited GASB 75 information published by the Division of Pensions and Benefits. Thus, the City included in the note below their December 31, 2019, disclosures based on the period ended June 30, 2019, audited Plan information.

General Information About the OPEB Plan

The OPEB Plan covers employees of local government employers that have adopted a resolution to participate in the OPEB Plan. The OPEB plan has a special funding situation that is applicable to the City. The City adopted the OPEB plan through City Council resolution. The OPEB Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the OPEB Plan, please refer to the Division's CAFR, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

H. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information About the OPEB Plan (Continued)

The OPEB Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division of Pension and Benefits. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission.

Chapter 48 allows local employers to establish their own age and service eligibility for employer-paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a state or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer-paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide post-retirement medical coverage. Local employers were required to file a resolution with the Division of Pension and Benefits in order for their employees to qualify for state-paid retiree health benefits coverage under Chapter 330. The City adopted this by resolution.

Pursuant to Chapter 78, P.L., 2011, future retirees eligible for post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Allocation Methodology

GASB 75 requires participating employers in the OPEB Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the OPEB Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the OPEB Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The City was not a special funding situation entity.

Net OPEB Liability

The City's contribution to the OPEB Plan for the year ended December 31, 2019, was \$444,981.81. The City's unaudited portion of the non-special funding contributing entities' total proportionate share of the collective net OPEB liability as of December 31, 2019, is 0.041133% resulting in a net OPEB liability of \$5,571,905.00. The components of the City's net OPEB liability as of June 30, 2019, are as follows:

	June 30, 2019
Total OPEB liability	\$ 5,684,305
Plan Fiduciary Net Position	112,400
Net OPEB Liability	<u>\$ 5,571,905</u>
Plan Fiduciary Net Position as a % of total OPEB liability	1.98%

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions

The total OPEB liability as of June 30, 2019, was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%
Salary increases*	
PERS	
Initial fiscal year applied	
Through 2026	2.00 - 6.00%
Thereafter	3.00 - 7.00%
PFRS	
Rate for all future years	3.25 - 15.25%

Mortality:

PERS

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

PFRS

Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

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

Actuarial assumptions used in the July 1, 2018, valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

One hundred percent of active members are considered to participate in the OPEB Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Discount Rate

The discount rate for June 30, 2019, was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

At June 30, 2019		
At 1% Decrease (2.50%)	At Current Discount Rate (3.50%)	At 1% Increase (4.50%)
\$ 6,442,540	\$ 5,571,905	\$ 4,864,400

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

At June 30, 2019		
At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
\$ 4,702,002	\$ 5,571,905	\$ 6,681,614

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,629,442
Changes in assumptions	-	1,974,559
Net difference between projected and actual investment earnings on pension plan investments	4,590	-
Changes in proportion	593,586	2,005,606
	<u>\$ 598,176</u>	<u>\$ 5,609,607</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending	Amount
2020	\$ (716,535)
2021	(575,799)
2022	(576,182)
2023	(576,872)
2024	(577,214)
Thereafter	(576,809)
	<u>\$ (3,599,411)</u>

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts will be recognized (amortized) by the City over the average remaining service lives of all plan members, which are 8.04, 8.14, and 8.05 years, respectively

I. LITIGATION

The City Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the City's insurance carrier, or would have a material financial impact on the City.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

J. COMPENSATED ABSENCES

The City has permitted contractual employees to accrue unused sick pay, which may be taken as time off, or paid upon retirement, up to a maximum payment of \$20,000 and for officers hired after September 1, 1999, a maximum payment of \$15,000. For non-contractual employees hired prior to January 1, 1996, the maximum payment is \$15,000. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements but is estimated to be material. The City annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2020.

K. CONTINGENT LIABILITIES

The City participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs would be discussed in detail in the supplementary information section of the audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2020, the City does not believe that any material liabilities will result from such audits.

L. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss through the Municipal Excess Liability Joint Insurance Fund. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State. The following table is a summary of City contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the City's trust fund for the current and previous two years:

Year	City and Employee Contributions	Amount Reimbursed	Ending Balance
2020	\$ 4,055.19	\$ 846.54	\$ 64,356.03
2019	3,491.15	169.31	61,147.38
2018	3,801.45	3,955.86	57,825.54

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2020:

Fund	Interfunds Receivable	Interfunds Payable
Current	\$ -	\$ 25,991.33
Grant	25,991.33	-
	<u>\$ 25,991.33</u>	<u>\$ 25,991.33</u>

All interfund balances resulted from the time lag between the dates that payments between funds are made.

N. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the following deferred charge for overexpenditure of appropriations is shown on the current fund comparative statements of assets, liabilities, reserves, and fund balance.

Type	Balance December 31, 2020	2021 Budget Appropriation	Balance to Succeeding Budgets
Current Fund Overexpenditure	\$ 8,003.97	\$ -	\$ 8,003.97
Special Emergency N.J.S.A. 40A:4-53 Operating Deficit	395,000.00	-	395,000.00
Special Emergency N.J.S.A. 40A:4-53 Appropriations	43,000.00	-	43,000.00

In line with local finance notice and Division of Local Government Services, Department of Community Affairs, State of New Jersey, 1/5 of the special emergency amounts will be provided for in the budget over 5 years starting in 2022. See subsequent event note Q for additional detail about partial cancellation of the special emergency amounts approved after December 31, 2020 year end.

O. TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2020. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

P. COVID-19 IMPACT

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the City operates. Due to the impact of New Jersey Governor Murphy's Executive Order No. 107 dated March 21, 2020, mandating statewide stay-at-home practices and closure of all non-essential retail businesses, it is reasonably possible that revenues will decline significantly. It is unknown how long these conditions will last and what the complete financial effect will be to the City.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

Q. SUBSEQUENT EVENTS

On February 22, 2021, City Council approved resolution 38-2021 for the cancellation of special emergency appropriations related to the COVID-19 pandemic. Specifically, \$17,155 of the \$395,000 revenue deficit portion of the special emergency and \$20,507 of the \$43,000 emergency appropriation was cancelled.

In May 2021, the City issued \$3,770,000 Bond Anticipation Notes maturing on April 14, 2022, bearing an interest rate of .31%.

The American Rescue Plan Act of 2021 was signed on March 11, 2021, and authorized federal funding to provide direct financial relief funds to the public in response to COVID-19. Included in the plan was \$130 billion in emergency funding for local government entities. Of the funding provided for local governments in the State of New Jersey, \$397,845 was allocated to the City, split between 2021 and 2022. In 2021, the City received \$198,923 of the funds noted.

SUPPLEMENTAL SCHEDULES

CURRENT FUND

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Ref.	Current Fund	Grant Fund
Balance December 31, 2019		\$ 1,174,464.93	\$ -
Increased by Receipts:			
Taxes Collections	A-5	\$ 17,851,691.79	\$ -
Miscellaneous Reserves	A-11	13,030.86	-
Revenue Accounts Receivable	A-12	2,082,952.48	-
Petty Cash Funds	A-13	700.00	-
Grants Receivable	A-15	-	31,236.26
Miscellaneous Revenues not Anticipated	A-2, A-2A	12,740.49	-
Appropriation Refunds	A-3	4,037.77	-
Interfunds	A-6, A-25	2,720,252.96	657,855.27
		<u>22,685,406.35</u>	<u>689,091.53</u>
		23,859,871.28	689,091.53
Decreased by Disbursements:			
2020 Appropriations	A-3	5,612,675.75	-
2019 Appropriation Reserve	A-23	68,978.03	-
Miscellaneous Reserves	A-11	103,489.07	-
Petty Cash Funds	A-13	700.00	-
County Taxes	A-17	2,812,687.92	-
Municipal Open Space Taxes	A-19	79,533.80	-
Regional High School Taxes	A-22	10,453,049.00	-
Fire District Taxes Payable	A-24	1,184,569.00	-
Tax Overpayment	A-21	59,560.71	-
Interfunds	A-6, A-25	2,783,207.85	658,794.96
Reserve for Federal and State Grants Appropriated	A-6, A-16	-	30,296.57
		<u>23,158,451.13</u>	<u>689,091.53</u>
Balance December 31, 2020	A	<u>\$ 701,420.15</u>	<u>\$ -</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF CASH - COLLECTOR**

	<u>Ref.</u>		
Balance December 31, 2019			\$ -
Increased by Receipts:			
Interest and Costs on Taxes	A-12	\$ 46,352.06	
Miscellaneous	A-2A	1,640.76	
Property Taxes Receivable	A-9	17,528,860.98	
Tax Overpayments	A-21	50,316.89	
State of New Jersey - Senior Citizens' and Veterans' Deductions	A-8	22,950.00	
Prepaid Property Taxes	A-18	105,642.35	
Miscellaneous Reserves	A-11	<u>95,928.75</u>	
			17,851,691.79
Decreased by Disbursements:			
Transfers to Treasurer	A-4	<u>17,851,691.79</u>	
			<u>17,851,691.79</u>
Balance December 31, 2020			<u><u>\$ -</u></u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF INTERFUNDS

	Ref.	Total	Grant Fund	Animal Control Trust Fund	Other Trust Fund	General Capital Fund
Balance December 31, 2019						
Due from/(to)		\$ (76,382.88)	\$ (25,051.64)	\$ 715.41	\$ (57,612.91)	\$ 5,566.26
Cash Receipts	A-4	2,720,252.96	658,794.96	3,968.00	193,094.48	1,864,395.52
Cash Disbursements	A-4	<u>2,783,207.85</u>	<u>657,855.27</u>	<u>4,683.41</u>	<u>250,707.39</u>	<u>1,869,961.78</u>
Balance December 31, 2020						
Due to		<u>\$ (25,991.33)</u>	<u>\$ (25,991.33)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF CHANGE FUNDS**

	<u>Ref.</u>	
Balance December 31, 2019	A	\$ 300.00
Balance December 31, 2020	A	<u>\$ 300.00</u>

ANALYSIS OF BALANCE

Tax Collector	\$ 200.00
Municipal Court	50.00
Municipal Clerk	50.00
	<u>\$ 300.00</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY - SENIOR
CITIZENS' AND VETERANS' DEDUCTIONS

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 949.16
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$ 4,000.00	
Veterans		19,250.00	
Allowed by Collector		<u>500.00</u>	
			23,750.00
Decreased by:			
Deductions per Tax Duplicate:			
Received in Cash from State	A-5	22,950.00	
Disallowed by Collector		<u>1,500.00</u>	
			<u>24,450.00</u>
Balance December 31, 2020	A		<u>\$ 249.16</u>

Summary of 2020 Exemptions

	<u>Ref.</u>		
Senior Citizens' and Veterans' Exemptions per Tax Billings		\$ 23,250.00	
Senior Citizens' and Veterans' Exemptions Allowed by Tax Collector		<u>500.00</u>	
			\$ 23,750.00
Senior Citizens' and Veterans' Exemptions Disallowed by Tax Collector			<u>1,500.00</u>
Total per Tax Billings	A-9		<u>\$ 22,250.00</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

	Balance		Collected in Cash		Transferred to Tax Title Liens	Adjusted/ Canceled	Balance December 31, 2020
	December 31, 2019	2020 Levy	2019	2020			
2019	\$ 171,103.54	\$ -	\$ -	\$ 171,103.54	\$ -	\$ -	\$ -
	171,103.54	-	-	171,103.54	-	-	-
2020	-	17,667,273.79	123,216.53	17,380,007.44	8,255.45	(80.52)	155,874.89
	<u>\$ 171,103.54</u>	<u>\$ 17,667,273.79</u>	<u>\$ 123,216.53</u>	<u>\$ 17,551,110.98</u>	<u>\$ 8,255.45</u>	<u>\$ (80.52)</u>	<u>\$ 155,874.89</u>
Ref.	A		A-18		A-10		A

	Ref.	
Collector	A-5	\$ 17,528,860.98
State of New Jersey	A-8	22,250.00
		<u>\$ 17,551,110.98</u>

Analysis of 2020 Property Tax Levy

Tax Yield:		
General Purpose		\$ 16,473,693.38
Fire District Tax		1,184,569.00
Added / Omitted Taxes		9,011.41
		<u>\$ 17,667,273.79</u>
Tax Levy:		
Regional School District Tax	A-1, A-23	\$ 10,453,049.00
County Taxes:		
County Tax		\$ 2,563,093.48
County Open Space Preservation		244,787.07
Due County for Added and Omitted Taxes		4,807.37
Total County Tax	A-1, A-17	2,812,687.92
Special (Fire) District Tax	A-1, A-24	1,184,569.00
Local Tax for Municipal Purposes	A-2	2,863,982.00
Local Library Tax	A-2	269,248.03
Municipal Open Space Tax	A-19	79,533.80
Add: Additional Taxes Levied		4,204.04
		<u>4,401,536.87</u>
		<u>\$ 17,667,273.79</u>

**CITY OF LAMBERTVILLE
 COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
 SCHEDULE OF TAX TITLE LIENS**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 148,714.51
Increased by:			
Transfers from Taxes Receivable	A-9	<u>\$ 8,255.45</u>	<u>8,255.45</u>
Balance December 31, 2020	A		<u><u>\$ 156,969.96</u></u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF MISCELLANEOUS RESERVE**

		Balance December 31, 2019	Cash Receipts	Cash Disbursements	Balance December 31, 2020
Due to/(from) State of New Jersey:					
Marriage/Domestic Partnership Licenses		\$ (1,575.00)	\$ 2,475.00	\$ 750.00	\$ 150.00
Construction Code State Training Fees		5,232.01	10,550.86	6,790.32	8,992.55
Burial Permit Fees		(5.00)	5.00	20.00	(20.00)
Outside Liens		-	90,886.91	90,886.91	-
Due to/(from) LSA		-	5,041.84	5,041.84	-
Subtotal		<u>\$ 3,652.01</u>	<u>\$ 108,959.61</u>	<u>\$ 103,489.07</u>	<u>\$ 9,122.55</u>
	<u>Ref.</u>	A		A-4	A
Tax Collector	A-5		\$ 95,928.75		
Treasurer	A-4		13,030.86		
			<u>\$ 108,959.61</u>		

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Ref.	Balance December 31, 2019	Accrued in 2020	Collected by:		Balance December 31, 2020
				Collector	Treasurer	
Clerk:						
Licenses:						
Alcoholic Beverages	A-2	\$ -	\$ 23,508.00	\$ -	\$ 23,508.00	\$ -
Other	A-2	682.00	16,295.00	-	16,041.00	936.00
Fees & Permits	A-2	10,192.00	57,762.00	-	65,128.50	2,825.50
Municipal Court:						
Fines and Costs	A-2	23,497.62	98,565.86	-	111,220.56	10,842.92
Fire Safety:						
Fees & Permits	A-2	-	8,860.47	-	8,590.47	270.00
Police:						
Fees & Permits	A-2	-	7,537.73	-	6,819.73	718.00
Interest and Costs on Taxes	A-2	-	46,352.06	46,352.06	-	-
Parking Meters	A-2	-	269,100.55	-	269,100.55	-
Consolidated Municipal Property Tax Relief Act	A-2	-	41,006.00	-	41,006.00	-
Energy Receipts Tax	A-2	-	374,064.01	-	374,064.01	-
Construction Code Official:						
Fees & Permits	A-2	10,398.70	256,209.90	-	261,451.70	5,156.90
Interlocal Agreement - Frenchtown	A-2	-	2,250.00	-	2,250.00	-
Licenses - Alcoholic Beverage Additional	A-2	-	4,368.00	-	4,368.00	-
Uniform Fire Safety Act	A-2	-	17,654.59	-	17,654.59	-
Cable TV - Gross Revenue Franchise Fee	A-2	-	19,647.71	-	19,647.71	-
Reserve for Debt Service	A-2	-	487,167.00	-	487,167.00	-
Payment in Lieu of Taxes:						
South Hunterdon Apartments	A-2	-	43,100.00	-	43,100.00	-
Econo Tech	A-2	-	11,927.45	-	11,927.45	-
Community Investment Strategy	A-2	-	52,000.00	-	52,000.00	-
Reserve for Open Space	A-2	-	56,000.00	-	56,000.00	-
Hotel and Motel Occupancy Fees	A-2	-	79,907.21	-	79,907.21	-
Contribution from MJA	A-2	-	72,000.00	-	72,000.00	-
Reimbursement of Costs - Library	A-2	-	60,000.00	-	60,000.00	-
Subtotal		<u>\$ 44,770.32</u>	<u>\$ 2,105,283.54</u>	<u>\$ 46,352.06</u>	<u>\$ 2,082,952.48</u>	<u>\$ 20,749.32</u>
	Ref.	A		A-5	A-4	A

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF PETTY CASH**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 0.19
Increased by:			
Cash Disbursements	A-4	<u>\$ 700.00</u>	700.00
Decreased by:			
Cash Receipts	A-4	<u>700.00</u>	<u>700.00</u>
Balance December 31, 2020	A		<u><u>\$ 0.19</u></u>

**CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 64,208.23
Increased by:			
Transferred from 2020 Appropriations	A-3	<u>\$ 88,598.72</u>	88,598.72
Decreased by:			
Disbursed or Lapsed 2019 Appropriations		<u>64,208.23</u>	<u>64,208.23</u>
Balance December 31, 2020	A, A-3		<u><u>\$ 88,598.72</u></u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF GRANTS RECEIVABLE - GRANT FUND**

	Balance December 31, 2019	Transferred from 2020 Budget Appropriation	Cash Receipts	Unappropriated Reserves Recognized	Balance December 31, 2020	Unappropriated Grants
Drunk Driving Enforcement Fund	\$ -	\$ 3,135.00	\$ 3,135.00	\$ -	\$ -	\$ -
Clean Communities Program	-	9,279.30	9,279.30	-	-	-
Recycling Tonnage Grant	-	6,050.96	7,570.96	-	-	1,520.00
Small Cities CDBG	227,628.00	-	-	-	227,628.00	-
Body Armor Grant	1,339.35	-	1,339.35	-	-	-
Stay Sober Grant	-	1,320.00	-	-	1,320.00	-
Distracted Driving Grant	-	1,000.00	1,000.00	-	-	-
Sustainable Jersey Small Grant	10,000.00	-	-	-	10,000.00	-
NJ Historic Trust - Holcombe House	76,119.00	-	-	-	76,119.00	-
Lower Delaware Wild & Scenic Grant	850.00	-	500.00	-	350.00	-
Green Communities Program	3,000.00	-	-	-	3,000.00	-
ANJEC - Open Space Stewardship Grant	810.00	-	-	-	810.00	-
FEMA - Swan Creek Embankment Erosion Mitigation	-	460,000.00	-	-	460,000.00	-
Local Efficiency Achievement Program	-	75,000.00	14,462.61	-	60,537.39	-
Subtotal	\$ 319,746.35	\$ 555,785.26	\$ 37,287.22	\$ -	\$ 839,764.39	\$ 1,520.00
	Ref. A	A-16			A	A
Cash Received	A-4		\$ 31,236.26			
Prior Year Unappropriated Reserve			6,050.96			
			<u>\$ 37,287.22</u>			

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF RESERVES FOR GRANTS-APPROPRIATED - GRANT FUND**

	Balance December 31, 2019	Transferred from 2020 Budget Appropriation	Paid or Charged	Transferred from Encumbrances Payable	Balance December 31, 2020
Drunk Driving Enforcement Fund	\$ 15,681.95	\$ 3,135.00	\$ 652.90	\$ -	\$ 18,164.05
Alcohol Education, Rehabilitation and Enforcement Fund	9,117.11	-	867.00	-	8,250.11
Clean Communities Program	7,345.76	9,279.30	7,200.78	-	9,424.28
Recycling Tonnage Grant	782.98	6,050.96	6,738.37	-	95.57
Small Cities CDBG	206,151.08	-	-	-	206,151.08
Body Armor Grant	4,081.42	-	-	-	4,081.42
Stay Sober Grant	5,445.00	1,320.00	3,135.00	-	3,630.00
Click It or Ticket	500.00	-	-	-	500.00
Distracted Driving Grant	-	1,000.00	1,000.00	-	-
Sustainable Jersey Small Grant	5,199.00	-	208.30	4,850.00	9,840.70
NJ Historic Trust - Holcombe House	76,119.00	-	-	-	76,119.00
Lower Delaware Wild & Scenic Grant	277.27	-	-	-	277.27
Green Communities Program	3,000.00	-	-	-	3,000.00
ANJEC - Open Space Stewardship Grant	196.46	-	-	-	196.46
FEMA - Swan Creek Embankment Erosion Mitigation	-	460,000.00	3,318.22	-	456,681.78
Local Efficiency Achievement Program	-	75,000.00	7,176.00	-	67,824.00
Subtotal	\$ 333,897.03	\$ 555,785.26	\$ 30,296.57	\$ 4,850.00	\$ 864,235.72
Ref.	A	A-15	A-4	A-20	A

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ -
Increased by:			
2020 Tax Levy		\$ 2,807,880.55	
Added and Omitted Taxes		<u>4,807.37</u>	
	A-1, A-9		2,812,687.92
Decreased by:			
Cash Disbursements	A-4	<u>2,812,687.92</u>	
			<u>2,812,687.92</u>
Balance December 31, 2020	A		<u><u>\$ -</u></u>

**CURRENT FUND
SCHEDULE OF PREPAID TAXES**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 123,216.53
Increased by:			
Collection of 2021 Taxes	A-5	<u>\$ 105,642.35</u>	
			105,642.35
Decreased by:			
Applied to 2020 Taxes Receivable	A-9	<u>123,216.53</u>	
			<u>123,216.53</u>
Balance December 31, 2020	A		<u><u>\$ 105,642.35</u></u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ -
Increased by:			
2020 Tax Levy	A-1, A-9	<u>\$ 79,533.80</u>	79,533.80
Decreased by:			
Cash Disbursements	A-4	<u>79,533.80</u>	<u>79,533.80</u>
Balance December 31, 2020	A		<u><u>\$ -</u></u>

A-20

**CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE - GRANT FUND**

	<u>Ref.</u>		
Balance December 31, 2019	A, A-16		\$ 4,850.00
Decreased by:			
Transferred to Reserve	A-16	<u>\$ 4,850.00</u>	<u>4,850.00</u>
Balance December 31, 2020	A, A-16		<u><u>\$ -</u></u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 11,380.46
Increased by:			
Cash Receipts	A-5	<u>\$ 50,316.89</u>	50,316.89
Decreased by:			
Cash Disbursements	A-4	59,560.71	
Canceled	A-1	<u>1,937.01</u>	
			<u>61,497.72</u>
Balance December 31, 2020	A		<u>\$ 199.63</u>

**CITY OF LAMBERTVILLE
 COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
 SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ -
Increased by:			
2020 Tax Levy	A-1, A-9	<u>\$ 10,453,049.00</u>	10,453,049.00
Decreased by:			
Cash Disbursements	A-4	<u>10,453,049.00</u>	<u>10,453,049.00</u>
Balance December 31, 2020	A		<u><u>\$ -</u></u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES**

	December 31, 2019		Balance After Transfer	Paid or Charged	Balance Lapsed
	Reserve for Encumbrances	Appropriation Reserve			
<u>OPERATIONS WITHIN "CAPS"</u>					
General Administration:					
Salaries and Wages	\$ -	\$ 3.92	\$ 3.92	\$ -	\$ 3.92
Mayor and Council:					
Salaries and Wages	-	50.00	50.00	-	50.00
Other Expenses	1,500.00	0.88	1,500.88	-	1,500.88
Municipal Clerk:					
Salaries and Wages	-	1.23	1.23	-	1.23
Other Expenses	14,558.04	1,779.92	16,337.96	12,459.25	3,878.71
Financial Administration:					
Salaries and Wages	-	0.77	0.77	-	0.77
Other Expenses	372.88	-	372.88	304.38	68.50
Tax Assessor:					
Salaries and Wages	-	0.30	0.30	-	0.30
Other Expenses	-	0.63	0.63	-	0.63
Tax Collector:					
Salaries and Wages	-	56.45	56.45	-	56.45
Other Expenses	-	25.80	25.80	-	25.80
City Attorney:					
Other Expenses	3,167.10	144.01	3,311.11	3,167.10	144.01
Municipal Prosecutor:					
Other Expenses	2,876.30	2,000.53	4,876.83	1,876.30	3,000.53
Municipal Court:					
Salaries and Wages	-	8.45	8.45	-	8.45
Other Expenses	200.00	-	200.00	200.00	-
Police:					
Salaries and Wages	-	3.29	3.29	-	3.29
Other Expenses	3,248.36	122.07	3,370.43	3,267.67	102.76
Dog Regulation:					
Other Expenses	-	6.50	6.50	-	6.50

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES (CONTINUED)**

	December 31, 2019		Balance After Transfer	Paid or Charged	Balance Lapsed
	Reserve for Encumbrances	Appropriation Reserve			
Public Works:					
Salaries and Wages	-	98.00	98.00	-	98.00
Other Expenses	520.86	471.18	992.04	925.86	66.18
Solid Waste Collection:					
Salaries and Wages	-	1.47	1.47	-	1.47
Other Expenses	1,958.02	14,505.56	16,463.58	13,067.77	3,395.81
Street Lighting:					
Other Expenses	90.54	157.09	247.63	78.80	168.83
Buildings and Grounds:					
Other Expenses	2,705.00	60.77	2,765.77	2,705.00	60.77
Snow Removal:					
Salaries and Wages	-	17.48	17.48	-	17.48
Municipal Land Use Law - Planning Board:					
Salaries and Wages	-	2.30	2.30	-	2.30
Other Expenses	-	55.03	55.03	-	55.03
Master Plan	1,040.56	74.41	1,114.97	-	1,114.97
Zoning Board of Adjustment:					
Salaries and Wages	-	27.13	27.13	-	27.13
Other Expenses	-	98.33	98.33	-	98.33
Uniform Fire Safety Act - Fire Inspection Official:					
Salaries and Wages	-	0.82	0.82	-	0.82
Other Expenses	-	28.86	28.86	-	28.86
Administration of Public Assistance:					
Salaries and Wages	-	0.65	0.65	-	0.65
Other Expenses	-	49.32	49.32	-	49.32
Public Events, Anniversary or Holiday:					
Other Expenses	2,940.00	1,442.27	4,382.27	1,940.40	2,441.87
Contribution to Lambertville Senior Citizen Center:					
Other Expenses	-	500.00	500.00	-	500.00
Historic Preservation:					
Salaries and Wages	-	5.95	5.95	-	5.95
Other Expenses	-	45.65	45.65	-	45.65

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES (CONTINUED)**

	December 31, 2019				
	Reserve for Encumbrances	Appropriation Reserve	Balance After Transfer	Paid or Charged	Balance Lapsed
Insurance:					
Group Insurance Plan	-	5,012.70	5,012.70	-	5,012.70
Other Insurance Premiums	-	1.00	1.00	-	1.00
Group Insurance Plan - Health Benefit Waivers	-	48.99	48.99	-	48.99
State Uniform Construction Code - Construction Official:					
Salaries and Wages	-	18.24	18.24	-	18.24
Other Expenses	-	235.43	235.43	-	235.43
Unclassified:					
Utilities	4,584.81	6,513.76	11,098.57	1,983.87	9,114.70
Total Operations Including Contingent Within "CAPS"	39,762.47	33,677.14	73,439.61	41,976.40	31,463.21
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures - Contribution to:					
Public Employees' Retirement System	-	2.00	2.00	-	2.00
Police & Firemen's Retirement System	-	2.00	2.00	-	2.00
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	-	4.00	4.00	-	4.00
Total General Appropriations for Municipal Purposes Within "CAPS"	39,762.47	33,681.14	73,443.61	41,976.40	31,467.21
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	24,445.76	-	24,445.76	24,445.76	-
Interlocal Municipal Service Agreements:					
Borough of Frenchtown					
Construction Code Official - Salaries & Wages	-	8,525.00	8,525.00	-	8,525.00
Construction Code Official - Other Expenses	-	4,807.12	4,807.12	2,555.87	2,251.25
Borough of Frenchtown					
Zoning - Salaries & Wages	-	20.22	20.22	-	20.22
Total Other Operations - Excluded from "CAPS"	24,445.76	13,352.34	37,798.10	27,001.63	10,796.47
Total General Appropriations	\$ 64,208.23	\$ 47,033.48	\$ 111,241.71	\$ 68,978.03	\$ 42,263.68
Ref.	A	A		A-4	A-1

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ -
Increased by:			
2020 Tax Levy	A-1, A-9	<u>\$ 1,184,569.00</u>	1,184,569.00
Decreased by:			
Cash Disbursements	A-4	<u>1,184,569.00</u>	<u>1,184,569.00</u>
Balance December 31, 2020	A		<u>\$ -</u>

**CURRENT FUND
SCHEDULE OF INTERFUNDS - GRANT FUND**

	<u>Ref.</u>	<u>Total</u>
Balance December 31, 2019		
Due from/(to)	A	\$ 25,051.64
Cash Receipts	A-4	658,794.96
Cash Disbursements	A-4	<u>657,855.27</u>
Balance December 31, 2020		
Due from/(to)	A	<u>\$ 25,991.33</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF DEFERRED CHARGES**

	Balance December 31, 2019	Added in 2020	Appropriations Raised	Balance December 31, 2020
Overexpenditure of Appropriations	\$ 1,176.03	\$ 8,003.97	\$ 1,176.03	\$ 8,003.97
Special Emergency for Anticipated Revenue Deficit	-	395,000.00	-	395,000.00
Special Emergency for COVID-19	-	43,000.00	-	43,000.00
Overexpenditure of Trust Funds	3,119.83	-	3,119.83	-
Balance December 31, 2020	<u>\$ 4,295.86</u>	<u>\$ 446,003.97</u>	<u>\$ 4,295.86</u>	<u>\$ 446,003.97</u>
<u>Ref.</u>	A			A

TRUST FUND

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

TRUST FUND
SCHEDULE OF CASH – TREASURER

	Ref.	Animal Control	Other
Balance December 31, 2019	B	\$ 714.21	\$ 963,407.46
Increased by:			
Reserve for:			
Municipal Open Space Tax	B-3	-	79,950.86
CDBG Rehabilitation Loan - Brewery	B-4	-	476.05
State Unemployment Insurance	B-5	-	4,055.19
Tax Sale Premiums	B-6	-	190,225.14
Other Federal Programs	B-7	-	8,806.90
Performance Deposits	B-9	-	61,505.07
CDBG Rehabilitation Loan Repayment	B-10	-	42,640.22
Miscellaneous Trust Deposits	B-11	-	35,254.27
Animal Control Trust		53.70	-
Payroll Agency	B-13	-	2,433,983.93
C.O.A.H.	B-14	-	65,687.70
Purchase Orders	B-15	429.00	-
Animal Control Fees	B-17	4,362.00	-
Overexpenditure of Trust Reserve	B-19	2,893.20	-
Interfunds	B-18, B-8	3,986.19	250,870.00
		<u>11,724.09</u>	<u>3,173,455.33</u>
		<u>12,438.30</u>	<u>4,136,862.79</u>
Decreased by:			
Reserve for:			
Municipal Open Space Tax	B-3	-	138,552.00
State Unemployment Insurance	B-5	-	846.54
Tax Sale Premiums	B-6	-	68,263.33
Other Federal Programs	B-7	-	788.83
Performance Deposits	B-9	-	64,764.66
Miscellaneous Trust Deposits	B-11	-	57,458.97
Payroll Agency	B-13	-	2,415,673.50
C.O.A.H.	B-14	-	19,379.38
Reserve for Encumbrances	B-15	2,892.00	186.00
Expenditures Under R.S. 4:19-15.11	B-17	4,315.20	-
Interfunds	B-18, B-8	4,701.60	193,257.09
		<u>11,908.80</u>	<u>2,959,170.30</u>
Balance December 31, 2020	B	\$ 529.50	\$ 1,177,692.49

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TAX**

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 76,729.77
Increased by:			
Cash Receipts	B-2	\$ 79,950.86	
Encumbrances Payable	B-16	<u>10,090.25</u>	
			90,041.11
Decreased by:			
Cash Disbursements	B-2	<u>138,552.00</u>	
			<u>138,552.00</u>
Balance December 31, 2020	B		<u>\$ 28,218.88</u>

**TRUST FUND
SCHEDULE OF RESERVE FOR CDBG REHABILITATION LOAN REPAYMENT - BREWERY**

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 99,737.28
Increased by:			
Cash Receipts	B-2	<u>\$ 476.05</u>	
			<u>476.05</u>
Balance December 31, 2020	B		<u>\$ 100,213.33</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUND
SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE**

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 61,147.38
Increased by:			
Cash Receipts	B-2	<u>\$ 4,055.19</u>	65,202.57
Decreased by:			
Cash Disbursements	B-2	<u>846.54</u>	<u>846.54</u>
Balance December 31, 2020	B		<u>\$ 64,356.03</u>

B-6

**TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS**

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 105,680.22
Increased by:			
Cash Receipts	B-2	<u>\$ 190,225.14</u>	190,225.14
Decreased by:			
Cash Disbursements	B-2	<u>68,263.33</u>	<u>68,263.33</u>
Balance December 31, 2020	B		<u>\$ 227,642.03</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUND
SCHEDULE OF RESERVE FOR OTHER FEDERAL PROGRAMS**

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 56,534.42
Increased by:			
Cash Receipts	B-2	\$ 8,688.90	
Encumbrances Payable	B-16	<u>118.00</u>	
			8,806.90
Decreased by:			
Cash Disbursements	B-2	<u>788.83</u>	
			<u>788.83</u>
Balance December 31, 2020	B		<u>\$ 64,552.49</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUND
SCHEDULE OF INTERFUNDS**

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>
Balance December 31, 2019 Due from/(to)	B	\$ 57,612.91	\$ 57,612.91
Cash Receipts	B-2	250,870.00	250,870.00
Cash Disbursements	B-2	<u>193,257.09</u>	<u>193,257.09</u>
Balance December 31, 2020 Due from/(to)	B	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR PERFORMANCE DEPOSITS

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 175,738.04
Increased by:			
Cash Receipts	B-2	\$ 61,437.07	
Encumbrances Payable	B-16	<u>68.00</u>	
			61,505.07
Decreased by:			
Cash Disbursements	B-2	<u>64,764.66</u>	
			<u>64,764.66</u>
Balance December 31, 2020	B		<u>\$ 172,478.45</u>

TRUST FUND
SCHEDULE OF RESERVE FOR CDBG REHABILITATION LOAN REPAYMENT

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 224,218.83
Increased by:			
Cash Receipts	B-2	\$ 42,640.22	
Encumbrances Payable	B-16	<u>5,301.22</u>	
			<u>47,941.44</u>
Balance December 31, 2020	B		<u>\$ 272,160.27</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUND
SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS**

<u>Account</u>	<u>Balance December 31, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance December 31, 2020</u>
Police Donations	\$ 1,552.86	\$ 400.00	\$ -	\$ 1,952.86
Recreation	10,236.25	797.67	79.80	10,954.12
Parking Offense Adjudication Act	5,757.68	624.00	2,036.00	4,345.68
Recycling	33.20	-	-	33.20
Office of Emergency Management Donations	475.53	-	-	475.53
Public Defender Fees	-	706.00	-	706.00
Police Outside Overtime	84,460.67	32,726.60	53,361.04	63,826.23
Antique Meter Sleeves	395.00	-	-	395.00
Halloween	543.97	-	-	543.97
Memorial Garden	29,124.01	-	1,982.13	27,141.88
Tree Planting Donations	4,350.00	-	-	4,350.00
Shade Tree Donations	5,528.15	-	-	5,528.15
Community Development Block Grant	3,491.82	-	-	3,491.82
	<u>\$ 145,949.14</u>	<u>\$ 35,254.27</u>	<u>\$ 57,458.97</u>	<u>\$ 123,744.44</u>
<u>Ref.</u>	<u>B</u>	<u>B-2</u>	<u>B-2</u>	<u>B</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUND
SCHEDULE OF RESERVE FOR UDAG LOAN REPAYMENT**

	<u>Ref.</u>	
Balance December 31, 2019	B	<u>\$ 1.18</u>
Balance December 31, 2020	B	<u>\$ 1.18</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

TRUST FUND
SCHEDULE OF RESERVE FOR PAYROLL AGENCY

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ (226.63)
Increased by:			
Cash Receipts	B-2	<u>\$ 2,433,983.93</u>	2,433,983.93
Decreased by:			
Cash Disbursements	B-2	<u>2,415,673.50</u>	<u>2,415,673.50</u>
Balance December 31, 2020	B		<u>\$ 18,083.80</u>

TRUST FUND
SCHEDULE OF RESERVE FOR C.O.A.H.

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 59,958.16
Increased by:			
Cash Receipts	B-2	<u>\$ 65,687.70</u>	65,687.70
Decreased by:			
Cash Disbursements	B-2	<u>19,379.38</u>	<u>19,379.38</u>
Balance December 31, 2020	B		<u>\$ 106,266.48</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUND
SCHEDULE OF ENCUMBRANCES PAYABLE - ANIMAL CONTROL TRUST FUND**

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 2,892.00
Increased by:			
Purchase Orders		<u>\$ 429.00</u>	<u>429.00</u>
Decreased by:			
Cash Disbursements	B-2	<u>2,892.00</u>	<u>2,892.00</u>
Balance December 31, 2020	B		<u><u>\$ 429.00</u></u>

**TRUST FUND
SCHEDULE OF ENCUMBRANCES PAYABLE - TRUST OTHER**

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 15,577.47
Decreased by:			
Transfer from Reserve for:			
Open Space	B-3	\$ 10,090.25	
CDBG Loan Rehabilitation Repayment	B-10	5,301.22	
Trust Other	B-9	68.00	
Other Federal Programs	B-7	<u>118.00</u>	
			<u>15,577.47</u>
Balance December 31, 2020	B		<u><u>\$ -</u></u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ -
Increased by:			
License Fees	B-2	<u>\$ 4,362.00</u>	4,362.00
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	B-2	<u>4,308.30</u>	<u>4,308.30</u>
Balance December 31, 2020	B		<u><u>\$ 53.70</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2018	<u>\$ 6,188.50</u>
2019	<u>6,180.00</u>
	<u><u>\$ 12,368.50</u></u>

**CITY OF LAMBERTVILLE
 COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUND
 SCHEDULE OF INTERFUNDS - ANIMAL CONTROL TRUST FUND**

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 715.41
Increased by:			
Cash Receipts	B-2	<u>\$ 3,986.19</u>	3,986.19
Decreased by:			
Cash Disbursements	B-2	<u>4,701.60</u>	<u>4,701.60</u>
Balance December 31, 2020	B		<u><u>\$ -</u></u>

**CITY OF LAMBERTVILLE
 COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**TRUST FUND
 SCHEDULE OF OVEREXPENDITURES - ANIMAL CONTROL TRUST FUND**

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 2,893.20
Decreased by:			
2020 Appropriations	B-2	<u>\$ 2,893.20</u>	<u>2,893.20</u>
Balance December 31, 2020	B		<u><u>\$ -</u></u>

GENERAL CAPITAL FUND

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH - TREASURER**

	<u>Ref.</u>		
Balance December 31, 2019			\$ 1,710,085.94
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-4	\$ 18,200.00	
Bond Anticipation Notes	C-7	2,000,000.00	
Interfunds	C-9	1,465,477.64	
Reserve for C.O.A.H. Deposits	C-10	234.40	
Reserve for Deposits	C-8	<u>597,236.81</u>	
			<u>4,081,148.85</u>
Decreased by Disbursements:			
Improvement Authorization Expenditures	C-5	598,411.76	
Interfunds	C-9	1,471,043.90	
Bond Anticipation Notes	C-7	2,000,000.00	
Reserve for Deposits	C-8	941,361.33	
Reserve for C.O.A.H. Deposits	C-10	<u>15,919.83</u>	
			<u>5,026,736.82</u>
Balance December 31, 2020			<u><u>\$ 764,497.97</u></u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	<u>Ref.</u>	Balance <u>December 31, 2020</u>
Capital Improvement Fund		\$ 16,502.24
State Aid Receivable		(86,800.00)
Capital Surplus		244,444.55
Improvement Authorizations Funded		50,176.82
Improvement Authorizations Canceled		(66,743.21)
Reserve to Pay Debt Service		597,236.81
Reserve for Insurance Refunds		3,962.50
Improvements Expenses		(599,196.50)
Cash on Hand to Pay Notes		<u>604,914.76</u>
	C	<u>\$ 764,497.97</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2019	<u>Ref.</u> C		\$ 19,765.24
Increased by Receipts:			
2020 Budget Appropriation	C-2	<u>\$ 18,200.00</u>	18,200.00
Decreased by Disbursements:			
Appropriations to Finance Improvement Authorizations	C-5, C-15	<u>21,463.00</u>	<u>21,463.00</u>
Balance December 31, 2019	C		<u>\$ 16,502.24</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2019		2020 Authorizations	Paid or Charged	Reauthorized/ Canceled	Balance Dec. 31, 2020	
				Funded	Unfunded				Funded	Unfunded
2001-01	Housing Rehabilitation - Delaware Township	02/20/01	\$ 100,000.00	\$ 24,977.00	\$ -	\$ -	\$ 24,977.00	\$ -	\$ -	\$ -
2001-03	Housing Rehabilitation - Franklin Township	02/20/01	240,000.00	14,639.00	-	-	14,639.00	-	-	-
2001-26	Housing Rehabilitation - DCA Grant #00-3507-99	07/16/01	300,000.00	6,695.00	-	-	-	-	6,695.00	-
2007-06	Improvements to Various Streets	03/19/07	500,000.00	620.76	-	-	-	620.76	-	-
2008-20	Implementation of Bicycle/Pedestrian Safety Improvements			18,168.14	-	-	-	18,168.14	-	-
2012-12	Various Capital Improvements	10/15/12	795,000.00	9,235.30	-	-	-	9,235.30	-	-
2015-08	Redesign of City Website - Acquisition of Equipment	05/14/15	59,300.00	1,042.00	-	-	-	1,042.00	-	-
2016-20	North Union St Park Upgrades	08/16/16	190,000.00	91,138.85	-	-	1,616.25	89,522.60	-	-
2016-26	Engineering Fees for CRA Updates	10/18/16	8,000.00	1,822.75	-	-	-	1,822.75	-	-
2017-01	Acquisition of Fire Prevention Software	01/17/17	15,000.00	118.73	-	-	-	118.73	-	-
2017-08	Improvements to City Property - Bicycle Transportation	03/21/17	197,630.00	-	149,528.31	-	1,592.23	-	-	147,936.08
2017-20	Improvements to City Roads Including Clinton Street	07/18/17	550,000.00	122,913.55	83,500.00	-	87,531.73	-	35,381.82	83,500.00
2017-21	Improvements and Repairs to City Parks	07/18/17	65,000.00	231.64	-	-	-	231.64	-	-
2018-02	Acquisition of Equipment	03/20/18	80,000.00	-	49.71	-	-	49.71	-	-
2018-06	Improvements to City Buildings	03/20/18	400,000.00	-	199,976.25	-	9,397.15	-	-	190,579.10
2018-07	Supplemental Engineering Services - Flood Gates	05/15/18	50,000.00	-	12,576.48	-	166.66	12,409.82	-	-
2018-08	Improvements to City Roads - George St and Coryell	05/15/18	435,000.00	-	411,909.96	-	227,953.59	-	-	183,956.37
2018-09	Supplemental Professional and Consulting - C.O.A.H.	05/15/18	70,000.00	-	436.02	-	436.02	-	-	-
2018-11	Acquisition and Installation of Fencing for Ely Park	06/09/18	410,000.00	-	9,632.12	-	166.66	9,465.46	-	-
2018-18	Engineering Services Related to Public Infrastructure	09/17/18	20,000.00	373.50	19,000.00	-	166.66	19,206.84	-	-
2018-19	Acquisition of a Refurbished Garbage Truck	11/05/18	97,000.00	-	28,056.13	-	3,568.10	24,488.03	-	-
2018-20	Improvements to City Parks	10/16/18	25,000.00	-	1,496.85	-	166.66	1,330.19	-	-
2019-01	Repairs to Heavy Equipment	01/29/19	30,000.00	671.15	-	-	88.00	583.15	-	-
2019-02	Professional & Consulting Fees - C.O.A.H.	01/29/19	50,000.00	-	12,249.97	-	12,249.97	-	-	-
2020-03	Redevelopment Planning & Design	05/21/20	85,000.00	-	-	85,000.00	70,801.40	-	-	14,198.60
2020-04	Redevelopment Planning & Investigation	05/21/20	18,000.00	-	-	18,000.00	15,353.93	-	-	2,646.07
2020-05	Various Technology Improvements	05/21/20	64,250.00	-	-	64,250.00	64,250.00	-	-	-
2020-06	Housing Element and Fair Share Plan	05/21/20	35,000.00	-	-	35,000.00	35,000.00	-	-	-
2020-11	Various Capital Improvements	08/20/20	149,200.00	-	-	149,200.00	28,290.75	-	-	120,909.25
2020-17	Purchase of Closson Property	12/17/20	170,000.00	-	-	170,000.00	-	-	8,100.00	161,900.00
				<u>\$ 292,647.37</u>	<u>\$ 928,411.80</u>	<u>\$ 521,450.00</u>	<u>\$ 598,411.76</u>	<u>\$ 188,295.12</u>	<u>\$ 50,176.82</u>	<u>\$ 905,625.47</u>
		Ref.		C	C		C-2, C-14		C	C, C-6
					Ref.		Ref.			
	Capital Improvement Fund				C-4, C-15	\$ 21,463.00	C-1	\$ 121,551.91		Funded Cancellation
	Deferred Charges to Future Taxation Unfunded				C-6	499,987.00		66,743.21		Unfunded Cancellation
					C-15	<u>\$ 521,450.00</u>		<u>\$ 188,295.12</u>		

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED**

Ordinance Number	Improvement Description	Balance December 31, 2019	2020 Authorizations	Balance December 31, 2020	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1997-21	Purchase of Trash Truck	\$ 4,513.28	\$ -	\$ 4,513.28	\$ -	\$ 4,513.28	\$ -
2002-03	Bike Pedestrian Safety Program	149,220.00	-	149,220.00	-	149,220.00	-
2003-20	Acquisition and Rehabilitations of Former Acme Site	47,501.00	-	47,501.00	-	47,501.00	-
2011-03	Purchase Public Works Vehicle and Equipment	88,476.51	-	88,476.51	-	88,476.51	-
2011-13	Purchase Police SUV	42,750.00	-	42,750.00	-	42,750.00	-
2012-19	Acquisition of Office and Computer Equipment	18,902.63	-	18,902.63	-	18,902.63	-
2016-17	Upgrades to City Hall	123,500.00	-	123,500.00	123,500.00	-	-
2017-08	Improvements to City Property - Bicycle Transportation	150,000.00	-	150,000.00	150,000.00	-	-
2017-20	Improvements to City Roads Including Clinton Street	83,500.00	-	83,500.00	83,500.00	-	-
2018-01	Refurbish and Repair Heavy Equipment and Vehicles	38,000.00	-	38,000.00	38,000.00	-	-
2018-02	Acquisition of Equipment	76,000.00	-	76,000.00	76,000.00	-	-
2018-03	Improvements to City Parks	123,000.00	-	123,000.00	123,000.00	-	-
2018-06	Improvements to City Buildings	400,000.00	-	400,000.00	400,000.00	-	-
2018-07	Supplemental Engineering Services - Flood Gates	47,500.00	-	47,500.00	47,500.00	-	-
2018-08	Improvements to City Roads - George St and Coryell	435,000.00	-	435,000.00	367,200.00	-	67,800.00
2018-09	Supplemental Professional and Consulting - C.O.A.H.	66,500.00	-	66,500.00	66,500.00	-	-
2018-11	Acquisition and Installation of Fencing for Ely Park	389,500.00	-	389,500.00	389,500.00	-	-
2018-13	Supplemental Professional and Consulting - Connaught Hill	38,950.00	-	38,950.00	38,950.00	-	-
2018-18	Engineering Services Related to Public Infrastructure	19,000.00	-	19,000.00	19,000.00	-	-
2018-19	Acquisition of a Refurbished Garbage Truck	53,600.00	-	53,600.00	53,600.00	-	-
2018-20	Improvements to City Parks	23,750.00	-	23,750.00	23,750.00	-	-
2019-02	Professional & Consulting Fees - C.O.A.H.	47,500.00	-	47,500.00	-	47,500.00	-
2020-03	Redevelopment Planning & Design	-	85,000.00	85,000.00	-	70,801.40	14,198.60
2020-04	Redevelopment Planning & Investigation	-	18,000.00	18,000.00	-	15,353.93	2,646.07
2020-05	Various Technology Improvements	-	61,037.00	61,037.00	-	61,037.00	-
2020-06	Housing Element and Fair Share Plan	-	33,000.00	33,000.00	-	33,000.00	-
2020-11	Various Capital Improvements	-	141,050.00	141,050.00	-	20,140.75	120,909.25
2020-17	Purchase of Closson Property	-	161,900.00	161,900.00	-	-	161,900.00
		<u>\$ 2,466,663.42</u>	<u>\$ 499,987.00</u>	<u>\$ 2,966,650.42</u>	<u>\$2,000,000.00</u>	<u>\$ 599,196.50</u>	<u>\$ 367,453.92</u>
	Ref. C		C-5	C	C-7	C-3	
	Improvement Authorizations-Unfunded						\$ 905,625.47
	Less: Bond Anticipation Note Proceeds						(1,143,086.31)
	Unexpended Ordinances - Various						604,914.76
							<u>\$ 367,453.92</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2019	Increased	Decreased	Balance December 31, 2020
2016-17	04/16/19	04/16/19	04/16/20	2.375%	\$ 123,500.00	\$ -	\$ 123,500.00	\$ -
	04/16/19	04/15/20	04/15/21	1.900%	-	123,500.00	-	123,500.00
2017-08	01/18/18	04/16/19	04/16/20	2.375%	150,000.00	-	150,000.00	-
	01/18/18	04/15/20	04/15/21	1.900%	-	150,000.00	-	150,000.00
2017-20	01/18/18	04/16/19	04/16/20	2.375%	83,500.00	-	83,500.00	-
	01/18/18	04/15/20	04/15/21	1.900%	-	83,500.00	-	83,500.00
2018-01	04/16/19	04/16/19	04/16/20	2.375%	38,000.00	-	38,000.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	38,000.00	-	38,000.00
2018-02	04/16/19	04/16/19	04/16/20	2.375%	76,000.00	-	76,000.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	76,000.00	-	76,000.00
2018-03	04/16/19	04/16/19	04/16/20	2.375%	123,000.00	-	123,000.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	123,000.00	-	123,000.00
2018-06	04/16/19	04/16/19	04/16/20	2.375%	400,000.00	-	400,000.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	400,000.00	-	400,000.00
2018-07	04/16/19	04/16/19	04/16/20	2.375%	47,500.00	-	47,500.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	47,500.00	-	47,500.00
2018-08	04/16/19	04/16/19	04/16/20	2.375%	367,200.00	-	367,200.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	367,200.00	-	367,200.00
2018-09	04/16/19	04/16/19	04/16/20	2.375%	66,500.00	-	66,500.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	66,500.00	-	66,500.00
2018-11	04/16/19	04/16/19	04/16/20	2.375%	389,500.00	-	389,500.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	389,500.00	-	389,500.00
2018-13	04/16/19	04/16/19	04/16/20	2.375%	38,950.00	-	38,950.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	38,950.00	-	38,950.00
2018-18	04/16/19	04/16/19	04/16/20	2.375%	19,000.00	-	19,000.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	19,000.00	-	19,000.00
2018-19	04/16/19	04/16/19	04/16/20	2.375%	53,600.00	-	53,600.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	53,600.00	-	53,600.00
2018-20	04/16/19	04/16/19	04/16/20	2.375%	23,750.00	-	23,750.00	-
	04/16/19	04/15/20	04/15/21	1.900%	-	23,750.00	-	23,750.00
					<u>\$ 2,000,000.00</u>	<u>\$ 2,000,000.00</u>	<u>\$ 2,000,000.00</u>	<u>\$ 2,000,000.00</u>
				Ref.	C	C-2, C-6	C-2	C

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEPOSITS**

Balance December 31, 2019	<u>Ref.</u> C		\$ 945,323.83
Increased by:			
Cash Receipts		\$ 143,042.48	
Reimbursed Reserve		<u>454,194.33</u>	
	C-2		<u>597,236.81</u>
			1,542,560.64
Decreased by:			
Cash Disbursements	C-2	<u>941,361.33</u>	
			<u>941,361.33</u>
Balance December 31, 2020	C		<u>\$ 601,199.31</u>
 <u>Analysis of Balance</u>			
Reserve to Pay Debt			\$ 597,236.81
Reserve for Insurance Refunds			<u>3,962.50</u>
			<u>\$ 601,199.31</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUNDS

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>COAH Trust Fund</u>
Balance December 31, 2019	C	\$ 5,566.26	\$ 5,566.26	\$ -
Increased by:				
Cash Receipts	C-2	1,465,477.64	1,407,941.06	57,536.58
Decreased by:				
Cash Disbursements	C-2	<u>1,471,043.90</u>	<u>1,413,507.32</u>	<u>57,536.58</u>
Balance December 31, 2020	C	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR C.O.A.H. DEPOSITS**

	Ref.	Total	Delaware Township	Franklin Township	Residual Interest
Balance December 31, 2019	C	\$ 15,685.43	\$ 9,331.29	\$ 5,332.34	\$ 1,021.80
Increased by:					
Interest Earned	C-2	234.40	140.32	67.47	26.61
Decreased by:					
Budget Appropriation in Current Fund	C-2	<u>15,919.83</u>	<u>9,471.61</u>	<u>5,399.81</u>	<u>1,048.41</u>
Balance December 31, 2020	C	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Improvement Description	Date of Original Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2019	Issued	Paid by Budget Appropriation	Balance December 31, 2020
			Outstanding	December 31, 2020 Amount					
General Improvement	05/15/2003	\$ 2,425,000.00	08/15/2021	\$ 200,000.00	3.800%	\$ 995,000.00	\$ -	\$ 195,000.00	\$ 800,000.00
			08/15/2022	200,000.00	3.850%				
			08/15/2023	200,000.00	3.900%				
			08/15/2024	200,000.00	4.000%				
General Improvement	03/01/2010	3,335,000.00	03/01/2021	300,000.00	3.500%	1,500,000.00	-	300,000.00	1,200,000.00
			03/01/2022	300,000.00	3.630%				
			03/01/2023	300,000.00	3.750%				
			03/01/2024	300,000.00	3.800%				
General Improvement	03/19/2014	4,365,000.00	03/01/2021	205,000.00	3.000%	3,515,000.00	-	200,000.00	3,315,000.00
			03/01/2022	215,000.00	4.000%				
			03/01/2023	225,000.00	4.000%				
			03/01/2024	235,000.00	3.000%				
			03/01/2025	245,000.00	3.000%				
			03/01/2026	250,000.00	3.000%				
			03/01/2027	260,000.00	3.250%				
			03/01/2028	270,000.00	3.250%				
			03/01/2029	285,000.00	3.250%				
			03/01/2030	275,000.00	3.250%				
			03/01/2031	275,000.00	3.250%				
			03/01/2032	300,000.00	3.500%				
			03/01/2033	275,000.00	3.500%				
			General Obligation Bonds	03/27/2018	5,385,000.00				
03/01/2022	355,000.00	5.000%							
03/01/2023	365,000.00	5.000%							
03/01/2024	380,000.00	5.000%							
03/01/2025	385,000.00	5.000%							
03/01/2026	385,000.00	3.000%							
03/01/2027	385,000.00	3.000%							
03/01/2028	385,000.00	3.000%							
03/01/2029	385,000.00	3.000%							
03/01/2030	385,000.00	3.000%							
03/01/2031	385,000.00	3.000%							
03/01/2032	385,000.00	3.000%							
03/01/2033	385,000.00	3.000%							
						<u>\$ 11,200,000.00</u>	<u>\$ -</u>	<u>\$ 995,000.00</u>	<u>\$ 10,205,000.00</u>
Ref.						C	C-2, C-13	C-13	C

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS**

Improvement Description	Date of Original Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2019	Paid by Budget Appropriation	Balance December 31, 2020
			Outstanding Date	December 31, 2020 Amount				
McCann Tract Acquisition	06/13/2017	\$ 220,000.00	2021	\$ 9,900.48	2.000%			
			2022	10,099.48	2.000%			
			2023	10,302.48	2.000%			
			2024	10,509.58	2.000%			
			2025	10,720.80	2.000%			
			2026	10,936.29	2.000%			
			2027	11,156.11	2.000%			
			2028	11,380.35	2.000%			
			2029	11,609.10	2.000%			
			2030	11,842.44	2.000%			
			2031	12,080.47	2.000%			
			2032	12,323.29	2.000%			
			2033	12,570.98	2.000%			
			2034	12,823.66	2.000%			
			2035	13,081.42	2.000%			
			2036	13,344.35	2.000%			
			2037	6,772.46	2.000%			
						\$ 201,159.13	\$ 9,705.41	\$ 191,453.72
McCann Tract Acquisition	06/13/2017	\$ 67,629.79	2021	3,043.49	2.000%			
			2022	3,104.66	2.000%			
			2023	3,167.07	2.000%			
			2024	3,230.73	2.000%			
			2025	3,295.66	2.000%			
			2026	3,361.91	2.000%			
			2027	3,429.48	2.000%			
			2028	3,498.41	2.000%			
			2029	3,568.73	2.000%			
			2030	3,640.47	2.000%			
			2031	3,713.64	2.000%			
			2032	3,788.28	2.000%			
			2033	3,864.42	2.000%			
			2034	3,942.10	2.000%			
			2035	4,021.33	2.000%			
			2036	4,102.17	2.000%			
			2037	2,081.89	2.000%			
						61,837.96	2,983.52	58,854.44
						\$ 262,997.09	\$ 12,688.93	\$ 250,308.16
					Ref.	C	C-13	C

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

	<u>Ref.</u>		
Balance December 31, 2019	C		\$ 11,462,997.09
Decreased by:			
Budget Appropriation:			
Serial Bonds	C-11	\$ 995,000.00	
Loans Paid	C-12	<u>12,688.93</u>	
			<u>1,007,688.93</u>
Balance December 31, 2020	C		<u>\$ 10,455,308.16</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2019	C	<u>\$ 86,800.00</u>
Balance December 31, 2020	C	<u><u>\$ 86,800.00</u></u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance December 31, 2019	Increased by Authorizations	Funded by Capital Improvement Fund	Funded by Cash on Hand	Balance December 31, 2020
1997-21	Purchase of Trash Truck	\$ 4,513.28	\$ -	\$ -	\$ -	\$ 4,513.28
2002-03	Bike Pedestrian Safety Program	149,220.00	-	-	-	149,220.00
2003-20	Acquisition and Rehabilitations of Former Acme Site	47,501.00	-	-	-	47,501.00
2011-03	Purchase Public Works Vehicle and Equipment	88,476.51	-	-	-	88,476.51
2011-13	Purchase Police SUV	42,750.00	-	-	-	42,750.00
2012-19	Acquisition of Office and Computer Equipment	18,902.63	-	-	-	18,902.63
2018-08	Improvements to City Roads - George St and Coryell	67,800.00	-	-	-	67,800.00
2019-02	Professional & Consulting Fees - COAH	47,500.00	-	-	-	47,500.00
2020-03	Redevelopment Planning & Design	-	85,000.00	-	-	85,000.00
2020-04	Redevelopment Planning & Investigation	-	18,000.00	-	-	18,000.00
2020-05	Various Technology Improvements	-	64,250.00	3,213.00	-	61,037.00
2020-06	Housing Element and Fair Share Plan	-	35,000.00	2,000.00	-	33,000.00
2020-11	Various Capital Improvements	-	149,200.00	8,150.00	-	141,050.00
2020-17	Purchase of Closson Property	-	170,000.00	8,100.00	-	161,900.00
		<u>\$ 466,663.42</u>	<u>\$ 521,450.00</u>	<u>\$ 21,463.00</u>	<u>\$ -</u>	<u>\$ 966,650.42</u>
	<u>Ref.</u>	C	C-5	C-4, C-5		C

PUBLIC ASSISTANCE TRUST FUND

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

E-1

**PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER**

	<u>Ref.</u>	<u>P.A.T.F. II</u>
Balance December 31, 2019	E	\$ 48,442.95
Increased by:		
2020 Receipts	E-2	106,176.50
Decreased by:		
2020 Assistance	E-3	<u>128,575.95</u>
Balance December 31, 2020	E	<u>\$ 26,043.50</u>

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE REVENUES
Year Ended December 31, 2020

	<u>Ref.</u>	<u>P.A.T.F. II</u>
Increased by:		
State Aid		\$ 67,100.00
Supplemental Security Income		38,824.00
Interest Earned		252.50
	E-1	<u>\$ 106,176.50</u>

PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
Year Ended December 31, 2020

	<u>Ref.</u>	<u>P.A.T.F. II</u>
Payments for Current Year Assistance:		
Maintenance Payments		\$ 28,574.40
Other:		
Work Related		2,205.00
Emergency Assistance		38,443.81
Transportation		3,050.00
Temporary Rental Assistance		56,302.74
	E-1	<u>\$ 128,575.95</u>

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

The Honorable Mayor and Members of the City Council
City of Lambertville

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the City of Lambertville (the "City"), as of and for the year ended December 31, 2020, and the related notes to financial statements, which comprise the City's basic financial statements, and have issued our report thereon dated October 13, 2021, in which we expressed an adverse opinion on the conformity of the financial statements with accounting principles generally accepted in the United States of America due to differences between those principles and accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current year findings and recommendations as finding 2020-001.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of current year findings and recommendations. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Mercadieu, P.C.
Certified Public Accountants

October 13, 2021

SUPPLEMENTARY INFORMATION (UNAUDITED)

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Year Ended December 31, 2020

Finding 2020-001

Criteria

Management is responsible for monitoring budget to actual expenditures and to make any required budget transfers in compliance with N.J.S.A. 40:4-58 and N.J.S.A. 40:4-59 to avoid line item overexpenditures as of December 31, 2020.

Condition

Budget transfers from outside of CAPS to in CAPS accounts were included in the transfers completed in the final two months of 2020.

Cause

The CAP flag, used to ensure transfers are not coming from outside CAP accounts, was not marked in the accounting system for one of the outside of CAP accounts, resulting in it being misclassified for purposes of the budget transfer.

Effect

Noncompliance with requirements of N.J.S.A. 40:4-58 and N.J.S.A. 40:4-59. Deferred charge for overexpenditure of current year budget appropriations totaling \$8,003.97.

Recommendation

We recommend that the City's Finance Department continue to monitor its budget appropriations and appropriation reserves against actual throughout the year and complete allowable budget appropriation or appropriation reserve transfers timely to avoid noncompliance.

Management's Response

Management has reviewed the findings and is in agreement. A corrective action plan will be completed within forty-five days.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Finding 2019-001

Condition

Over-expenditures of certain 2019 budget appropriations of a total of \$4,295.86, including \$1,176.03 in the current fund, \$2,893.20 in the animal control trust fund, and \$226.63 in the payroll trust fund, were noted at December 31, 2019.

Status

The condition was resolved in the current year.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

PERS - Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability	0.010449%	0.010846%	0.010364%	0.011307%	0.010756%	0.011652%	0.011358%	0.010969%
City's proportionate share of net pension liability	\$ 1,703,902	\$ 1,954,329	\$ 2,040,574	\$ 2,632,082	\$ 3,185,693	\$ 2,615,616	\$ 2,126,444	\$ 2,096,389
City's covered-employee payroll	705,331	674,616	683,797	697,179	736,092	710,661	674,538	674,247
City's proportionate share of net pension liability as a % of payroll	241.57%	289.70%	298.42%	377.53%	432.78%	368.05%	315.24%	310.92%
Total pension liability	4,106,797	4,500,265	4,397,509	5,071,444	5,321,623	5,023,081	4,437,562	4,088,389
Plan fiduciary net position	2,402,895	2,545,937	2,356,935	2,439,362	2,135,930	2,407,465	2,311,118	1,992,000
Plan fiduciary net position as a % of total pension liability	58.51%	56.57%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

PFRS Plan - Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability	0.019602%	0.019338%	0.018906%	0.019287%	0.019396%	0.019390%	0.019850%	0.019699%
City's proportionate share of net pension liability	\$ 2,532,885	\$ 2,366,608	\$ 2,558,307	\$ 2,977,496	\$ 311,132	\$ 3,229,764	\$ 2,496,934	\$ 2,618,813
State's proportionate share of City's net pension liability	393,092	373,692	347,504	333,505	311,132	283,239	268,878	244,105
City's covered-employee payroll	714,497	993,405	961,430	846,102	933,067	1,047,162	1,016,525	1,015,063
City's proportionate share of net pension liability as a % of payroll	354.50%	238.23%	266.09%	351.91%	33.35%	308.43%	245.63%	258.00%
Total pension liability	8,021,287	7,828,512	7,743,949	7,998,431	8,368,522	8,040,124	7,357,605	6,931,195
Plan fiduciary net position	5,095,310	5,088,212	4,838,138	4,687,430	4,352,338	4,527,120	4,591,793	4,068,276
Plan fiduciary net position as a % of total pension liability	63.52%	65.00%	62.48%	58.60%	52.01%	56.31%	62.41%	58.70%

Notes to the Required Supplementary Information

- There were no benefit changes.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2013, of 5.55% and 6.45% to 5.39% and 6.32%, respectively, as of the measurement date of June 30, 2014.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2014, of 5.39% and 6.32% to 4.90% and 5.79%, respectively, as of the measurement date of June 30, 2015.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2015, of 4.90% and 5.79% to 3.98% and 5.55%, respectively, as of the measurement date of June 30, 2016.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2016, of 3.98% and 5.55% to 5.00% and 6.14%, respectively, as of the measurement date of June 30, 2017.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2017, of 5.00% and 6.14% to 5.66% and 6.51%, respectively, as of the measurement date of June 30, 2018.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2018, of 5.66% and 6.51% to 6.28% and 6.85%, respectively, as of the measurement date of June 30, 2019.
- The PERS and PFRS discount rates changed from the measurement date of June 30, 2019, of 6.28% and 6.85% to 7.00% and 7.00%, respectively, as of the measurement date of June 30, 2020.

The pension schedules are intended to show information for ten years. The State of New Jersey has issued eight years of pension information to the City. Additional years' information will be displayed as it becomes available.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

SCHEDULE OF CONTRIBUTIONS

PERS - Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 114,303	\$ 105,502	\$ 103,086	\$ 104,747	\$ 95,557	\$ 101,175	\$ 93,630	\$ 82,649
Contributions in relation to the contractually required contribution	114,303	105,502	103,086	104,747	95,557	101,175	93,630	82,649
City's covered-employee payroll	702,923	705,331	674,616	683,797	697,179	736,092	710,661	674,538
Contributions as a % of covered-employee payroll	16.26%	14.96%	15.28%	15.32%	13.71%	13.74%	13.18%	12.25%

PFRS - Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 218,992	\$ 195,340	\$ 184,835	\$ 170,691	\$ 158,140	\$ 157,615	\$ 152,461	\$ 143,720
Contributions in relation to the contractually required contribution	218,992	195,340	184,835	170,691	158,140	157,615	152,461	143,720
City's covered-employee payroll	794,230	714,497	993,405	961,430	846,102	933,067	1,047,162	1,016,525
Contributions as a % of covered-employee payroll	27.57%	27.34%	18.61%	17.75%	18.69%	16.89%	14.56%	14.14%

The pension schedules are intended to show information for ten years. The State of New Jersey has issued eight years of pension information to the City. Additional years' information will be displayed as it becomes available.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY AND CONTRIBUTIONS

	Last 10 Fiscal Years				
	2020	2019	2018	2017	2016
Proportion of the net OPEB liability	Unavailable	0.041133%	0.047314%	0.043844%	0.049505%
Proportionate share of net OPEB liability	Unavailable	\$ 5,571,905	\$ 7,412,504	\$ 8,951,098	\$10,751,231
Contributions	Unavailable	444,982	235,706	268,458	280,777

The OPEB schedules are intended to show information for ten years. The State of New Jersey has issued four years of OPEB information to the City. Additional years' information will be displayed as it becomes available.

The 2020 information was not available for 2020 due to the fact that the GASB Statement No. 74 and 75 reports of the state plan for the period ended June 30, 2020, and used for the City's December 31, 2020, financials were not completed timely and made available to the City. See Note H for additional information about the plan.

STATISTICAL SECTION (UNAUDITED)

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

**COMPARATIVE SCHEDULES OF OPERATIONS AND
CHANGE IN FUND BALANCE – CURRENT FUND**

	Years Ended December 31,			
	2020		2019	
	Amount	%	Amount	%
REVENUE AND OTHER INCOME REALIZED:				
Fund Balance Utilized	\$ 400,000.00	1.88%	\$ 445,454.00	2.29%
Miscellaneous - from Other Than Local Property Tax Levies	3,172,494.47	14.93%	2,439,566.13	12.52%
Receipts from Delinquent Taxes	171,103.54	0.81%	197,864.03	1.02%
Receipts from Current Taxes	17,503,223.97	82.38%	16,406,506.30	84.18%
Total Income	\$ 21,246,821.98	100.00%	\$ 19,489,390.46	100.00%
EXPENDITURES:				
Budget Expenditures	6,427,915.18	30.67%	5,408,978.34	28.33%
Fire District Taxes	1,184,569.00	5.65%	646,698.00	3.39%
Regional School Tax	10,453,049.00	49.88%	10,238,857.00	53.62%
Municipal Open Space Tax	79,533.80	0.38%	78,028.16	0.41%
County Taxes	2,812,687.92	13.42%	2,703,180.87	14.16%
Other Expenditures	-	0.00%	18,938.71	0.10%
Total Expenditures	20,957,754.90	100.00%	19,094,681.08	100.00%
Excess in Revenue	289,067.08		394,709.38	
Adjustment to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred				
Charges to Budget of Succeeding Year	-		4,295.86	
Statutory Excess to Fund Balance	289,067.08		399,005.24	
FUND BALANCE:				
Balance January 1,	845,956.56		892,405.32	
	1,135,023.64		1,291,410.56	
Decreased by:				
Utilized as Revenue	400,000.00		445,454.00	
Balance December 31,	\$ 735,023.64		\$ 845,956.56	

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

SCHEDULE OF TAX INFORMATION

TAX RATE INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 2.221</u>	<u>\$ 2.117</u>	<u>\$ 2.085</u>
Appropriation of Tax Rate Municipal			
Municipal	0.360	0.332	0.306
Municipal Library	0.034	0.033	0.034
Municipal Open Space	0.010	0.010	0.010
County	0.322	0.316	0.323
County Open Space	0.031	0.031	0.031
Regional School	1.315	1.312	1.298
Fire District Tax	0.149	0.083	0.083

ASSESSED VALUATIONS

2020	<u>\$ 795,337,992.00</u>		
2019		<u>\$ 780,281,582.00</u>	
2018			<u>\$ 771,048,882.00</u>

TAX LEVIES AND COLLECTIONS

<u>Year</u>	<u>Amount</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2020	\$ 17,667,273.79	\$ 17,551,110.98	99.34%
2019	16,558,316.60	16,406,506.30	99.08%
2018	16,088,296.32	15,876,952.95	98.68%

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

SCHEDULE OF TAX INFORMATION (CONTINUED)

DELINQUENT TAXES AND TAX TITLE LIENS

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 156,969.96	\$ 155,874.89	\$ 312,844.85	1.77%
2019	148,714.51	171,103.54	319,818.05	1.93%
2018	141,555.57	196,500.29	338,055.86	2.10%

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Surety Company</u>
Julia Fahl	Mayor		
Beth Asaro	Council President		
Wardell Sanders	Councilperson		
Julia Taylor	Councilperson		
Madeline Urbish	Councilperson		
Cynthia Ege	City Clerk and Registrar of Vital Statistics	\$ 1,000,000.00	M.E.L.J.I.F.
Chris Battaglia	Chief Financial Officer	1,000,000.00	M.E.L.J.I.F.
Susan Bacorn	Deputy Treasurer	1,000,000.00	M.E.L.J.I.F.
Cynthia McBride	Tax Collector	1,000,000.00	M.E.L.J.I.F.
Richard Carmosino	Tax Assessor	1,000,000.00	M.E.L.J.I.F.
Richard Cushing	Magistrate	1,000,000.00	M.E.L.J.I.F.
Patricia Wozniak	Municipal Court Administrator	1,000,000.00	M.E.L.J.I.F.

All of the bonds were examined and were properly executed.

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

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

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

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

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

CONTRACTS AND AGREEMENTS REQUIRING SOLICITATION OF QUOTATIONS

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

COLLECTION OF INTEREST ON DELINQUENT TAXES

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The governing body on January 7, 2020, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED by the Governing Body of the City of Lambertville, County of Hunterdon, State of New Jersey, that, taxes shall be collected quarterly on February 1, 2020; May 1, 2020; August 1, 2020 and November 1, 2020 and that interest will be charged at the rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 to be calculated from the date the tax was payable until the date of actual payment; and

BE IT FURTHER RESOLVED, that there will be a ten (10) day grace period after which unpaid taxes will be charged interest from the due date; and

**CITY OF LAMBERTVILLE
COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

GENERAL COMMENTS (CONTINUED)

BE IT FURTHER RESOLVED, that, pursuant to statute, if a tax delinquency is over \$10,000.00 at the end of the year, an additional flat penalty of 6% per annum shall be imposed for taxes plus other municipal charges.

The delinquent taxes at December 31, 2020, included 2019 and 2018 real estate taxes only. The last tax sale was held on October 19, 2020, and was complete.

MUNICIPAL COURT

A separate report of the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board. As part of the test of the Municipal Court records, the court properly differentiated between fines due the City, County, or State, and to pass upon the authenticity of the preparation and procedures for complaints issued.