

**CERTIFICATION OF GOVERNING BODY OF THE ANNUAL AUDIT
GROUP AFFIDAVIT FORM
NO PHOTO COPIES OF SIGNATURES**

STATE OF NEW JERSEY
COUNTY OF *Hunterdon*

We, members of the governing body of the City of Lambertville, in the County of Hunterdon, being duly sworn according to law, upon our oath depose and say:

1. We are duly elected (or appointed) members of the Governing Body of the City of Lambertville in the county of Hunterdon;
2. In the performance of our duties, and pursuant to N.J.A.C. 5:30-6.5, we have familiarized ourselves with the contents of the Annual Municipal Audit filed with the Clerk pursuant to N.J.S.A. 40A:5-6 for the year 2018;
3. We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled "Comments and Recommendations."

(L.S.)Councilman Wardell Sanders

(L.S.)

(L.S.)Councilwoman Julia Taylor

(L.S.)

(L.S.)Councilwoman Elaine Warner

(L.S.)

(L.S.)Council President Elizabeth Asaro

(L.S.)

(L.S.)Mayor Julia Fahl

(L.S.)

Sworn to and subscribed before me this
__22__ day of August, 2019
Notary Public of New Jersey


Cynthia L. Ege, CMR, RMC, City Clerk

Commission Expires 9/4/2024

IMPORTANT: This certificate must be sent to the Bureau of Financial Regulation and Assistance,
Division of Local Government Services, P.O. Box 803, Trenton, New Jersey 08625.

GOVERNING BODY CERTIFICATION OF THE ANNUAL AUDIT
RESOLUTION NUMBER 120-2019

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the 2018 Calendar Year has been filed by a Registered Municipal Accountant with the Municipal Clerk pursuant to N.J.S.A. 40A:5-6, and a copy has been received by each member of the governing body; and,

WHEREAS, R.S. 52:27BB-34 authorizes the Local Finance Board of the State of New Jersey to prescribe reports pertaining to the local fiscal affairs; and,

WHEREAS, the Local Finance Board has promulgated N.J.A.C. 5:30-6.5, a regulation requiring that the governing body of each municipality shall by resolution certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed, as a minimum, the sections of the annual audit entitled "Comments and Recommendations, and,

WHEREAS, the members of the governing body have personally reviewed as a minimum the Annual Report of Audit, and specifically the sections of the Annual Audit entitled "Comments and Recommendations, as evidenced by the group affidavit form of the governing body attached hereto; and,

WHEREAS, such resolution of certification shall be adopted by the Governing Body no later than forty-five days after the receipt of the annual audit, pursuant to N.J.A.C. 5:30-6.5; and,


WHEREAS, all members of the governing body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and

WHEREAS, failure to comply with the regulations of the Local Finance Board of the State of New Jersey may subject the members of the local governing body to the penalty provisions of R.S. 52:27BB-52, to wit:

R.S. 52:27BB-52: A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office.

NOW, THEREFORE BE IT RESOLVED, That the *City* of the Lambertville, hereby states that it has complied with N.J.A.C. 5:30-6.5 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON August 22, 2019.


Cynthia L. Ege, CMR, RMC, City Clerk

Report of Audit
on the
Financial Statements
of the
City of Lambertville
in the
County of Hunterdon
New Jersey
for the
Year Ended
December 31, 2018

CITY OF LAMBERTVILLE

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CITY OF LAMBERTVILLE

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YEAR ENDED DECEMBER 31, 2018 AND 2017



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council
City of Lambertville
County of Hunterdon
Lambertville, New Jersey 08530

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the City of Lambertville, as of December 31, 2018 and 2017, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's regulatory 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 the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Lambertville'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 City of Lambertville'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 regulatory financial statements.

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

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the City of Lambertville on the basis of the financial reporting provisions prescribed by 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 New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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 the various individual funds and account group of the City of Lambertville as of December 31, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2018 and 2017, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2018 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lambertville's regulatory financial statements. The supplementary information and data listed in the table of contents 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 regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory 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 information and data listed in the table of contents are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2019 on our consideration of the City of Lambertville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lambertville's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

August 2, 2019



SUPLEE, CLOONEY & COMPANY

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

The Honorable Mayor and Members
of the City Council
City of Lambertville
County of Hunterdon
Lambertville, New Jersey 08530

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the City of Lambertville, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's regulatory financial statements, and have issued our report thereon dated August 2, 2019. Our report disclosed that, as described in Note 1 to the financial statements, the City of Lambertville prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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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 these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we noted other internal control matters which are discussed in Part II, General Comments and Recommendations Section of this report.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 of Lambertville'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 of Lambertville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

August 2, 2019

CURRENT FUND

CITY OF LAMBERTVILLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>ASSETS</u>			
Cash - Treasurer	A-4	\$ 2,225,755.98	\$ 3,487,239.43
Cash - Change Fund	A-7	300.00	300.00
Cash - Petty Cash	A-13	0.19	
		<u>\$ 2,226,056.17</u>	<u>\$ 3,487,539.43</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 196,500.29	\$ 129,477.11
Tax Title Liens Receivable	A-10	141,555.57	137,901.12
Revenue Accounts Receivable	A-12	37,945.87	50,488.81
Interfunds Receivable	A-6	9,763.88	9,698.00
	A	<u>\$ 385,765.61</u>	<u>\$ 327,565.04</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-27	\$ 3,158.56	
		<u>\$ 2,614,980.34</u>	<u>\$ 3,815,104.47</u>
Grant Fund:			
Grants Receivable	A-15	\$ 230,938.00	\$ 230,938.00
Interfunds Receivable	A-26	13,258.80	14,389.74
		<u>\$ 244,196.80</u>	<u>\$ 245,327.74</u>
		<u>\$ 2,859,177.14</u>	<u>\$ 4,060,432.21</u>

CITY OF LAMBERTVILLE
CURRENT FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-24	\$ 12,760.00	\$ 69,594.67
Encumbrances Payable	A-14	13,905.73	13,950.96
Tax Overpayments	A-22	15,879.74	14.42
Due from State of New Jersey -			
Senior Citizens Deductions	A-8	250.00	
Prepaid Taxes	A-18	142,234.73	1,139,526.37
Miscellaneous Reserves	A-11	3,080.02	3,371.99
County Taxes Payable	A-17	2,024.88	1,131.52
Sale of Municipal Assets	A-21		9,831.68
Interfunds Payable	A-6	1,146,674.31	1,262,285.26
		<u>\$ 1,336,809.41</u>	<u>\$ 2,499,706.87</u>
Reserve for Receivables and Other Assets	A	385,765.61	327,565.04
Fund Balance	A-1	892,405.32	987,832.56
		<u>\$ 2,614,980.34</u>	<u>\$ 3,815,104.47</u>
Grant Fund:			
Reserve for Grants Appropriated	A-16	\$ 243,796.80	\$ 244,492.84
Encumbrances Payable	A-20	400.00	834.90
		<u>\$ 244,196.80</u>	<u>\$ 245,327.74</u>
		<u>\$ 2,859,177.14</u>	<u>\$ 4,060,432.21</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF LAMBERTVILLE

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2018	YEAR ENDED DECEMBER 31, 2017
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 435,454.00	\$ 465,585.00
Miscellaneous Revenue Anticipated	A-2	2,144,153.97	1,998,273.39
Receipts from Delinquent Taxes	A-2	133,249.18	174,778.22
Receipts from Current Taxes	A-2	15,876,952.95	15,381,526.95
Non-Budget Revenue	A-2	47,969.58	53,272.21
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-24	56,623.58	134,346.54
Tax Overpayments Canceled	A-22	14.37	
<u>Total Income</u>		<u>\$ 18,694,417.63</u>	<u>\$ 18,207,782.31</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 3,001,475.13	\$ 3,025,533.25
Deferred Charges and Statutory Expenditures	A-3	452,233.00	431,317.00
Operations Excluded From "CAPS":			
Operating	A-3	312,145.60	334,327.04
Capital Improvements	A-3	17,500.00	17,500.00
Municipal Debt Service	A-3	1,106,016.15	1,019,390.26
Deferred Charges	A-3	21,700.00	
Fire District Tax	A-25	632,743.00	592,588.00
Regional High School Tax	A-23	10,003,548.00	9,591,098.00
Municipal Open Space Tax	A-19	76,157.23	76,056.35
County Taxes	A-17	2,731,620.76	2,660,899.11
County Share of Added Taxes	A-17	2,024.88	1,131.52
Interfunds Advanced		65.88	91.89
Refund of Prior Year Revenue	A-4	319.80	1,349.37
Senior Citizen and Veteran Deductions Canceled			0.20
<u>Total Expenditures</u>		<u>\$ 18,357,549.43</u>	<u>\$ 17,751,281.99</u>
Excess in Revenue		\$ 336,868.20	\$ 456,500.32
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to the Budget of the Succeeding Year			
Overexpenditure of Budget Appropriations		<u>3,158.56</u>	
Statutory Excess to Fund Balance		\$ 340,026.76	\$ 456,500.32
Fund Balance			
Balance, January 1	A	<u>987,832.56</u>	<u>996,917.24</u>
		\$ 1,327,859.32	\$ 1,453,417.56
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>435,454.00</u>	<u>465,585.00</u>
Balance, December 31	A	<u>\$ 892,405.32</u>	<u>\$ 987,832.56</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF LAMBERTVILLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

REF.	BUDGET	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
			SPECIAL N.J.S. 40A:4-87		
Current Fund Balance Appropriated	A-1	\$ 435,454.00		\$ 435,454.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-12	\$ 23,508.00		\$ 23,508.00	
Other	A-12	22,667.00		27,652.00	4,985.00
Fees and Permits:					
Construction Code Official	A-2	170,047.00		203,614.34	33,567.34
Other	A-2	150,606.00		163,631.64	13,025.64
Municipal Court Fines	A-12	138,983.00		147,957.71	8,974.71
Interest and Costs on Taxes	A-12	46,062.00		47,357.44	1,295.44
Parking Meters	A-12	348,942.00		325,959.14	(22,982.86)
Consolidated Municipal Property Tax					
Relief Act	A-12	70,701.00		59,383.00	(11,318.00)
Energy Receipts Tax	A-12	344,369.00		355,687.00	11,318.00
Drunk Driving Enforcement Fund	A-15		3,500.00	3,500.00	
Clean Communities Program	A-15		9,221.17	9,221.17	
Green Communities Program	A-15		3,000.00	3,000.00	
Interlocal Agreement - Frenchtown	A-12	3,700.00		2,250.00	(1,450.00)
Licenses-ABC Additional	A-12	4,368.00		4,368.00	
Sale of Municipal Assets	A-21	9,831.00		9,831.68	0.68
Uniform Fire Safety Act	A-12	10,563.00		10,304.74	(258.26)
Cable T.V. Franchise Fees	A-12	23,133.00		23,133.71	0.71
Reserve to Pay Debt	A-12	294,879.50		294,879.50	
Payment in Lieu of Taxes:					
Econo Tech Development Company	A-12	40,182.00		42,241.00	2,059.00
South Hunterdon Regional Apartments	A-12	11,386.00		11,758.65	372.65
Community Investments Strategy	A-12	52,000.00		53,094.00	1,094.00
Reserve for Open Space	A-12	56,000.00		56,000.00	
Hotel and Motel Occupancy Fees	A-12	112,625.00		123,821.25	11,196.25
General Capital Fund Balance	A-12	10,000.00		10,000.00	
Contribution from LMSA	A-12	48,000.00		72,000.00	24,000.00
Reimbursement of Costs Library	A-12	60,000.00		60,000.00	
	A-1	\$ 2,052,552.50	\$ 15,721.17	\$ 2,144,153.97	\$ 75,880.30
Receipts from Delinquent Taxes	A-1:A-2	\$ 129,467.00		\$ 133,249.18	\$ 3,782.18
Property Tax for Support of Municipal					
Budget Appropriation:					
Local Tax for Municipal Purposes	A-2:A-9	\$ 2,619,842.50		\$ 2,775,859.08	\$ 156,016.58
Budget Totals		\$ 5,237,316.00	\$ 15,721.17	\$ 5,488,716.23	\$ 235,679.06
Non-Budget Revenue	A-2			47,969.58	47,969.58
		\$ 5,237,316.00	\$ 15,721.17	\$ 5,536,685.81	\$ 283,648.64
REF.	A-3		A-3		

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF LAMBERTVILLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

REF.

Allocation of Current Tax Collections:		
Collected	A-1:A-9	\$ 15,876,952.95
Allocated to:		
Schools and County Taxes and District Taxes		<u>13,446,093.87</u>
Support of Municipal Budget Appropriations		\$ 2,430,859.08
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>345,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>2,775,859.08</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-9	\$ 129,435.22
Tax Title Liens	A-10	<u>3,813.96</u>
	A-2	\$ <u><u>133,249.18</u></u>
Fees and Permits Other:		
Fire Safety	A-12	\$ 19,783.10
Clerk	A-12	90,024.66
Police	A-12	37,786.70
Miscellaneous	A-12	<u>16,644.90</u>
		\$ 164,239.36
Less: Refunds	A-4	<u>607.72</u>
	A-2	\$ <u><u>163,631.64</u></u>
Miscellaneous Revenue Not Anticipated:		
Interest on Investments		\$ 20,167.07
State of New Jersey Motor Vehicle Fines		150.00
Senior Citizen and Veteran Administration Fee		490.00
Insurance Refund		500.00
Insurance Dividend		19,605.00
Reimbursement of Costs		2,510.02
Rent		<u>4,367.49</u>
	A-4	\$ 47,789.58
Miscellaneous - Collector	A-5	<u>180.00</u>
	A-1:A-2	\$ <u><u>47,969.58</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF LAMBERTVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED	OVEREXPENDED
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Mayor and Council:						
Salaries and Wages	\$ 13,400.00	\$ 12,685.00	\$ 12,684.59	\$ 0.41	\$	\$
Municipal Clerk:						
Salaries and Wages	109,075.00	109,076.00	109,075.93	0.07		
Other Expenses	28,500.00	28,880.00	28,569.92	310.08		
Financial Administration:						
Salaries and Wages	53,886.00	53,906.00	53,895.14	10.86		
Other Expenses	13,000.00	12,000.00	11,722.08	277.92		
Auditor:						
Other Expenses	52,610.00	52,610.00	52,610.00			
Tax Assessor:						
Salaries and Wages	33,098.00	33,098.00	33,097.96	0.04		
Other Expenses	4,500.00	3,464.00	3,463.16	0.84		
Maintenance of Tax Map	2,000.00	150.00	87.61	62.39		
Tax Collector:						
Salaries and Wages	21,394.00	21,553.00	21,552.98	0.02		
Other Expenses	7,500.00	6,800.00	6,770.02	29.98		
Liquidation of Tax Title Lien and Foreclosed Property:						
Other Expenses	500.00					
City Attorney:						
Other Expenses	18,000.00	18,020.00	18,019.92	0.08		
Municipal Prosecutor:						
Other Expenses	36,250.00	34,250.00	34,213.25	36.75		
Municipal Court:						
Salaries and Wages	76,002.00	76,517.00	75,916.98	600.02		
Other Expenses	8,500.00	8,554.00	8,553.49	0.51		
Public Defender:						
Salaries and Wages	1,000.00	1,000.00	1,000.00			
<u>PUBLIC AFFAIRS AND PUBLIC SAFETY</u>						
Police:						
Salaries and Wages	981,467.00	970,400.00	970,397.61	2.39		
Other Expenses	55,949.00	53,796.00	53,794.67	1.33		
Dog Regulation:						
Other Expenses	100.00	100.00		100.00		

The accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF LAMBERTVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED	OVEREXPENDED
<u>PUBLIC AFFAIRS AND PUBLIC SAFETY (CONTINUED)</u>						
Emergency Management Services:						
Other Expenses	\$ 200.00	\$	\$		\$	\$
Inspection and Code Enforcement:						
Other Expenses	10,200.00	10,200.00	10,175.00	25.00		
Public Works:						
Salaries and Wages	119,830.00	116,560.00	116,559.83	0.17		
Other Expenses	30,250.00	26,889.00	26,888.81	0.19		
Solid Waste Collection:						
Salaries and Wages	102,316.00	110,165.00	110,164.29	0.71		
Other Expenses	142,900.00	176,111.00	179,100.13			2,989.13
Street Lighting:						
Other Expenses	36,800.00	38,158.00	38,157.16	0.84		
Parks and Playgrounds:						
Other Expenses	1,000.00	1,000.00	1,000.00			
Buildings and Grounds:						
Other Expenses	22,000.00	22,575.00	22,348.67	226.33		
Snow Removal:						
Salaries and Wages	3,000.00	3,000.00	3,000.00			
<u>HEALTH, WELFARE AND HOUSING</u>						
Municipal Land Use Law (N.J.S.A. 40A:55D-1)						
Planning Board:						
Salaries and Wages	7,499.00	7,399.00	7,381.52	17.48		
Other Expenses	825.00	500.00	419.64	80.36		
Zoning Board of Adjustments:						
Salaries and Wages	10,789.00	11,214.00	11,213.59	0.41		
Other Expenses	500.00	1,240.00	1,197.77	42.23		
Uniform Fire Safety Act (P.L. 1983 C. 383):						
Fire Inspection Official:						
Salaries and Wages	23,250.00	23,050.00	23,007.84	42.16		
Other Expenses	1,360.00	1,110.00	1,080.62	29.38		
Administration of Public Assistance:						
Salaries and Wages	16,049.00	16,049.00	16,048.96	0.04		
Other Expenses	1,040.00	1,050.00	1,045.11	4.89		
Contribution to Public Event, Anniversary or Holiday:						
Other Expenses	4,800.00	5,800.00	5,761.29	38.71		
Contribution to Lambertville Senior Citizen Center:						
Other Expenses	500.00	500.00	500.00			
Historic Preservation:						
Salaries and Wages	1,133.00	1,133.00	1,126.00	7.00		
Other Expenses	100.00	60.00	43.66	16.34		

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF LAMBERTVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED	OVEREXPENDED
Insurance:						
Group Insurance Plan	\$ 545,000.00	\$ 530,049.00	\$ 530,048.60	\$ 0.40	\$	\$
Other Insurance Premiums	111,650.00	110,370.00	110,370.00			
Workers Compensation	70,407.00	70,407.00	70,407.00			
Group Insurance - Health Benefit Waiver	15,000.00	10,604.00	10,509.86	94.14		
State Uniform Construction Code:						
Construction Official:						
Salaries and Wages	101,674.00	101,900.00	101,898.16	1.84		
Other Expenses	4,600.00	3,692.00	3,522.64	169.36		
<u>UNCLASSIFIED</u>						
Fuel Oil	2,606.00	2,606.00	2,523.38	82.62		
Gasoline	26,284.00	29,106.00	27,929.11	1,176.89		
Telephone	16,545.00	17,510.00	17,430.95	79.05		
Diesel Fuel	18,036.00	18,776.00	18,542.72	233.28		
Electricity	21,977.00	19,677.00	19,554.38	122.62		
Sewerage	1,740.00	1,762.00	1,761.60	0.40		
Water	6,150.00	4,890.00	4,634.74	255.26		
Natural Gas	6,200.00	6,515.00	6,200.00	315.00		
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	<u>\$ 3,000,941.00</u>	<u>\$ 2,998,486.00</u>	<u>\$ 2,996,978.34</u>	<u>\$ 4,496.79</u>	<u>\$</u>	<u>\$ 2,989.13</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"						
Deferred Charges:						
Deficit in Trust Other Fund	\$ 1,913.00	\$ 1,913.00	1,913.00	\$	\$	\$
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	128,390.00	128,390.00	128,389.56	0.44		
Social Security System	138,960.00	141,415.00	141,411.30	3.70		
Police and Firemen's Retirement System	180,515.00	180,515.00	180,515.00			
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 449,778.00</u>	<u>\$ 452,233.00</u>	<u>\$ 452,228.86</u>	<u>\$ 4.14</u>	<u>\$</u>	<u>\$</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

CITY OF LAMBERTVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID</u> <u>OR CHARGED</u>	<u>RESERVED</u>	<u>BALANCE</u> <u>CANCELLED</u>	<u>OVEREXPENDED</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL</u> <u>PURPOSES WITHIN "CAPS"</u>	\$ 3,450,719.00	\$ 3,450,719.00	\$ 3,449,207.20	\$ 4,500.93	\$	\$ 2,989.13
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Maintenance of Free Public Library (CH. 82 P.L. 1985)	\$ 262,713.00	\$ 262,713.00	\$ 262,480.30	\$ 232.70	\$	\$
Interlocal Municipal Service Agreements:						
Frenchtown - Construction Code Official:						
Salaries & Wages	20,475.00	20,475.00	13,886.79	6,588.21		
Other Expenses	3,750.00	3,750.00	3,011.84	738.16		
Frenchtown - Zoning:						
Salaries & Wages	3,000.00	3,000.00	3,169.43			169.43
Other Expenses	700.00	700.00		700.00		
Increase in ABC Licenses:						
Municipal Clerk:						
Other Expenses	4,368.00	4,368.00	4,368.00			
<u>TOTAL OTHER OPERATIONS-EXCLUDED FROM "CAPS"</u>	\$ 295,006.00	\$ 295,006.00	\$ 286,916.36	\$ 8,259.07	\$	\$ 169.43
<u>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES</u>						
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 + \$3,500.00)	\$	\$ 3,500.00	\$ 3,500.00	\$	\$	\$
Clean Communities Program (N.J.S.A. 40A:4-87 + \$ 9,221.17)		9,221.17	9,221.17			
Supplemental Fire District Payment	1,249.00	1,249.00	1,249.00			
Green Communities Grant (Forest Service) (N.J.S.A. 40A:4-87 + \$3,000.00)		3,000.00	3,000.00			
<u>TOTAL STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES</u>	\$ 1,249.00	\$ 16,970.17	\$ 16,970.17	\$	\$	\$
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	\$ 296,255.00	\$ 311,976.17	\$ 303,886.53	\$ 8,259.07	\$	\$ 169.43
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$	\$	\$
<u>TOTAL CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAP"</u>	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$	\$	\$

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF LAMBERTVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED	OVEREXPENDED
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 605,000.00	\$ 605,000.00	\$ 605,000.00	\$	\$	\$
Payment of Bond Anticipation Notes	101,126.00	101,126.00	101,001.25		124.75	
Interest on Bonds	303,710.00	303,710.00	303,710.00			
Interest on Notes	78,420.00	78,420.00	78,419.17		0.83	
Green Trust Loan Program:						
Loan Repayment for Principal and Interest	17,886.00	17,886.00	17,885.73		0.27	
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>\$ 1,106,142.00</u>	<u>\$ 1,106,142.00</u>	<u>\$ 1,106,016.15</u>	<u>\$</u>	<u>\$ 125.85</u>	<u>\$</u>
<u>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u>						
<u>DEFERRED CHARGES:</u>						
Deferred Charges to Future Taxation Unfunded:						
Capital Receivables	\$ 21,700.00	\$ 21,700.00	\$ 21,700.00	\$	\$	\$
<u>TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"</u>	<u>\$ 21,700.00</u>	<u>\$ 21,700.00</u>	<u>\$ 21,700.00</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 1,441,597.00</u>	<u>\$ 1,457,318.17</u>	<u>\$ 1,449,102.68</u>	<u>\$ 8,259.07</u>	<u>\$ 125.85</u>	<u>\$ 169.43</u>
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 4,892,316.00	\$ 4,908,037.17	\$ 4,898,309.88	\$ 12,760.00	\$ 125.85	\$ 3,158.56
RESERVE FOR UNCOLLECTED TAXES	345,000.00	345,000.00	345,000.00			
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 5,237,316.00</u>	<u>\$ 5,253,037.17</u>	<u>\$ 5,243,309.88</u>	<u>\$ 12,760.00</u>	<u>\$ 125.85</u>	<u>\$ 3,158.56</u>
REF	A-2		A-1	A:A-1		A:A-27
Appropriation by:						
40A-4-87	A-2	\$ 15,721.17				
Budget	A-3	5,237,316.00				
		\$ 5,253,037.17				
Encumbrances Payable	A-14		\$ 13,760.73			
Reserve for Grants Appropriated	A-16		15,721.17			
Reserve for Uncollected Taxes	A-2		345,000.00			
Cash Disbursed	A-4		4,946,474.14			
			\$ 5,320,956.04			
Less: Refunds	A-4		77,646.16			
			\$ 5,243,309.88			

The accompanying Notes to the Financial Statements are an integral part of this statement

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TRUST FUND

"B"

CITY OF LAMBERTVILLE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-2	\$ 5,235.91	\$ 16,343.79
Over-expenditure of Trust Reserve	B-21	4,527.97	
		<u>\$ 9,763.88</u>	<u>\$ 16,343.79</u>
Other Funds:			
Cash	B-2	\$ 1,043,507.53	\$ 911,710.82
Interfunds Receivable	B-8	150,261.42	290,690.13
Over-expenditure of Trust Reserve	B-13		1,913.00
Accounts Receivable	B-2	25.00	
		<u>\$ 1,193,793.95</u>	<u>\$ 1,204,313.95</u>
		<u>\$ 1,203,557.83</u>	<u>\$ 1,220,657.74</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Interfunds Payable	B-20	\$ 9,763.88	\$ 9,698.00
Due State of New Jersey	B-19		2.40
Encumbrances Payable	B-16		29.49
Reserve for Expenditures	B-18		6,613.90
		<u>\$ 9,763.88</u>	<u>\$ 16,343.79</u>
Other Funds:			
Interfunds Payable	B-8	\$ 4,776.25	\$ 4,776.25
Encumbrances Payable	B-17	67,189.83	843.00
Reserve For:			
Municipal Open Space Tax	B-3	116,895.45	214,841.76
CDBG Rehabilitation Loan - Brewery	B-4	99,239.85	98,742.19
State Unemployment Insurance	B-5	57,825.54	57,979.95
Tax Sale Premiums	B-6	265,500.00	228,800.00
Other Federal Programs	B-7	49,382.82	41,532.66
Performance Deposits	B-9	138,177.32	156,230.19
CDBG Rehabilitation Loan Repayment	B-10	206,530.74	243,254.77
Miscellaneous Trust Deposits	B-11	115,627.58	100,046.91
UDAG Loan Repayment	B-12	1.18	1.18
Payroll Agency	B-14	2.96	16,052.81
C.O.A.H.	B-15	72,644.32	41,212.17
Fund Balance	B-1	0.11	0.11
		<u>\$ 1,193,793.95</u>	<u>\$ 1,204,313.95</u>
		<u>\$ 1,203,557.83</u>	<u>\$ 1,220,657.74</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF LAMBERTVILLE

TRUST FUND

STATEMENT OF FUND BALANCE- REGULATORY BASIS - OTHER FUNDS

REF.

Balance, December 31, 2017	B	\$ <u>0.11</u>
Balance, December 31, 2018	B	\$ <u>0.11</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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GENERAL CAPITAL FUND

"C"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>ASSETS</u>			
Cash	C-2	\$ 598,615.01	\$ 850,461.21
Deferred Charges to Future Taxation-Funded	C-13	12,345,435.99	7,577,629.79
Deferred Charges to Future Taxation-Unfunded	C-6	2,419,163.42	6,224,083.75
Interfunds Receivable	C-9	987,930.34	961,981.64
Grants Receivable	C-15	86,800.00	108,500.00
		<u>\$ 16,437,944.76</u>	<u>\$ 15,722,656.39</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	C-7	\$ 400,000.00	\$ 5,057,046.00
General Serial Bonds	C-11	12,070,000.00	7,290,000.00
Green Acres Loans	C-12	275,435.99	287,629.79
Capital Improvement Fund	C-4	4,765.24	3,565.24
Contracts Payable	C-14	545,903.23	145,966.12
Improvement Authorizations:			
Funded	C-5	379,229.44	101,003.32
Unfunded	C-5	1,323,800.46	1,491,398.89
Reserve for Deposits	C-8	1,377,203.33	1,303,651.41
Reserve for COAH Deposits	C-10	15,399.64	15,113.71
Fund Balance	C-1	46,207.43	27,281.91
		<u>\$ 16,437,944.76</u>	<u>\$ 15,722,656.39</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

"C-1"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2017	C	\$	27,281.91
Increased by:			
Premium on Sale of Note	C-2	\$	4,426.00
Premium on Sale of Bonds	C-2		24,499.11
Fully Funded Ordinances Canceled	C-5		<u>0.41</u>
			28,925.52
		\$	<u>56,207.43</u>
Decreased by:			
Utilized as Anticipated Revenue - Current Fund	C-2		<u>10,000.00</u>
Balance, December 31, 2018	C	\$	<u><u>46,207.43</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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PUBLIC ASSISTANCE TRUST FUND

"E"

CITY OF LAMBERTVILLE

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>BALANCE DECEMBER 31, 2017</u>
<u>ASSETS</u>			
Cash	E-1	\$ <u>66,662.21</u>	\$ <u>44,271.63</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		\$ <u>66,662.21</u>	\$ <u>44,271.63</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

CITY OF LAMBERTVILLE

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2018</u>	BALANCE DECEMBER <u>31, 2017</u>
<u>FIXED ASSETS</u>		
Land	\$ 3,410,800.00	\$ 3,410,800.00
Buildings	3,005,300.00	3,005,300.00
Machinery and Equipment	<u>1,998,253.23</u>	<u>1,879,012.59</u>
<u>TOTAL FIXED ASSETS</u>	\$ <u>8,414,353.23</u>	\$ <u>8,295,112.59</u>
<u>RESERVE</u>		
Investment in General Fixed Assets	\$ <u>8,414,353.23</u>	\$ <u>8,295,112.59</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF LAMBERTVILLE

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018 AND 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Lambertville is an instrumentality of the State of New Jersey, 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 of Lambertville include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City of Lambertville, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City of Lambertville 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.

B. 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 of Lambertville 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. 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 of Lambertville 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 operation of a specific government activity. As required by the Division of Local Government Services, the City accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey 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 balance sheet 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances 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 in the General Fixed Assets Account Group at its market value.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. 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 of Local Government Services, 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 the assessed value contained in the City's most recent property revaluation.

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 balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement 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. This Statement 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, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

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 balance sheets. 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. The disclosure must meet the requirements of GASB 68.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement 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 of New Jersey 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 Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

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. The disclosure must meet the requirements of GASB 75.

D. 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 of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

The City of Lambertville had the following cash and cash equivalents at December 31, 2018:

<u>Fund</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$2,228,498.09	\$13,974.69	\$16,416.61	\$2,226,056.17
Animal Control Fund	5,235.91			5,235.91
Other Trust Fund	1,054,710.94	1,161.71	12,365.12	1,043,507.53
General Capital Fund	634,900.45		36,285.44	598,615.01
Public Assistance Trust Fund	66,662.21			66,662.21
<u>TOTAL DECEMBER 31, 2018</u>	<u>\$3,990,007.60</u>	<u>\$15,136.40</u>	<u>\$65,067.17</u>	<u>\$3,940,076.83</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2018, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$269,624.20 was covered by Federal Depository Insurance and \$3,720,383.40 was covered under the provisions of NJGUDPA.

B. Investments

The purchase of investments by the City is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S. A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

The City had no investments outstanding at December 31, 2018. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the City is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: 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 MUNICIPAL DEBT

	<u>YEAR 2018</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Issued:			
General:			
Bonds, Loans and Notes	\$12,745,435.99	\$12,634,675.79	\$11,702,248.00
Less: Funds Temporarily Held to Pay			
Bonds and Notes - General Capital	<u>1,543,703.33</u>	<u>1,762,969.08</u>	<u>667,606.08</u>
<u>Net Debt Issued</u>	\$11,201,732.66	\$10,871,706.71	\$11,034,641.92
Authorized But Not Issued:			
General - Bonds and Notes	<u>2,185,663.42</u>	<u>1,626,355.42</u>	<u>1,781,163.42</u>
Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$13,387,396.08</u>	<u>\$12,498,062.13</u>	<u>\$12,815,805.34</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

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 1.715%.

	<u>GROSS DEBT</u>	<u>DEDUCTION</u>	<u>NET DEBT</u>
Regional School District Debt	\$6,150,558.47	\$6,150,558.47	
General Debt	<u>14,931,099.41</u>	<u>1,543,703.33</u>	<u>\$13,387,396.08</u>
	<u>\$21,081,657.88</u>	<u>\$7,694,261.80</u>	<u>\$13,387,396.08</u>

NET DEBT \$13,387,396.08 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2 \$780,702,848.67 EQUALS 1.715%.

EQUALIZED VALUATION BASIS

2016 Equalized Valuation Basis of Real Property	\$ 778,033,184.00
2017 Equalized Valuation Basis of Real Property	787,043,333.00
2018 Equalized Valuation Basis of Real Property	<u>777,032,029.00</u>
	<u>\$ 780,702,848.67</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. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2018	<u>\$780,702,848.67</u>
3 1/2% of Equalized Valuation Basis	\$27,324,599.70
Net Debt	<u>13,387,396.08</u>
Remaining Borrowing Power	<u>\$13,937,203.62</u>

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 2.5% of the Average Equalized Assessed Valuation of real property for the Local and Regional School Districts.

NOTE 3: LONG-TERM DEBT (CONTINUED)

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%.	\$ 1,180,000.00
\$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%.	1,800,000.00
\$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%.	3,705,000.00
\$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>5,385,000.00</u>
	\$ <u><u>12,070,000.00</u></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%.	\$ 210,673.30
\$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>64,762.69</u>
	\$ <u><u>275,435.99</u></u>

Bonds and Notes Authorized But Not Issued

At December 31, 2018, the City has authorized but not issued bonds and notes as follows:

General Capital Fund	<u><u>\$2,185,663.42</u></u>
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NOTE 3: LONG-TERM DEBT (CONTINUED)

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2018**

CALENDAR YEAR	PRINCIPAL	INTEREST	TOTAL
2019 \$	870,000.00 \$	424,685.00 \$	1,294,685.00
2020	995,000.00	390,972.50	1,385,972.50
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	<u>685,000.00</u>	<u>11,025.00</u>	<u>696,025.00</u>
TOTAL	<u>\$12,070,000.00</u>	<u>\$2,806,788.75</u>	<u>\$14,876,788.75</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR GREEN
ACRES LOANS PAYABLE DECEMBER 31, 2018

CALENDAR YEAR		<u>PRINCIPAL</u>		<u>INTEREST</u>		<u>TOTAL</u>
2019	\$	12,438.90	\$	5,446.84	\$	17,885.74
2020		12,688.93		5,196.82		17,885.75
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		<u>8,854.33</u>		<u>88.54</u>		<u>8,942.87</u>
	\$	<u>275,435.99</u>	\$	<u>55,450.17</u>	\$	<u>330,886.12</u>

NOTE 4: SHORT-TERM DEBT

In accordance with NJSA 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.

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Rate</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Amount</u>
General Capital	2.50%	4/17/2018	4/16/2019	<u>\$400,000.00</u>

In accordance with NJSA 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the City may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The City did not have any Tax Anticipation Notes in 2018.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balance, at December 31, 2018, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2019, was as follows:

Current Fund	\$445,454.00
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NOTE 6: 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 for 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 - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, 2018	BALANCE DECEMBER 31, 2017
Prepaid Taxes	<u>\$142,234.73</u>	<u>\$1,139,526.37</u>

NOTE 7: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

NOTE 7: PENSION PLANS (CONTINUED)

Plan Descriptions

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

NOTE 7: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

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 life insurance benefits is based on actual claims paid. For fiscal year 2018, 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. During 2018, PERS provides for employee contributions of 7.50% of employees' base salary.

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. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2018, the State contributed an amount less than the actuarially determined amount. During 2018, PFRS provides for employee contributions of 10.00% of employees' base salary.

Certain City employees are also covered by the Federal Insurance Contribution Act. The City's share of pension costs, which is based upon the annual billings received from the State, amounted to:

<u>YEAR</u>		<u>PERS</u>		<u>PFRS</u>
2018	\$	128,390.00	\$	180,515.00
2017		118,389.00		167,865.00
2016		122,687.00		167,247.00

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2018. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2018.

Public Employees Retirement System (PERS)

At June 30, 2018, the State reported a net pension liability of \$2,040,575.00 for the City of Lambertville's proportionate share of the total net pension liability. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the City's proportion was 0.0103637700 percent, which was a decrease of 0.0009431999 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State recognized an actuarially determined pension expense of \$86,742.00 for the City of Lambertville's proportionate share of the total pension expense. The pension expense recognized in the City's financial statement based on the April 1, 2018 billing was \$104,747.00.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$ 10,522.00	\$ 38,914.00
Changes of assumptions	652,467.00	336,253.00
Net difference between projected and actual earnings on pension plan investments	19,141.00	
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>257,031.00</u>	<u>109,892.00</u>
	<u>\$ 939,161.00</u>	<u>\$ 485,059.00</u>

Other local amounts reported by the State as the City's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	(\$15,264.80)
2020	(\$49,035.80)
2021	(\$170,035.80)
2022	(\$151,308.80)
2023	<u>(\$68,456.80)</u>
	<u><u>(\$454,102.00)</u></u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. These actuarial valuations used the following assumptions:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Inflation	2.25 Percent	2.25 Percent
Salary Increases (based on age)		
Through 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.00 Percent

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018 and June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.66% and 5.00% as of June 30, 2018 and June 30, 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% for June 30, 2018 and June 30, 2017 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1% Decrease <u>4.66%</u>	At Current Discount Rate <u>5.66%</u>	1% Increase <u>6.66%</u>
City's proportionate share of the pension liability	\$2,565,788.00	\$2,040,575.00	\$1,599,955.00

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Police and Firemen's Retirement System (PFRS)

At June 30, 2018, the State reported a net pension liability of \$2,558,307.00 for the City of Lambertville's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the City's proportion was 0.0189061018 percent, which was a decrease of 0.0003806146 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State recognized an actuarially determined pension expense of \$180,177.00. The pension expense recognized in the City's financial statement based on the April 1, 2018 billing was \$170,691.00.

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	\$ 10,587.00	\$ 26,027.00
Changes of assumptions	655,650.00	219,596.00
Net difference between projected and actual earnings on pension plan investments	13,996.00	
Changes in proportion and differences between the City's contributions and proportionate share of contributions	77,191.00	4,138.00
	<u>\$ 757,424.00</u>	<u>\$ 249,761.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions (Continued)

Preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018 and June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2018 are summarized in the following table:

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 6.51% and 6.14% as of June 30, 2018 and June 30, 2017 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and June 30, 2017 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate (Continued)

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1% Decrease <u>5.51%</u>	At Current Discount Rate <u>6.51%</u>	1% Increase <u>7.51%</u>
City's proportionate share of the PFRS pension liability	\$3,423,977.00	\$2,558,307.00	\$1,844,288.00

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

In accordance with 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.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough 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 nonemployer contributing entity. Since the City does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the City related to this legislation.

At June 30, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$347,504.00 and \$333,505.00 respectively.

At June 30, 2018, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$2,558,307.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the City	<u>347,504.00</u>
	<u><u>\$2,905,811.00</u></u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 8: 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.

NOTE 9: 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 \$20,000.00 and for officers hired after September 1, 1999 a maximum payment of \$15,000.00. For non-contractual employees hired prior to January 1, 1996 the maximum payment is \$15,000.00. 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, 2018.

NOTE 10: 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 will be discussed in detail in Part II of the 2018 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2018, the City does not believe that any material liabilities will result from such audits.

NOTE 11: 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.

NOTE 11: RISK MANAGEMENT (CONTINUED)

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:

<u>Fiscal Year</u>		<u>Interest Earned</u>		<u>Employee Contributions</u>		<u>Amount Reimbursed</u>		<u>Ending Balance</u>
2018	\$	287.61	\$	3,533.84	\$	3,975.86	\$	57,825.54
2017		285.20		3,466.00		2,110.04		57,979.95
2016		276.40		3,328.16		2,074.89		56,338.79

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2018:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current	\$9,763.88	\$1,146,674.31
Grant	13,258.80	
Animal Control Trust		9,763.88
Trust Other	150,261.42	4,776.25
General Capital	987,930.34	
	<u>\$1,161,214.44</u>	<u>\$1,161,214.44</u>

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

NOTE 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER 31, 2018	2019 BUDGET APPROPRIATION	BALANCE TO SUCCEEDING BUDGETS
Current:			
Overexpenditure of Appropriation Reserves	<u>\$3,158.56</u>	<u>\$3,158.56</u>	
Animal Control Trust:			
Overexpenditure of Animal Control Trust Reserve	<u>\$4,527.97</u>	<u>\$4,527.97</u>	

NOTE 14: 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 2018. 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.

NOTE 15: SUBSEQUENT EVENTS

The City of Lambertville has evaluated subsequent events occurring after the financial statement date through August 2, 2019 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The 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*; therefore, assets are accumulated to pay associated benefits.

The 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 postretirement medical coverage to their employees must file a resolution with the Division. 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.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

Under Chapter 48, the employer may assume the cost of postretirement 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 postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330.

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.

Contributions

The City's contributions to SHBP for the years ended December 31, 2018, 2017 and 2016 were \$235,705.85, \$268,458.42, and \$280,776.59 respectively, which equaled the required contributions for each year.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement 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.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total OPEB Liability

At June 30, 2018, the Plan reported a liability of \$7,412,504.00 for the City's proportionate share of the collective net OPEB liability. The total OPEB liability measured as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The City's proportion of the OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018.

At June 30, 2018, the City's proportion was 0.0473140 percent, which was an increase of 0.003470 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State reported OPEB expense of \$288,491.00. This OPEB expense was based on the OPEB plans June 30, 2018 measurement date.

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience		\$1,505,003
Changes of assumptions		1,880,279
Net difference between projected and actual earnings on OPEB plan investments	\$3,917	
Changes in proportion	<u>690,261</u>	<u>923,598</u>
	<u>\$694,178</u>	<u>\$4,308,880</u>

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Other local amounts reported by the State as the City's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended	
<u>June 30,</u>	<u>Amount</u>
2019	(\$543,175)
2020	(\$543,175)
2021	(\$543,175)
2022	(\$543,589)
2023	(\$544,258)
Total Thereafter	<u>(\$897,328)</u>
	<u><u>(\$3,614,702)</u></u>

Actuarial Assumptions and Other Inputs

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:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Inflation rate	2.50%	2.50%
Salary increases*		
Through 2026	1.65% to 8.98%	1.65% to 8.98%
Thereafter	2.65% to 9.98%	2.65% to 9.98%

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

Certain actuarial assumptions used in the July 1, 2016 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan — the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. 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 the City's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability associated with the City as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the OPEB liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1.00% Decrease (2.87%)	At Discount Rate (3.87)	1.00% Increase (4.87%)
City's proportionate share of the OPEB Liability	\$8,799,177	\$7,412,504	\$6,312,582

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the City's Proportionate Share of the OPEB Liability to Changes in
Healthcare Trends

The following presents the total OPEB liability associated with the City as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
City's proportionate share of the OPEB Liability	\$6,096,068	\$7,412,504	\$9,160,716

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

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CITY OF LAMBERTVILLE
SUPPLEMENTARY SCHEDULES - ALL FUNDS
YEAR ENDED DECEMBER 31, 2018

CITY OF LAMBERTVILLECURRENT FUNDSCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2017	A	\$ 3,487,239.43	\$
Increased by Receipts:			
Collector	A-5	\$ 15,254,975.63	\$
State of New Jersey-Senior Citizens and Veterans			
Deductions-Chapter 20, P.L.1971	A-8	24,500.00	
Miscellaneous Reserves	A-11	10,824.82	
Revenue Accounts Receivable	A-12	2,071,851.40	
Petty Cash	A-13	699.81	
Grants Receivable	A-15		15,721.17
Miscellaneous Revenue Not Anticipated	A-2	47,789.58	
2018 Appropriation Refunds	A-3	77,646.16	
Interfunds	A-6:A-26	6,525,426.91	16,852.11
		<u>24,013,714.31</u>	<u>32,573.28</u>
		\$ 27,500,953.74	\$ 32,573.28
Decreased by Disbursements:			
2018 Appropriations	A-3	\$ 4,946,474.14	\$
2017 Appropriation Reserves	A-24	26,777.05	
Refund - Other Fees and Permits	A-2	607.72	
Refund of Prior Years Revenue	A-1	319.80	
Miscellaneous Reserves	A-11	166,261.19	
Petty Cash	A-13	700.00	
Reserve for Grants-Appropriated	A-16		16,852.11
County Taxes	A-17	2,732,752.28	
Municipal Open Space Taxes	A-19	76,157.23	
Tax Overpayment	A-22	47,753.61	
Regional High School Taxes	A-23	10,003,548.00	
Fire District Taxes Payable	A-25	632,743.00	
Interfunds	A-6:A-26	6,641,103.74	15,721.17
		<u>25,275,197.76</u>	<u>32,573.28</u>
Balance, December 31, 2018	A	\$ <u>2,225,755.98</u>	\$ <u> </u>

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

REF.

Increased by Receipts:

Interest and Costs on Taxes	A-12	\$	47,357.44	
Miscellaneous	A-2		180.00	
Property Taxes Receivable	A-9		14,840,861.75	
Tax Overpayments	A-22		63,633.35	
Senior Citizens and Veterans Deductions	A-8		1,750.00	
Prepaid Property Taxes	A-18		142,234.73	
Tax Title Liens	A-10		3,813.96	
Miscellaneous Reserves	A-11		<u>155,144.40</u>	
				\$ <u>15,254,975.63</u>

Decreased by Disbursements:

Turnovers to Treasurer	A-4			\$ <u><u>15,254,975.63</u></u>
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CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>OTHER TRUST FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2017:						
Due to	A	\$ 1,262,285.26	\$ 14,389.74	\$	\$ 290,690.13	\$ 957,205.39
Due from	A	<u>9,698.00</u>		<u>9,698.00</u>		
Cash Receipts	A-4	\$ 6,525,426.91	\$ 15,721.17	\$	\$ 214,217.46	\$ 6,295,488.28
Cash Disbursements	A-4	<u>\$ 6,641,103.74</u>	<u>\$ 16,852.11</u>	<u>\$ 65.88</u>	<u>\$ 354,646.17</u>	<u>\$ 6,269,539.58</u>
Balance, December 31, 2018:						
Due to	A	\$ 1,146,674.31	\$ 13,258.80	\$	\$ 150,261.42	\$ 983,154.09
Due from	A	<u><u>9,763.88</u></u>	<u></u>	<u><u>9,763.88</u></u>	<u></u>	<u></u>

"A-7"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2017	A	\$	300.00
Balance, December 31, 2018	A	\$	<u>300.00</u>

ANALYSIS OF BALANCE

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

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY-
SENIOR CITIZENS AND VETERANS DEDUCTIONS

REF.

Increased by:

Deductions Per Tax Duplicate:

Senior Citizens		\$	5,000.00	
Veterans			21,000.00	
Allowed by Collector			<u>500.00</u>	
				\$ 26,500.00

Decreased by:

Senior Citizens and Veterans Deductions:

Received in Cash From State	A-4	\$	24,500.00	
Received by Tax Collector	A-5		1,750.00	
Senior Citizens Disallowed by Collector:				
Current Year			<u>500.00</u>	
				<u>26,750.00</u>

Balance, December 31, 2018 (Due To)	A		\$	<u><u>(250.00)</u></u>
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SUMMARY OF 2018 EXEMPTIONS

Senior Citizens and Veterans Exemptions				
Per Tax Billings		\$	26,000.00	
Senior Citizens and Veterans Exemptions				
Allowed by Tax Collector			<u>500.00</u>	
Per Tax Billings				\$ 26,500.00

Senior Citizens and Veterans Exemptions

Disallowed by Tax Collector				<u>500.00</u>
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Per Tax Billings	A-9		\$	<u><u>26,000.00</u></u>
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CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>2018 LEVY</u>	<u>COLLECTIONS BY CASH</u>		<u>OVERPAYMENTS APPLIED</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2018</u>
			<u>2017</u>	<u>2018</u>				
2015	\$ 9.75	\$	\$	\$	\$	\$	\$	\$ 9.75
2017	<u>129,467.36</u>			<u>129,435.22</u>			<u>32.14</u>	
	\$ 129,477.11	\$	\$	\$ 129,435.22	\$	\$	\$ 32.14	\$ 9.75
2018		<u>16,088,296.32</u>	<u>1,139,526.37</u>	<u>14,737,426.53</u>	<u>0.05</u>	<u>7,468.41</u>	<u>7,384.42</u>	<u>196,480.54</u>
	\$ 129,477.11	\$ 16,088,296.32	\$ 1,139,526.37	\$ 14,866,861.75	\$ 0.05	\$ 7,468.41	\$ 7,416.56	\$ 196,500.29
<u>REF</u>	A		A-2;A-18	A-2	A-2;A-22	A-10		A
Collector	A-5			\$ 14,840,861.75				
State of New Jersey	A-8			<u>26,000.00</u>				
				\$ 14,866,861.75				

ANALYSIS OF 2018 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax	\$ 16,076,370.10
Added and Omitted Tax (54:4-63.1 et. seq.)	<u>11,926.22</u>
	\$ <u>16,088,296.32</u>

TAX LEVY

Lambertville Fire District	A-25	\$ 632,743.00
Regional District School Tax:		
Levy (Abstract)	A-23	10,003,548.00
County Tax (Abstract)	A-17	\$ 2,731,620.76
Due County for Added Taxes - (54:4-63.1 et. seq.)	A-17	<u>2,024.88</u>
Total County Tax		2,733,645.64
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 2,357,129.50
Local Library Tax (Abstract)	A-2	262,713.00
Municipal Open Space	A-19	76,157.23
Add: Additional Taxes Levied		<u>22,359.95</u>
		2,718,359.68
		\$ <u>16,088,296.32</u>

"A-10"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2017	A	\$ 137,901.12
Increased by:		
Transfers From Taxes Receivable	A-9	<u>7,468.41</u>
		\$ <u>145,369.53</u>
Decreased by:		
Cash Receipts	A-2:A-5	<u>3,813.96</u>
Balance, December 31, 2018	A	\$ <u><u>141,555.57</u></u>

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF MISCELLANEOUS RESERVE

	BALANCE DECEMBER 31, 2017	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2018
Due State of New Jersey:				
Marriage/Domestic Partnership Licenses	\$ 275.00	\$ 1,255.00	\$ 1,305.00	\$ 225.00
Construction Code State Training Fees	3,096.99	9,569.82	9,811.79	2,855.02
Outside Liens		131,289.62	131,289.62	
Due LSA		23,854.78	23,854.78	
	<u>\$ 3,371.99</u>	<u>\$ 165,969.22</u>	<u>\$ 166,261.19</u>	<u>\$ 3,080.02</u>
REF.	A		A-4	A
Tax Collector	A-5	\$ 155,144.40		
Treasurer	A-4	<u>10,824.82</u>		
		<u>\$ 165,969.22</u>		

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

		BALANCE DECEMBER 31, 2017	ACCRUED IN 2018	COLLECTED BY		BALANCE DECEMBER 31, 2018
	REF.			COLLECTOR	TREASURER	
Clerk:						
Licenses:						
Alcoholic Beverage	A-2	\$	\$ 23,508.00	\$	\$ 23,508.00	\$
Other	A-2	236.00	27,907.00		27,652.00	491.00
Fees and Permits	A-2	7,916.00	90,204.66		90,024.66	8,096.00
Municipal Court:						
Fines and Costs	A-2	10,438.42	151,768.10		147,957.71	14,248.81
Fire Safety:						
Fees and Permits	A-2	334.15	20,154.51		19,783.10	705.56
Police:						
Fees and Permits	A-2		37,786.70		37,786.70	
Miscellaneous:						
Fees and Permits	A-2		16,644.90		16,644.90	
Interest and Costs on Taxes	A-2		47,357.44	47,357.44		
Parking Meters	A-2		325,959.14		325,959.14	
Consolidated Municipal Property Tax Relief Act	A-2		59,383.00		59,383.00	
Energy Receipts Tax	A-2		355,687.00		355,687.00	
Construction Code Official:						
Fees and Permits	A-2	31,564.24	186,454.60		203,614.34	14,404.50
Interlocal - 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		10,304.74		10,304.74	
Cable TV. - Gross Revenue Franchise Fee	A-2		23,133.71		23,133.71	
Reserve for Debt Service	A-2		294,879.50		294,879.50	
Payment in Lieu of Taxes:						
South Hunterdon Apartments	A-2		11,758.65		11,758.65	
Econo Tech	A-2		42,241.00		42,241.00	
Community Investment Strategy	A-2		53,094.00		53,094.00	
Reserve for Open Space	A-2		56,000.00		56,000.00	
Hotel and Motel Occupancy Fees	A-2		123,821.25		123,821.25	
General Capital Fund Balance	A-2		10,000.00		10,000.00	
Contribution from MUA	A-2		72,000.00		72,000.00	
Reimbursement of Costs - Library	A-2		60,000.00		60,000.00	
		\$ 50,488.81	\$ 2,106,665.90	\$ 47,357.44	\$ 2,071,851.40	\$ 37,945.87
	REF.	A		A-5	A-4	A

"A-13"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF PETTY CASH

REF.

Increased by:			
Cash Disbursements	A-4	\$	700.00
Decreased by:			
Cash Receipts	A-4		<u>699.81</u>
Balance, December 31, 2018	A	\$	<u><u>0.19</u></u>

"A-14"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2017	A	\$	13,950.96
Increased by:			
Transferred from 2018 Appropriations	A-3	\$	13,760.73
Transferred from 2017 Appropriation Reserves	A-24		<u>145.00</u>
			<u>13,905.73</u>
		\$	<u>27,856.69</u>
Decreased by:			
Transfer to 2017 Appropriation Reserves	A-24		<u>13,950.96</u>
Balance, December 31, 2018	A	\$	<u><u>13,905.73</u></u>

CITY OF LAMBERTVILLE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2017	TRANSFERRED FROM 2018 BUDGET APPROPRIATION	CASH RECEIPTS	BALANCE DECEMBER 31, 2018
Clean Communities Program	\$	\$ 9,221.17	\$ 9,221.17	\$
Green Communities	3,000.00	3,000.00	3,000.00	3,000.00
Drunk Driving Enforcement Fund		3,500.00	3,500.00	
Small Cities CDBG	227,628.00			227,628.00
ANJEC Grant	310.00			310.00
	<u>\$ 230,938.00</u>	<u>\$ 15,721.17</u>	<u>\$ 15,721.17</u>	<u>\$ 230,938.00</u>

REF.

A

A-2

A-4

A

CITY OF LAMBERTVILLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2017	ENCUMBRANCES PAYABLE	TRANSFERRED FROM 2018 BUDGET APPROPRIATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2018
Drunk Driving Enforcement Fund	\$ 10,714.12	\$	\$ 3,500.00	\$ 1,627.42	\$ 12,586.70
Alcohol Education and Rehabilitation	11,284.11			1,567.00	9,717.11
Clean Communities Program			9,221.17	5,137.49	4,083.68
Recycling Tonnage Grant	8,485.18			8,055.30	429.88
Small Cities CDBG	206,151.08				206,151.08
Body Armor Replacement Fund	1,423.08	834.90		834.90	1,423.08
Stay Sober	6,325.00				6,325.00
Green Communities			3,000.00		3,000.00
ANJEC Grant	110.27			30.00	80.27
	<u>\$ 244,492.84</u>	<u>\$ 834.90</u>	<u>\$ 15,721.17</u>	<u>\$ 17,252.11</u>	<u>\$ 243,796.80</u>

REF.

A

A-20

A-3

A

Cash Disbursements
Encumbrances Payable

A-4

A-20

\$ 16,852.11

400.00

\$ 17,252.11

"A-17"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

REF.

Balance, December 31, 2017	A		\$	1,131.52
Increased by:				
2018 Levy	A-1:A-9	\$	2,731,620.76	
Added and Omitted Taxes	A-1:A-9		<u>2,024.88</u>	
				<u>2,733,645.64</u>
			\$	<u>2,734,777.16</u>
Decreased by:				
Cash Disbursements	A-4			<u>2,732,752.28</u>
Balance, December 31, 2018	A		\$	<u><u>2,024.88</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2017	A		\$	1,139,526.37
Increased by:				
Collection of 2019 Taxes	A-5			<u>142,234.73</u>
			\$	<u>1,281,761.10</u>
Decreased by:				
Applied to 2018 Taxes Receivable	A-9			<u>1,139,526.37</u>
Balance, December 31, 2018	A		\$	<u><u>142,234.73</u></u>

"A-19"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

REF.

Increased by:		
2018 Tax Levy	A-1:A-9	\$ <u>76,157.23</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>76,157.23</u></u>

"A-20"

SCHEDULE OF ENCUMBRANCES PAYABLE - GRANT FUND

Balance, December 31, 2017	A	\$ 834.90
Increased by:		
Transfer from Grants Appropriated	A-16	400.00
		\$ <u>1,234.90</u>
Decreased by:		
Transferred to Reserve	A-16	<u>834.90</u>
Balance, December 31, 2018	A	\$ <u><u>400.00</u></u>

"A-21"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

REF.

Balance, December 31, 2017	A	\$	9,831.68
Decreased by:			
Applied to Revenue	A-2	\$	<u>9,831.68</u>

"A-22"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2017	A	\$	14.42
Increased by:			
Cash Receipts	A-5		<u>63,633.35</u>
		\$	<u>63,647.77</u>
Decreased by:			
Cash Disbursements	A-4	\$	47,753.61
Applied to Taxes Receivable	A-9		0.05
Canceled	A-1		<u>14.37</u>
			<u>47,768.03</u>
Balance, December 31, 2018	A	\$	<u>15,879.74</u>

"A-23"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

Increased by:		
2018 Levy	A-1:A-9	\$ <u>10,003,548.00</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u>10,003,548.00</u>

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

<u>APPROPRIATION</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
<u>SALARIES AND WAGES</u>				
Mayor and Council	\$ 0.92	\$ 0.92	\$	0.92
Municipal Clerk	77.10	77.10		77.10
Financial Administration	50.67	50.67		50.67
Tax Assessor	1.74	1.74		1.74
Tax Collector	70.73	70.73		70.73
Municipal Court	653.58	653.58		653.58
Public Defender	550.00	550.00	450.00	100.00
Police	3,662.00	3,662.00		3,662.00
Public Works	32.76	32.76		32.76
Solid Waste Collection	995.01	995.01		995.01
Planning Board	53.10	53.10		53.10
Zoning Board of Adjustments	119.08	119.08		119.08
Fire Inspection Official	20.53	20.53		20.53
Administration of Public Assistance	39.98	39.98		39.98
Construction Official	86.02	86.02		86.02
Historic Preservation	4.08	4.08		4.08
Accumulated Leave Compensation	100.00	100.00		100.00
<u>OTHER EXPENSES</u>				
Municipal Clerk	327.05	351.65	44.90	306.75
Financial Administration	49.31	299.31	191.20	108.11
Auditor	30.00	30.00		30.00
Tax Assessor	304.67	304.67		304.67
Maintenance of Tax Map	1,737.50	1,737.50		1,737.50
Tax Collector	292.29	292.29		292.29
Liquidation of Tax Lien and Foreclosed Property	500.00	500.00		500.00
City Attorney	456.01	456.01		456.01
Municipal Prosecutor	1,206.74	1,206.74		1,206.74
Municipal Court	1,099.73	1,099.73		1,099.73
Emergency Management Services	187.28	187.28		187.28
Insurance:				
Group Insurance Plan	25,931.43	25,931.43		25,931.43
Other Insurance Premiums	86.00	86.00		86.00
Police	4,200.81	5,851.79	1,695.99	4,155.80
Dog	379.80	379.80		379.80
Inspection and Code Enforcement	100.00	100.00		100.00
Public Works	3,272.05	5,752.24	3,531.09	2,221.15
Solid Waste Collection	1,622.56	5,121.58	5,102.56	19.02
Street Lighting	189.94	189.94		189.94
Building and Grounds	660.89	660.89		660.89
Planning Board	97.33	139.55	42.22	97.33
Zoning Board Adjustments	7.07	7.07		7.07
Fire Inspection Official	254.69	254.69		254.69
Administration of Public Assistance	11.20	11.20		11.20
Contribution to Public Event, Anniversary or Holiday	0.10	2,500.10	2,500.00	0.10
Historic Preservation	50.86	50.86		50.86
Construction Official	31.11	155.76	124.65	31.11

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

<u>APPROPRIATION</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Unclassified:				
Fuel Oil	\$ 48.64	\$ 242.08	\$ 193.44	\$ 48.64
Gasoline	175.50	1,500.85	1,325.35	175.50
Telephone	320.40	320.40		320.40
Diesel Fuel	174.41	1,011.90	1,009.84	2.06
Electricity	1,991.40	1,791.40		1,791.40
Sewerage	2.13	2.13		2.13
Natural Gas	0.60	1,034.49	1,024.61	9.88
Water	490.27	679.40	203.41	475.99
Contribution To:				
FICA/OASI/Social Security	6,167.02	6,167.02		6,167.02
PERS	0.06	0.06		0.06
<u>EXCLUDED FROM CAPS</u>				
Maintenance of Free Public Library	558.91	558.91	558.91	
Frenchtown - Construction Code Official:				
Salaries & Wages	9,562.63	9,562.63	8,923.88	638.75
Frenchtown - Zoning:				
Salaries & Wages	62.98	62.98		62.98
Other Expenses	436.00	436.00		436.00
	<u>\$ 69,594.67</u>	<u>\$ 83,545.63</u>	<u>\$ 26,922.05</u>	<u>\$ 56,623.58</u>
<u>REF.</u>	A			A-1
Reserves	A-24	\$ 69,594.67		
Cash Disbursements	A-4		26,777.05	
Encumbrances Payable	A-14	13,950.96	145.00	
		<u>\$ 83,545.63</u>	<u>\$ 26,922.05</u>	

"A-25"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

REF.

Increased by:		
2018 Levy	A-1:A-9	\$ <u>632,743.00</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>632,743.00</u></u>

"A-26"

GRANT FUND

SCHEDULE OF INTERFUNDS

		<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2017	A	\$ 14,389.74	\$ 14,389.74
Increased by:			
Cash Disbursements	A-4	<u>15,721.17</u>	<u>15,721.17</u>
		\$ <u>30,110.91</u>	\$ <u>30,110.91</u>
Decreased by:			
Cash Receipts	A-4	<u>16,852.11</u>	<u>16,852.11</u>
Balance, December 31, 2018	A	\$ <u><u>13,258.80</u></u>	\$ <u><u>13,258.80</u></u>

"A-27"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	ADDED IN <u>2018</u>	BALANCE DECEMBER <u>31, 2018</u>
Overexpenditure of Appropriation	\$ <u>3,158.56</u>	\$ <u>3,158.56</u>
	\$ <u><u>3,158.56</u></u>	\$ <u><u>3,158.56</u></u>
<u>REF.</u>	A-3	A

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2017	B	\$ <u>16,343.79</u>	\$ <u>911,710.82</u>
Increased by:			
Reserve for:			
Municipal Open Space Tax	B-3	\$	\$ 76,851.21
CDBG Rehabilitation Loan - Brewery	B-4		497.66
State Unemployment Insurance	B-5		3,821.45
Tax Sale Premiums	B-6		138,800.00
Other Federal Programs	B-7		8,631.44
Performance Deposits	B-9		86,695.94
CDBG Rehabilitation Loan	B-10		67,435.60
Miscellaneous Trust Deposits	B-11		215,998.30
Payroll Agency	B-14		2,603,400.39
C.O.A.H.	B-15		31,557.15
Budget Appropriation:			
Overexpenditure of Trust Reserve	B-13		1,913.00
Animal Control Fees	B-18	6,188.50	
Due State of New Jersey	B-19	501.00	
Interfunds	B-8:B-20	<u>65.88</u>	<u>354,275.24</u>
		\$ <u>6,755.38</u>	\$ <u>3,589,877.38</u>
		\$ <u>23,099.17</u>	\$ <u>4,501,588.20</u>
Decreased by:			
Reserve for:			
Municipal Open Space Tax	B-3	\$	\$ 174,797.52
State Unemployment Insurance	B-5		3,975.86
Tax Sale Premiums	B-6		102,100.00
Other Federal Programs	B-7		781.28
Performance Deposits	B-9		104,973.81
CDBG Rehabilitation Loan	B-10		37,587.80
Miscellaneous Trust Deposits	B-11		200,417.63
Payroll Agency	B-14		2,619,450.24
C.O.A.H.	B-15		125.00
Over-expenditure of Trust Reserve	B-21	4,527.97	
Reserve for Encumbrances	B-16	29.49	
Expenditures Under R.S. 4:19-15.11	B-18	12,802.40	
Due State of New Jersey	B-19	503.40	
Accounts Receivable	B		25.00
Interfunds	B-8		<u>213,846.53</u>
		\$ <u>17,863.26</u>	\$ <u>3,458,080.67</u>
Balance, December 31, 2018	B	\$ <u><u>5,235.91</u></u>	\$ <u><u>1,043,507.53</u></u>

"B-3"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TAX

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 214,841.76
Increased by:		
Cash Receipts	B-2	76,851.21
		<u>\$ 291,692.97</u>
Decreased by:		
Cash Disbursements	B-2	174,797.52
		<u>174,797.52</u>
Balance, December 31, 2018	B	<u>\$ 116,895.45</u>

"B-4"

SCHEDULE OF RESERVE FOR CDBG REHABILITATION
LOAN REPAYMENT - BREWERY

Balance, December 31, 2017	B	\$ 98,742.19
Increased by:		
Cash Receipts	B-2	497.66
		<u>497.66</u>
Balance, December 31, 2018	B	<u>\$ 99,239.85</u>

"B-5"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 57,979.95
Increased by:		
Cash Receipts	B-2	<u>3,821.45</u>
		\$ <u>61,801.40</u>
Decreased by:		
Cash Disbursements	B-2	<u>3,975.86</u>
Balance, December 31, 2018	B	\$ <u><u>57,825.54</u></u>

"B-6"

SCHEDULE OF RESERVE FOR
TAX SALE PREMIUMS

Balance, December 31, 2017	B	\$ 228,800.00
Increased by:		
Cash Receipts	B-2	<u>138,800.00</u>
		\$ <u>367,600.00</u>
Decreased by:		
Cash Disbursements	B-2	<u>102,100.00</u>
Balance, December 31, 2018	B	\$ <u><u>265,500.00</u></u>

"B-7"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR OTHER FEDERAL PROGRAMS

	<u>REF.</u>		
Balance, December 31, 2017	B	\$	41,532.66
Increased by:			
Cash Receipts	B-2	\$	8,631.44
Encumbrances Payable	B-17		<u>118.00</u>
			<u>8,749.44</u>
		\$	<u>50,282.10</u>
Decreased by:			
Cash Disbursements	B-2	\$	781.28
Encumbrances Payable	B-17		<u>118.00</u>
			<u>899.28</u>
Balance, December 31, 2018	B	\$	<u><u>49,382.82</u></u>

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>CAPITAL FUND</u>
Balance, December 31, 2017:				
Due to	B	\$ 4,776.25	\$	\$ 4,776.25
Due from	B	<u>290,690.13</u>	<u>290,690.13</u>	<u></u>
Cash Receipts	B-2	\$ <u>354,275.24</u>	\$ <u>354,275.24</u>	\$ <u></u>
Cash Disbursements	B-2	\$ <u>213,846.53</u>	\$ <u>213,846.53</u>	\$ <u></u>
Balance, December 31, 2018:				
Due to	B-2	\$ 4,776.25	\$	\$ 4,776.25
Due from	B-2	<u><u>150,261.42</u></u>	<u><u>150,261.42</u></u>	<u><u></u></u>

"B-9"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR PERFORMANCE DEPOSITS

REF.

Balance, December 31, 2017	B		\$	156,230.19
Increased by:				
Cash Receipts	B-2	\$	86,695.94	
Encumbrances Payable	B-17		<u>225.00</u>	
				86,920.94
			\$	<u>243,151.13</u>
Decreased by:				
Cash Disbursements	B-2			<u>104,973.81</u>
Balance, December 31, 2018	B		\$	<u><u>138,177.32</u></u>

"B-10"

SCHEDULE OF RESERVE FOR CDBG REHABILITATION
LOAN REPAYMENT

Balance, December 31, 2017	B		\$	243,254.77
Increased by:				
Cash Receipts	B-2	\$	67,435.60	
Encumbrances Payable	B-17		<u>500.00</u>	
				67,935.60
			\$	<u>311,190.37</u>
Decreased by:				
Cash Disbursements	B-2	\$	37,587.80	
Encumbrances Payable	B-17		<u>67,071.83</u>	
				<u>104,659.63</u>
Balance, December 31, 2018	B		\$	<u><u>206,530.74</u></u>

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE DECEMBER 31, 2018</u>
Police Donations	\$ 752.86	\$ 350.00	\$	\$ 1,102.86
Recreation	11,420.09	12,342.00	12,978.41	10,783.68
Parking Offense Adjudication Act	8,787.42	1,562.00	1,550.99	8,798.43
Recycling	33.20			33.20
Office of Emergency Management Donations	475.53			475.53
Public Defender Fees		4,038.00	3,900.00	138.00
Police Outside Overtime	64,865.33	195,776.30	179,303.89	81,337.74
Antique Meter Sleeves	395.00			395.00
Halloween	227.31	930.00	870.00	287.31
Memorial Garden	5,248.35	1,000.00	1,814.34	4,434.01
Tree Planting Donations	4,350.00			4,350.00
Community Development Block Grant	3,491.82			3,491.82
	<u>\$ 100,046.91</u>	<u>\$ 215,998.30</u>	<u>\$ 200,417.63</u>	<u>\$ 115,627.58</u>
<u>REF.</u>	B	B-2	B-2	B

"B-12"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR UDAG LOAN REPAYMENT

	<u>REF.</u>		
Balance, December 31, 2017	B	\$	1.18
Balance, December 31, 2018	B	\$	<u>1.18</u>

"B-13"

SCHEDULE OF OVEREXPENDITURE OF TRUST RESERVES

Balance, December 31, 2017	B	\$	1,913.00
Decreased by:			
Raised in 2018 Budget	B-2	\$	<u>1,913.00</u>

"B-14"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL AGENCY

REF.

Balance, December 31, 2017	B	\$ 16,052.81
Increased by:		
Cash Receipts	B-2	<u>2,603,400.39</u>
		\$ <u>2,619,453.20</u>
Decreased by:		
Cash Disbursements	B-2	<u>2,619,450.24</u>
Balance, December 31, 2018	B	\$ <u><u>2.96</u></u>

"B-15"

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

Balance, December 31, 2017	B	\$ 41,212.17
Increased by:		
Cash Receipts	B-2	<u>31,557.15</u>
		\$ <u>72,769.32</u>
Decreased by:		
Cash Disbursements	B-2	<u>125.00</u>
Balance, December 31, 2018	B	\$ <u><u>72,644.32</u></u>

"B-16"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE - ANIMAL CONTROL TRUST FUND

REF.

Balance, December 31, 2017	B	\$	29.49
Decreased by:			
Cash Disbursements	B-2	\$	<u>29.49</u>

"B-17"

SCHEDULE OF ENCUMBRANCES PAYABLE - TRUST OTHER FUND

Balance, December 31, 2017	B	\$	843.00
Increased by:			
Transfer From Reserve for:			
CDBG Loan Rehabilitation Repayment	B-10	\$	67,071.83
Other Federal Programs	B-7		<u>118.00</u>
			67,189.83
		\$	<u>68,032.83</u>
Decreased by:			
Transfer To Reserve for:			
Performance Deposits	B-9	\$	225.00
CDBG Loan Rehabilitation Repayment	B-10		500.00
Other Federal Programs	B-7		<u>118.00</u>
			<u>843.00</u>
Balance, December 31, 2018	B	\$	<u>67,189.83</u>

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2017	B	\$	6,613.90
Increased by:			
Dog License Fees		\$	5,933.00
Cat License Fees			<u>255.50</u>
	B-2		6,188.50
		\$	<u>12,802.40</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	B-2	\$	<u><u>12,802.40</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2016	\$ 9,666.90
2017	<u>5,495.80</u>
	<u><u>\$ 15,162.70</u></u>

"B-19"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - ANIMAL CONTROL TRUST FUND

REF.

Balance, December 31, 2017	B	\$ 2.40
Increased by:		
Cash Receipts	B-2	501.00
		<u>\$ 503.40</u>
Decreased by:		
Cash Disbursements	B-2	503.40
		<u><u>\$ 503.40</u></u>

"B-20"

SCHEDULE OF INTERFUNDS
ANIMAL CONTROL TRUST FUND

Balance, December 31, 2017	B	\$ (9,698.00)
Increased by:		
Cash Receipts	B-2	65.88
		<u>65.88</u>
Balance, December 31, 2018	B	<u><u>\$ (9,763.88)</u></u>

"B-21"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF OVEREXPENDITURES - ANIMAL CONTROL

REF.

Increased by:		
Cash Disbursements	B-2	\$ 4,527.97
Balance, December 31, 2018	B	\$ <u>4,527.97</u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2017	C	\$	850,461.21
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-4	\$	17,500.00
Deferred Charges Unfunded-State Aid			
and Contributions	C-6		361,624.00
Bond Anticipation Notes	C-7		6,380,124.00
Interfunds	C-9		341,671.72
Reserve for COAH Deposits	C-10		285.93
Grants Receivable	C-15		21,700.00
Proceeds From Sale of Bonds	C-11		5,385,000.00
Reserve for Deposits	C-8		130,426.50
Premium on Sale of Bonds	C-1		24,499.11
Premium on Sale of Notes	C-1		4,426.00
			<u>12,667,257.26</u>
		\$	13,517,718.47
Decreased by Disbursements:			
Contracts Payable	C-14	\$	1,310,434.79
Interfunds	C-9		367,620.42
Bond Anticipation Notes	C-7		10,936,168.75
Capital Surplus	C-1		10,000.00
Reserve for Deposits	C-8		294,879.50
			<u>12,919,103.46</u>
Balance, December 31, 2018	C:C-3	\$	<u><u>598,615.01</u></u>

"C-3"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

BALANCE
DECEMBER
31, 2018

Capital Improvement Fund	\$ 4,765.24
Reserve for COAH	15,399.64
State Aid Receivable	(86,800.00)
Capital Surplus	46,207.43
Contracts Payable	545,903.23
Improvement Authorizations Funded set forth on "C-5"	379,229.44
Due Current Fund	(983,154.09)
Due Trust Other Fund	(4,776.25)
Reserve to Pay Debt Service	1,377,203.33
Improvements Expended set forth on "C-6"	(1,091,719.14)
Unexpended Proceeds of Bond Anticipation Notes Issued	229,856.18
Cash on Hand to Pay Notes	<u>166,500.00</u>
	<u>\$ 598,615.01</u>

REF.

C

"C-4"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2017	C	\$ 3,565.24
Increased by:		
2018 Budget Appropriation	C-2	17,500.00
		\$ <u>21,065.24</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-5	<u>16,300.00</u>
Balance, December 31, 2018	C	\$ <u><u>4,765.24</u></u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE, DECEMBER 31, 2017		2018 AUTHORIZATIONS	PAID OR CHARGED	REAUTHORIZED/ CANCELED	BALANCE, DECEMBER 31, 2018	
		DATE	AMOUNT	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	
2003-20	Acquisition and Rehabilitation - Acme Site	12/15/03	550,000.00		4,447.74			(4,447.74)		
2007-06	Improvements to Various Streets	03/19/07	500,000.00	944.17			323.41		620.76	
2008-20	Implementation of Bicycle/Pedestrian Safety Improvements			18,168.14					18,168.14	
2009-21	City Hall Structural Improvements (supplemental)	11/23/09	185,000.00	1,167.22				(1,167.22)		
2012-12	Various Capital Improvements	10/15/12	795,000.00	10,892.55			152.25		10,740.30	
2014-09	Roof Replacement Library	05/20/14	235,000.00		4,609.00		182.49	(4,426.51)		
2014-21	Acquisition of McCann Property (Amend Ord. 2013-12)	08/19/14	210,000.00		21,714.39			(21,714.39)		
2015-08	Redesign of City Website - Acquisition of Equipment	05/14/15	59,300.00	6,435.92				(6,435.92)		
2015-21	Various Capital Improvements	09/14/15	159,000.00		1,416.44		1,416.44			
2015-26	Improvements to Philip Pittore Justice Center	11/24/15	31,200.00	546.82			512.25	(34.56)		
2016-16	Improvements to Clinton Street	05/17/16	590,000.00		434,317.55		434,317.55			
2016-20	North Union St Park Upgrades	08/16/16	190,000.00		27,320.41		7,298.90		20,021.51	
2016-26	Engineering Fees for CRS updates	10/18/16	8,000.00		3,315.16		942.41		2,372.75	
2017-01	Acquisition of Fire Prevention Software	01/17/17	15,000.00		6,473.73		6,355.00		118.73	
2017-08	Improvements to City Property- Bicycle Transportation	03/21/17	197,630.00		162,512.39		16,156.21			146,356.18
2017-10	Supplemental -Ord 2016-28 - Professional Service Fees- COAH	03/21/17	40,000.00		26,551.88		26,551.88			
2017-11	Supplemental -Ord 2016-28 - Professional Service Fees- Connaught Hill Redevelopment	03/21/17	41,000.00		28,469.17		28,469.17			
2017-17	Improvements to City Buildings	06/20/17	145,000.00		102,915.91		(1,000.53)	(103,917.44)		
2017-20	Improvements to City Roads Including Clinton Street	07/18/17	550,000.00		548,315.11		230,218.54		234,596.57	83,500.00
2017-21	Improvements and Repairs to City Parks	07/18/17	65,000.00	16,537.50			13,835.36		2,702.14	
2017-23	Improvements to City Buildings, Streets and Parks	09/19/17	154,554.02		112,158.63		406.00	(111,752.63)		
2017-25	Supplemental -Ord 2016-01 - Engineering Fees - Flood Gates	10/17/17	15,000.00		6,860.38		6,860.38			
2018-01	Refurbish & Repair Heavy Equipment & Vehicles	02/20/18	40,000.00			40,000.00	33,604.42			6,395.58
2018-02	Acquisition of Equipment	03/20/18	80,000.00			80,000.00	79,999.67			0.33
2018-03	Improvements to City Parks	03/05/18	153,000.00			153,000.00	153,000.00			
2018-06	Improvements to City Buildings	03/20/18	400,000.00			400,000.00	520,175.51	253,896.00		133,720.49
2018-07	Supplemental Engineering Services - Flood Gates	05/15/18	50,000.00			50,000.00	14,825.74			35,174.26
2018-08	Improvements to City Roads - George St. and Coryell	05/15/18	435,000.00			435,000.00	19,864.18			415,135.82
2018-09	Supplemental Professional and Consulting - COAH	05/15/18	70,000.00			70,000.00	46,045.08			23,954.92
2018-11	Acquisition and Installation of Fencing for Ely Park	06/19/18	410,000.00			410,000.00	23,307.45			386,692.55
2018-13	Supplemental Professional and Consulting - Connaught Hill	08/21/18	41,000.00			41,000.00	41,000.00			
2018-18	Engineering Services related to Public Infrastructure	09/17/18	20,000.00			20,000.00	192.64		807.36	19,000.00
2018-19	Acquisition of a Refurbished Garbage Truck	11/05/18	97,000.00			97,000.00	629.82		42,770.18	53,600.00
2018-20	Improvements of City Parks	10/16/18	25,000.00			25,000.00	4,729.67			20,270.33
				\$ 101,003.32	\$ 1,491,398.89	\$ 1,821,000.00	\$ 1,710,371.90	\$ (0.41)	\$ 379,229.44	\$ 1,323,800.46
				REF	C	C	C-14	C-1	C	C-C-6
				Capital Improvement Fund	C-4		\$ 16,300.00			
				Reserve for Deposits	C-8		93,900.00			
				Deferred Charges to Future Taxation-Unfunded	C-6		1,710,800.00			
							\$ 1,821,000.00			

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2017	AUTHORIZATIONS	NOTES PAID BY BUDGET	BOND PROCEEDS APPLIED	TRANSFERRED RESERVE TO PAY DEBT	CASH RECEIPTS	BALANCE DECEMBER 31, 2018	ANALYSIS OF BALANCE		
									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 Rehabilitation 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	
2013-01	Acquisition of Emergency Generators	133,000.00		9,500.00	123,500.00						
2013-11	Improvements to Cavallo Park	197,065.00		12,759.00	184,306.00						
2013-12	Acquisition of McCann Property	132,986.21		9,684.00	410,932.00	287,629.79					
2014-03	Various Capital Improvements	235,376.46		14,999.46	220,377.00						
2014-09	Roof Replacement at Library	226,896.00		8,104.00	218,792.00						
2014-10	Improvements to Cavallo Park - Supp. Ord 2013-11	460,714.20		17,587.20	443,127.00						
2014-21	Acquisition of McCann Property (Amend Ord. 2013-12)	207,341.00		2,659.00	204,682.00						
2014-23	Acquisition of Emergency Generators - Supp. Ord	130,074.59		9,999.59	120,075.00						
2014-24	Improvements to Wilson Street	81,056.12		3,045.00	112,660.00	34,646.88					
2014-25	Acquisition of Equipment and Repairs to City Property	101,333.00		12,664.00	88,672.00	3.00					
2015-01	Acquisition of Generator - Supplemental 2014-23	8,947.00			8,947.00						
2015-10	Improvement to Upper York and Upper Washington Streets	900,000.00			900,000.00						
2015-13	Acquisition of Equipment - Supplemental 2014-25	15,200.00			15,200.00						
2015-17	Improvement to Upper York and Upper Washington Streets	230,000.00			230,000.00						
2015-20	Engineering Services North Union St. Parking Improvements	42,750.00			42,750.00						
2015-21	Various Capital Improvements	150,926.75			151,050.00	123.25					
2015-25	Planning and Legal Services Connaught Hill Redevelopment	42,750.00			42,750.00						
2016-01	Engineering Services Flood Gates	23,750.00			23,750.00						
2016-02	Professional/Consulting Fees - COAH	33,250.00			33,250.00						
2016-10	Acquisition & Repair Heavy Equipment and Vehicles	148,200.00			148,200.00						
2016-14	Acquisition of Police Vehicles and Equipment	47,961.00			47,961.00						
2016-16	Improvements to Clinton Street	590,000.00			590,000.00						
2016-17	Upgrades to City Hall	123,500.00						123,500.00		123,500.00	
2016-20	North Union St Park Upgrades	180,500.00			190,000.00	9,500.00					
2016-23	Supplemental Ord 2015-14 - COAH	38,000.00			38,000.00						
2016-25	Acquisition of Heavy Duty Vehicles	75,301.00			75,301.00						
2016-26	Engineering Fees for CRS updates	7,600.00			7,600.00						
2016-27	Engineering Services Related to Swan Creek Flood Control	118,750.00			118,750.00						
2016-28	Supplemental Ord 2016-23	38,000.00			38,000.00						
2017-01	Acquisition of Fire Prevention Software	14,250.00			14,250.00						
2017-08	Improvements to City Property- Bicycle Transportation	197,630.00			47,630.00			150,000.00	150,000.00		
2017-09	Refurbishing and Repair of Heavy Equipment Vehicles	33,250.00			33,250.00						
2017-10	Supp. -Ord 2016-28 - Professional Service Fees- COAH	38,000.00			38,000.00						
2017-11	Supp -Ord 2016-26 - Professional Service Fees- Connaught Hill	38,950.00			38,950.00						
2017-17	Improvements to City Buildings	137,750.00			137,750.00						
2017-20	Improvements to City Roads Including Clinton Street	550,000.00			300,000.00		166,500.00	83,500.00	83,500.00		
2017-23	Improvements to City Buildings Streets and Parks	127,412.00			127,412.00						
2017-25	Supplemental -Ord 2016-01 - Engineering Fees - Flood Gates	14,250.00			14,250.00						

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CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2018</u>
2013-01	Acquisition of Emergency Generators	11/13/2014	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	\$ 133,000.00	\$ 123,500.00	\$ 133,000.00	\$ 123,500.00
2013-11	Improvements to Cavallo Park	10/25/2013	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	197,189.00	184,430.00	197,189.00	184,430.00
2013-12	Acquisition of McCann Property	10/25/2013	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	420,616.00	410,932.00	420,616.00	410,932.00
2014-03	Various Capital Improvements	11/13/2014	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	270,000.00	220,377.00	270,000.00	220,377.00
2014-09/ 2016-21	Roof Replacement Library/Improvements to City Property	11/13/2014	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	226,896.00	218,792.00	226,896.00	218,792.00
2014-10	Improvements to Cavallo Park - Supp. Ord 2013-11	11/13/2014	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	492,413.00	443,127.00	492,413.00	443,127.00
2014-21	Acquisition of McCann Property (Amend Ord. 2013-12)	11/13/2014	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	207,341.00	204,682.00	207,341.00	204,682.00
2014-23	Acquisition of Emergency Generators - Supp. Ord	11/13/2014	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	140,000.00	120,075.00	140,000.00	120,075.00
2014-24	Improvements to Wilson Street	11/13/2014	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	115,708.00	112,660.00	115,708.00	112,660.00
2014-25	Acquisition of Equipment and Repairs to City Property	11/13/2014	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	101,333.00	88,672.00	101,333.00	88,672.00
2015-01	Acquisition of Generator - Supplemental 2014-23	3/24/2016	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	55,000.00	8,946.00	55,000.00	8,946.00
2015-10	Improvement to Upper York and Upper Washington Streets	3/24/2016	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	900,000.00	900,000.00	900,000.00	900,000.00
2015-13	Acquisition of Equipment - Supplemental 2014-25	3/24/2016	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	15,200.00	15,200.00	15,200.00	15,200.00
2015-17	Improvement to Upper York and Upper Washington Streets	3/24/2016	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	230,000.00	230,000.00	230,000.00	230,000.00
2015-20	Engineering Services North Union St. Parking Improvements	3/24/2016	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	42,750.00	42,750.00	42,750.00	42,750.00
2015-21	Various Capital Improvements	3/24/2016	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	151,050.00	150,927.00	151,050.00	150,927.00
2015-25	Planning and Legal Services Connaught Hill Redevelopment	3/24/2016	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	42,750.00	42,750.00	42,750.00	42,750.00

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2018</u>
2016-01	Engineering Services Flood Gates	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	\$ 23,750.00	\$ 23,750.00	\$ 23,750.00	\$ 23,750.00
2016-02	Professional/Consulting Fees - COAH	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	33,250.00	33,250.00	33,250.00	33,250.00
2016-10	Acq & Repair Heavy Equipment and Vehicles	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	148,200.00	148,200.00	148,200.00	148,200.00
2016-14	Acq of Police Vehicles and Equipment	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	52,250.00	47,961.00	52,250.00	47,961.00
2016-16	Improvements to Clinton Street	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	590,000.00	590,000.00	590,000.00	590,000.00
2016-20	North Union Street Park Upgrades	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	190,000.00	190,000.00	190,000.00	190,000.00
2016-23	Supplemental Ord. 2015-14 COAH	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	38,000.00	38,000.00	38,000.00	38,000.00
2016-25	Acq. Heavy Duty Vehicles	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	76,000.00	75,301.00	76,000.00	75,301.00
2016-26	Engineering Fees for CRS Updates	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	7,600.00	7,600.00	7,600.00	7,600.00
2016-27	Engineering Services Swan Creek Flood Control	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	118,750.00	118,750.00	118,750.00	118,750.00
2016-28	Supplemental Ord. 2016-23	3/22/2017	03/22/17 01/18/18	01/22/18 04/18/18	1.240% 1.750%	38,000.00	38,000.00	38,000.00	38,000.00
2017-23	Reappropriating Monies Previous Ord & Providing Cap Impr.	1/18/2018	01/18/18	04/18/18	1.750%		127,412.00	127,412.00	
2017-01	Acq Fire Prevention Software	1/18/2018	01/18/18	04/18/18	1.750%		14,250.00	14,250.00	
2017-08	Improvements for Bicycle Transportation	1/18/2018	01/18/18 04/17/18	04/18/18 04/16/19	1.750% 2.500%		197,630.00 150,000.00	197,630.00	150,000.00
2017-09	Refurbishing & Repair of Heavy Equipment and Vehicles	1/18/2018	01/18/18	04/18/18	1.750%		33,250.00	33,250.00	
2017-10	Supplemental Ord 2016-28	1/18/2018	01/18/18	04/18/18	1.750%		38,000.00	38,000.00	
2017-11	Supplemental Ord 2015-25	1/18/2018	01/18/18	04/18/18	1.750%		38,950.00	38,950.00	

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2017	INCREASED	DECREASED	BALANCE DECEMBER 31, 2018
2017-17	Improvements to City Buildings	1/18/2018	01/18/18	04/18/18	1.750%	\$	\$ 137,750.00	\$ 137,750.00	\$
2017-20	Improvements to City Roads including Clinton Street	1/18/2018	01/18/18 04/17/18	04/18/18 04/16/19	1.750% 2.500%		550,000.00 250,000.00	550,000.00	250,000.00
2017-25	Supplemental Ord 2016-01	1/18/2018	01/18/18	04/18/18	1.750%		14,250.00	14,250.00	
						\$ 5,057,046.00	\$ 6,380,124.00	\$ 11,037,170.00	\$ 400,000.00
					REF.	C	C-2	C-2	C:C-6
			Issued for Cash		C-2			\$ 10,936,168.75	
			Paid by Budget Appropriation		C-6			101,001.25	
								\$ 11,037,170.00	

"C-8"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2017	C	\$	1,303,651.41
Increased by:			
Cash Receipts	C-2	\$	130,426.50
Transferred from Deferred Charges	C-6		<u>331,904.92</u>
			462,331.42
		\$	<u>1,765,982.83</u>
Decreased by:			
Cash Disbursements	C-2	\$	294,879.50
Appropriated to Fund Ordinances	C-5		<u>93,900.00</u>
			<u>388,779.50</u>
Balance, December 31, 2018	C	\$	<u><u>1,377,203.33</u></u>

ANALYSIS OF BALANCE

Reserve to Pay Debt	\$	1,343,240.83
Reserve for Insurance Refunds		<u>33,962.50</u>
	\$	<u><u>1,377,203.33</u></u>

"C-9"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>OTHER TRUST FUND</u>
Balance, December 31, 2017:				
Due from	C	\$ <u>961,981.64</u>	\$ <u>957,205.39</u>	\$ <u>4,776.25</u>
Cash Receipts	C-2	\$ 341,671.72	\$ 341,671.72	\$
Cash Disbursements	C-2	\$ <u>367,620.42</u>	\$ <u>367,620.42</u>	\$
Balance, December 31, 2018:				
Due from	C	\$ <u><u>987,930.34</u></u>	\$ <u><u>983,154.09</u></u>	\$ <u><u>4,776.25</u></u>

"C-10"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR COAH DEPOSITS

	<u>REF.</u>	<u>TOTAL</u>	<u>DELAWARE TOWNSHIP</u>	<u>FRANKLIN TOWNSHIP</u>	<u>RESIDUAL INTEREST</u>
Balance, December 31, 2017	C	\$ 15,113.71	\$ 8,989.01	\$ 5,167.78	\$ 956.92
Increased by:					
Interest Earned	C-2	<u>285.93</u>	<u>171.18</u>	<u>82.30</u>	<u>32.45</u>
Balance, December 31, 2018	C	<u>\$ 15,399.64</u>	<u>\$ 9,160.19</u>	<u>\$ 5,250.08</u>	<u>\$ 989.37</u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2018		INTEREST RATE	BALANCE DECEMBER 31, 2017	INCREASED	DECREASED	BALANCE DECEMBER 31, 2018
			DATE	AMOUNT					
General Improvement	05/15/03	\$ 2,425,000.00	08/15/19	\$ 185,000.00	3.75%	\$ 1,355,000.00	\$	\$	\$
			08/15/20	195,000.00	3.75%				
			08/15/21	200,000.00	3.80%				
			08/15/22	200,000.00	3.85%				
			08/15/23	200,000.00	3.90%				
			08/15/24	200,000.00	4.00%				
General Improvement	03/01/10	3,335,000.00	03/01/19-20	300,000.00	4.00%	2,050,000.00		175,000.00	1,180,000.00
			03/01/21	300,000.00	3.50%				
			03/01/22	300,000.00	3.63%				
			03/01/23	300,000.00	3.75%				
			03/01/24	300,000.00	3.80%				
General Improvement	03/19/14	4,365,000.00	03/01/19	190,000.00	3.00%	3,885,000.00		180,000.00	3,705,000.00
			03/01/20	200,000.00	3.00%				
			03/01/21	205,000.00	3.00%				
			03/01/22	215,000.00	4.00%				
			03/01/23	225,000.00	4.00%				
			03/01/26	730,000.00	3.00%				
			03/01/29	815,000.00	3.25%				
			03/01/31	550,000.00	3.25%				
			03/01/33	575,000.00	3.50%				
General Obligation Bonds	3/27/18	5,385,000.00	3/1/2019	195,000.00	3.00%				
			3/1/2020	300,000.00	4.00%				
			3/1/2021	325,000.00	5.00%				
			3/1/2022	355,000.00	5.00%				
			3/1/2023	365,000.00	5.00%				
			3/1/2024	380,000.00	5.00%				
			3/1/2025	385,000.00	5.00%				
			3/1/2026-2033	385,000.00	3.00%				
						\$ 7,290,000.00	\$ 5,385,000.00	\$ 605,000.00	\$ 12,070,000.00
REF.						C	C-2:C-13	C-13	C

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>OUTSTANDING DECEMBER 31, 2018</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2018</u>
			<u>DATE</u>	<u>AMOUNT</u>				
McCann Tract Acquisition	6/13/2017	\$ 220,000.00	2019	\$ 9,514.17	2.000%	\$	\$	\$
			2020	9,705.41	2.000%			
			2021	9,900.48	2.000%			
			2022	10,099.48	2.000%			
			2023	10,302.48	2.000%			
			2024	10,509.56	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%	220,000.00	9,326.70	210,673.30
McCann Tract Acquisition	6/13/2017	67,629.79	2019	2,924.73	2.000%			
			2020	2,983.52	2.000%			
			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%	67,629.79	2,867.10	64,762.69
						<u>\$ 287,629.79</u>	<u>\$ 12,193.80</u>	<u>\$ 275,435.99</u>
						REF C	C-13	C

"C-13"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2017	C	\$	7,577,629.79
Increased by:			
Bonds Issued	C-11		<u>5,385,000.00</u>
		\$	<u>12,962,629.79</u>
Decreased by:			
Serial Bonds Paid by Budget	C-11	\$	605,000.00
Loans Paid by Budget	C-12		<u>12,193.80</u>
			<u>617,193.80</u>
Balance, December 31, 2018	C	\$	<u><u>12,345,435.99</u></u>

"C-14"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2017	C	\$	145,966.12
Increased by:			
Charges to Improvement Authorizations	C-5		<u>1,710,371.90</u>
		\$	<u>1,856,338.02</u>
Decreased by:			
Cash Disbursements	C-2		<u>1,310,434.79</u>
Balance, December 31, 2018	C	\$	<u><u>545,903.23</u></u>

"C-15"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

REF.

Balance, December 31, 2017	C	\$ 108,500.00
Decreased by:		
Cash Receipts - Budget Appropriation	C-2	<u>21,700.00</u>
Balance, December 31, 2018	C	<u><u>\$ 86,800.00</u></u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2018</u>
1997-21	Purchase of Trash Truck	\$ 4,513.28
2002-03	Bike Pedestrian Safety Program	149,220.00
2003-20	Acquisition and Rehabilitation of Former Acme Site	47,501.00
2011-03	Purchase Public Works Vehicles and Equipment	88,476.51
2011-13	Purchase Police SUV	42,750.00
2012-19	Acquisition of Office and Computer Equipment	18,902.63
2016-17	Upgrades to City Hall	123,500.00
2018-01	Refurbish and Repair Heavy Equipment & Vehicles	38,000.00
2018-02	Acquisition of Equipment	76,000.00
2018-03	Improvements to City Parks	123,000.00
2018-06	Improvements to City Buildings	400,000.00
2018-07	Supplemental Engineering Services - Flood Gates	47,500.00
2018-08	Improvements to City Roads - George St. and Coryell	435,000.00
2018-09	Supplemental Professional and Consulting - COAH	66,500.00
2018-11	Acquisition and Installation of Fencing for Ely Park	389,500.00
2018-13	Supplemental Professional and Consulting - Connaught Hill	38,950.00
2018-18	Engineering Services related to Public Infrastructure	19,000.00
2018-19	Acquisition of a Refurbished Garbage Truck	53,600.00
2018-20	Improvements of City Parks	<u>23,750.00</u>
		<u>\$ 2,185,663.42</u>

CITY OF LAMBERTVILLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

	<u>REF.</u>	<u>P.A.T.F.</u> <u>II</u>	<u>FUND</u> <u>TOTAL</u>
Balance, December 31, 2017	E	\$ <u>44,271.63</u>	\$ <u>44,271.63</u>
Increased by:			
State Aid		\$ 166,800.00	\$ 166,800.00
Prior Year Voided Checks		7,081.05	7,081.05
Supplemental Security Income		1,065.67	1,065.67
Interest Earned		169.39	169.39
	E-4	\$ <u>175,116.11</u>	\$ <u>175,116.11</u>
Decreased by:			
2018 Assistance	E-5	\$ <u>152,725.53</u>	\$ <u>152,725.53</u>
Balance, December 31, 2018	E	\$ <u><u>66,662.21</u></u>	\$ <u><u>66,662.21</u></u>

CITY OF LAMBERTVILLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION PER N.J.S.A. 40A:5-5

	<u>REF.</u>		
Balance, December 31, 2018	E-1	\$	66,662.21
Increased by:			
Cash Receipts			66.90
		\$	<u>66,729.11</u>
Decreased by Disbursements:			
2019 Assistance			<u>23,931.66</u>
Balance, March 31, 2019		\$	<u><u>42,797.45</u></u>

<u>RECONCILIATION - MARCH 31, 2019</u>	<u>P.A.T.F. II ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit per Statement of: Bank of Princeton Account #1800000265	\$ <u>42,797.45</u>	\$ <u>42,797.45</u>
Balance, March 31, 2019	\$ <u><u>42,797.45</u></u>	\$ <u><u>42,797.45</u></u>

CITY OF LAMBERTVILLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION AS OF DECEMBER 31, 2018

	<u>REF.</u>		
Balance, December 31, 2017	E-1	\$	44,271.63
Increased by Receipts:			
State Aid		\$	166,800.00
Prior Year Voided Checks			7,081.05
Supplemental Security Income			1,065.67
Interest Earned			169.39
	E-4		<u>175,116.11</u>
		\$	<u>219,387.74</u>
Decreased by Disbursements:			
2018 Assistance	E-5		<u>152,725.53</u>
Balance, December 31, 2018	E-1	\$	<u><u>66,662.21</u></u>

<u>RECONCILIATION - DECEMBER 31, 2018</u>	<u>P.A.T.F. II</u> <u>ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit per Statement of: The Bank of Princeton Account #1800000265	\$ <u>66,662.21</u>	\$ <u>66,662.21</u>
Balance, December 31, 2018	\$ <u><u>66,662.21</u></u>	\$ <u><u>66,662.21</u></u>

"E-4"

CITY OF LAMBERTVILLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE REVENUES
YEAR ENDED DECEMBER 31, 2018

	<u>P.A.T.F. II</u>	<u>FUND</u> <u>TOTAL</u>
State Aid Payments	\$ 166,800.00	\$ 166,800.00
Prior Year Voided Checks	7,081.05	7,081.05
Supplemental Security Income:		
State/Municipal Refund	1,065.67	1,065.67
Interest Earned	169.39	169.39
	<u> </u>	<u> </u>
<u>TOTAL REVENUES</u>	<u>\$ 175,116.11</u>	<u>\$ 175,116.11</u>
<u>REF.</u>		E-1

"E-5"

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
YEAR ENDED DECEMBER 31, 2018

	<u>P.A.T.F. II</u>	<u>FUND</u> <u>TOTAL</u>
Payments for Current Year Assistance (Reported):		
Maintenance Payments	\$ 23,207.00	\$ 23,207.00
Other:		
Work Related	340.00	340.00
Emergency Assistance	75,038.51	75,038.51
Transportation	386.52	386.52
Temporary Rental Assistance	53,753.50	53,753.50
	<u> </u>	<u> </u>
<u>Total Payments Reported</u>	<u>\$ 152,725.53</u>	<u>\$ 152,725.53</u>
<u>TOTAL EXPENDITURES (P.A.T.F.)</u>	<u>\$ 152,725.53</u>	<u>\$ 152,725.53</u>
<u>REF.</u>		E-1

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PART II

CITY OF LAMBERTVILLE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2018

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	YEAR 2018		YEAR 2017	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 435,454.00	2.33%	\$ 465,585.00	2.56%
Miscellaneous - From Other Than Local				
Property Tax Levies	2,248,761.50	12.03%	2,185,892.14	12.01%
Collection of Delinquent Taxes and Tax Title Liens	133,249.18	0.71%	174,778.22	0.95%
Collection of Current Tax Levy	15,876,952.95	84.93%	15,381,526.95	84.48%
<u>Total Income</u>	<u>\$ 18,694,417.63</u>	<u>100.00%</u>	<u>\$ 18,207,782.31</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures	\$ 4,911,069.88	26.73%	\$ 4,828,067.55	27.19%
County Taxes	2,733,645.64	14.89%	2,662,030.63	15.00%
Regional School Taxes	10,003,548.00	54.49%	9,591,098.00	54.03%
Fire District Tax	632,743.00	3.45%	592,588.00	3.34%
Municipal Open Space Taxes	76,157.23	0.41%	76,056.35	0.43%
Other Expenditures	385.68	0.01%	1,441.46	0.01%
<u>Total Expenditures</u>	<u>\$ 18,357,549.43</u>	<u>100.00%</u>	<u>\$ 17,751,281.99</u>	<u>100.00%</u>
Excess in Revenue	\$ 336,868.20		\$ 456,500.32	
Adjustments to Income Before Fund Balance				
Expenditures Included Above Which are by Statute				
Deferred Charges to the Budget of the Succeeding Year	3,158.56			
Statutory Excess to Fund Balance	\$ 340,026.76		\$ 456,500.32	
Fund Balance, January 1	987,832.56		996,917.24	
	\$ 1,327,859.32		\$ 1,453,417.56	
Less: Utilization as Anticipated Revenue	435,454.00		465,585.00	
Fund Balance, December 31	<u>\$ 892,405.32</u>		<u>\$ 987,832.56</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$2.085</u>	<u>\$2.041</u>	<u>\$2.001</u>
Apportionments of Tax Rate:			
Municipal	0.306	0.306	0.307
Municipal Library	0.034	0.035	0.033
Municipal Open Space	0.010	0.010	0.009
County	0.323	0.319	0.313
County Open Space	0.031	0.031	0.031
Regional School	1.298	1.262	1.235
Fire District Tax	<u>0.083</u>	<u>0.078</u>	<u>0.073</u>

ASSESSED VALUATIONS

2018	<u>\$771,048,882.00</u>
2017	<u>\$759,962,804.00</u>
2016	<u>\$739,128,195.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2018	\$16,088,296.32	\$15,876,952.95	98.68%
2017	\$15,522,087.63	\$15,381,526.95	99.09%
2016	\$14,803,531.03	\$14,618,292.34	98.74%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2018	\$141,555.57	\$196,500.29	\$338,055.86	2.10%
2017	\$137,901.12	\$129,477.11	\$267,378.23	1.72%
2016	\$127,160.69	\$177,300.51	\$304,461.20	2.06%

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2018	\$892,405.32	\$445,454.00
	2017	\$987,832.76	\$435,454.00
	2016	\$996,917.24	\$465,585.00
	2015	\$1,057,686.72	\$397,689.00
	2014	\$1,050,766.49	\$354,795.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>SURETY COMPANY</u>
David M. DelVecchio	Mayor		
Steven M. Stegman	Council President to October 2018		
Beth Asaro	Councilperson		
Julia Taylor	Councilperson from November 5, 2018		
Wardell Sanders	Councilperson, Council President from November 5, 2018		
Elaine Warner	Councilperson		
Cynthia Ege	City Clerk and Registrar of Vital Statistics	\$1,000,000.00	M.E.L. J.I.F.
Christie Ehret	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.
Ronald Pittore	Magistrate	\$1,000,000.00	M.E.L. J.I.F.
Patricia Woznicki	Municipal Court Administrator	\$1,000,000.00	M.E.L. J.I.F.

All of the bonds were examined and were properly executed.

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GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

Every contract or agreement for the performance of any work or the 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 therefor, 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 the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 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 bids were requested by public advertising for the following items:

Clinton Street Phase I
Ely Fields Improvements
Replacement of Roof at Jail
Painting of Library
City Hall Mold Remediation
Ely Field Fencing
Parklette's Project

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 result of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 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 provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" were awarded during 2018 for the following professional services:

Municipal Auditor
Municipal Attorney
Municipal Engineer
Architect

Bond Counsel
Grants Consultant
City Planner

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The statute provides the method for authorizing interest and the maximum rates 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 1, 2018 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"WHEREAS, taxes are payable in quarterly installments on February 1st, May 1st, August 1st and November 1st in each year, and installments become delinquent if not paid on or before those dates.

"BE IT THEREFORE RESOLVED, that Council does hereby authorize an interest charge not to exceed eight (8%) percent per annum on the first \$1,500.00 of the delinquency and eighteen (18%) percent per annum on any amount in excess of \$1,500.00 upon all delinquent installments; and

BE IT ALSO RESOLVED, that Council does hereby authorized a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six (6%) percent of the amount of the delinquency.

BE IT FURTHER RESOLVED, that any installments received after the expiration of the grace period, and such grace period shall be the period starting with the second day and ending on the ten (10th) day of the month in which taxes are due, shall bear interest at the applicable interest rate from the original due date.

BE IT FURTHER RESOLVED, that the Tax Collector of the City of Lambertville is hereby authorized to conduct the annual sale of delinquent taxes for the Calendar Year of 2018.

It appears from an audit of the Collector's records that interest was collected in accordance with the foregoing resolutions.

DELINQUENT TAXES AND TAX TITLE LIENS

A tax sale was held on June 21, 2018 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2018	20
2017	21
2016	22

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

A confirmation of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>TYPE</u>	<u>NUMBER MAILED</u>
Payments of 2018 Taxes	10
Payments of 2018 Taxes	10
Delinquent Taxes	10

OTHER COMMENTS

Interfunds

Reference to the various balance sheets show interfund balances remaining at year end. Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. As a general rule all interfund balances should be closed out as of the end of year.

It is the City's policy to review and liquidate all interfund balances on a periodic basis.

Treasurer

Funds were committed in excess of balances in the 2018 Current Fund Appropriation. In accordance with N.J.S.A. 40A:4-57, no expenditures of funds for any purpose can be made for which no appropriation is provided or in excess of the amount appropriated for such purpose. As a result of the City committing funds in excess of amounts appropriated, deferred charges in the total amount of \$3,158.56 will have to be raised in the 2019 budget. In addition, the Animal Control Trust Fund was overexpended in the amount \$4,527.97.

We noted that City employee contributions for required health benefits contributions were not calculated correctly in accordance with Chapter 78 of the Laws of 2011.

Purchasing

We noted instances where payments to vendors for professional services exceeded the not to exceed amounts authorized by resolution of the governing body.

In one instance the total amount of change orders authorized by the governing body exceeded the original contract amount by greater than 20 percent.

RECOMMENDATIONS

*That sufficient appropriation balances be available prior to the commitment or expenditure of funds.

That procedures be established to ensure that employee health benefits contributions are correctly calculated.

That payments to vendors not exceed amounts authorized by resolution of the governing body.

*Unresolved 2017 Audit Recommendation

