

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, 2017

CITY OF LAMBERTVILLE

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CITY OF LAMBERTVILLE

PART I

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YEAR ENDED DECEMBER 31, 2017 AND 2016



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, 2017 and 2016, 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, 2017, 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, 2017 and 2016, 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, 2017.

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, 2017 and 2016, 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, 2017 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 July 23, 2018 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

July 23, 2018



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, 2017, and the related notes to the financial statements, which collectively comprise the City's regulatory financial statements, and have issued our report thereon dated July 23, 2018. 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

July 23, 2018

CURRENT FUND

CITY OF LAMBERTVILLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Cash - Treasurer	A-4	\$ 3,487,239.43	\$ 2,265,845.71
Cash - Change Fund	A-7	300.00	300.00
		<u>\$ 3,487,539.43</u>	<u>\$ 2,266,145.71</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 129,477.11	\$ 177,300.51
Tax Title Liens Receivable	A-10	137,901.12	127,160.69
Revenue Accounts Receivable	A-12	50,488.81	32,818.49
Interfunds Receivable	A-6	9,698.00	9,606.11
	A	<u>\$ 327,565.04</u>	<u>\$ 346,885.80</u>
		<u>\$ 3,815,104.47</u>	<u>\$ 2,613,031.51</u>
Grant Fund:			
Grants Receivable	A-15	\$ 230,938.00	\$ 235,938.00
Interfunds Receivable	A-26	14,389.74	5,322.46
		<u>\$ 245,327.74</u>	<u>\$ 241,260.46</u>
		<u>\$ 4,060,432.21</u>	<u>\$ 2,854,291.97</u>

CITY OF LAMBERTVILLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-24	\$ 69,594.67	\$ 153,745.42
Encumbrances Payable	A-14	13,950.96	39,167.66
Tax Overpayments	A-22	14.42	14.37
Due from State of New Jersey -			
Senior Citizens Deductions	A-8		500.00
Prepaid Taxes	A-18	1,139,526.37	116,312.11
Miscellaneous Reserves	A-11	3,371.99	2,876.10
County Taxes Payable	A-17	1,131.52	2,333.70
Sale of Municipal Assets	A-21	9,831.68	9,805.68
Interfunds Payable	A-6	1,262,285.26	944,473.43
		\$ 2,499,706.87	\$ 1,269,228.47
Reserve for Receivables and Other Assets	A	327,565.04	346,885.80
Fund Balance	A-1	987,832.56	996,917.24
		\$ 3,815,104.47	\$ 2,613,031.51
Grant Fund:			
Reserve for Grants Appropriated	A-16	\$ 244,492.84	\$ 240,686.26
Encumbrances Payable	A-20	834.90	574.20
		\$ 245,327.74	\$ 241,260.46
		\$ 4,060,432.21	\$ 2,854,291.97

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, 2017	YEAR ENDED DECEMBER 31, 2016
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 465,585.00	\$ 397,689.00
Miscellaneous Revenue Anticipated	A-2	1,998,273.39	1,967,740.60
Receipts from Delinquent Taxes	A-2	174,778.22	198,380.81
Receipts from Current Taxes	A-2	15,381,526.95	14,618,292.34
Non-Budget Revenue	A-2	53,272.21	48,545.90
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-24	134,346.54	47,363.79
Senior Citizen and Veteran Deductions Canceled			500.00
Regional High School Tax			85.30
Reserves Canceled			7,884.03
<u>Total Income</u>		<u>\$ 18,207,782.31</u>	<u>\$ 17,286,481.77</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 3,025,533.25	\$ 2,997,397.00
Deferred Charges and Statutory Expenditures	A-3	431,317.00	437,828.69
Operations Excluded From "CAPS":			
Operating	A-3	334,327.04	365,687.70
Capital Improvements	A-3	17,500.00	19,500.00
Municipal Debt Service	A-3	1,019,390.26	853,191.29
Fire District Tax	A-25	592,588.00	536,895.00
Regional High School Tax	A-23	9,591,098.00	9,127,817.00
Municipal Open Space Tax	A-19	76,056.35	73,973.00
County Taxes	A-17	2,660,899.11	2,534,867.60
County Share of Added Taxes	A-17	1,131.52	2,333.70
Interfunds Advanced		91.89	71.27
Refund of Prior Year Revenue	A-4	1,349.37	
Senior Citizen and Veteran Deductions Canceled	A-8	0.20	
<u>Total Expenditures</u>		<u>\$ 17,751,281.99</u>	<u>\$ 16,949,562.25</u>
Excess in Revenue		\$ 456,500.32	\$ 336,919.52
Fund Balance			
Balance, January 1	A	996,917.24	1,057,686.72
		<u>\$ 1,453,417.56</u>	<u>\$ 1,394,606.24</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>465,585.00</u>	<u>397,689.00</u>
Balance, December 31	A	<u>\$ 987,832.56</u>	<u>\$ 996,917.24</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, 2017

		ANTICIPATED			
	REF.	BUDGET	SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Current Fund Balance Appropriated	A-1	\$ 465,585.00		\$ 465,585.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-12	\$ 23,725.00	\$	\$ 23,508.00	\$ (217.00)
Other	A-12	24,903.00		22,167.00	(2,736.00)
Fees and Permits:					
Construction Code Official	A-2	148,150.00		190,047.83	41,897.83
Other	A-2	113,173.00		150,606.81	37,433.81
Municipal Court Fines	A-12	178,988.00		138,953.25	(40,034.75)
Interest and Costs on Taxes	A-12	52,521.00		46,062.80	(6,458.20)
Parking Meters	A-12	340,607.00		348,942.66	8,335.66
Consolidated Municipal Property Tax					
Relief Act	A-12	72,951.00		70,701.00	(2,250.00)
Energy Receipts Tax	A-12	342,119.00		344,369.00	2,250.00
Drunk Driving Enforcement Fund	A-15		3,500.00	3,500.00	
Alcohol Education and Rehabilitation	A-15		514.72	514.72	
Clean Communities Program	A-15		9,528.35	9,528.35	
Body Armor Replacement Fund	A-15		1,223.11	1,223.11	
Recycling Tonnage Grant	A-15		11,580.45	11,580.45	
Stay Sober	A-15		5,472.50	5,472.50	
Interlocal Agreement - West Amwell	A-12	8,000.00		4,000.00	(4,000.00)
Interlocal Agreement - Frenchtown	A-12	3,700.00		4,625.00	925.00
Licenses-ABC Additional	A-12	4,368.00		4,368.00	
Uniform Fire Safety Act	A-12	7,613.00		5,659.55	(1,953.45)
Cable T.V. Franchise Fees	A-12	22,202.00		22,202.89	0.89
Reserve to Pay Debt	A-12	172,500.00		172,500.00	
Payment in Lieu of Taxes:					
Econo Tech Development Company	A-12	32,244.00		34,490.00	2,246.00
South Hunterdon Regional Apartments	A-12	11,289.00		11,386.95	97.95
Community Investments Strategy	A-12	52,000.00		52,000.00	
Reserve for Open Space	A-12	56,000.00		56,000.00	
Hotel and Motel Occupancy Fees	A-12	113,247.00		112,625.52	(621.48)
General Capital Fund Balance	A-12	19,238.00		19,238.00	
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	\$ 1,907,538.00	\$ 31,819.13	\$ 1,998,273.39	\$ 58,916.26
Receipts from Delinquent Taxes	A-1:A-2	\$ 190,486.00	\$	\$ 174,778.22	\$ (15,707.78)
Property Tax for Support of Municipal					
Budget Appropriation:					
Local Tax for Municipal Purposes	A-2:A-9	\$ 2,586,591.88	\$	\$ 2,804,753.97	\$ 218,162.09
Budget Totals		\$ 5,150,200.88	\$ 31,819.13	\$ 5,443,390.58	\$ 261,370.57
Non-Budget Revenue	A-2			53,272.21	53,272.21
		\$ 5,150,200.88	\$ 31,819.13	\$ 5,496,662.79	\$ 314,642.78

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, 2017

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Collected	A-1:A-9	\$ 15,381,526.95
Allocated to:		
Schools and County Taxes and District Taxes		<u>12,921,772.98</u>
Support of Municipal Budget Appropriations		\$ 2,459,753.97
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>345,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 2,804,753.97</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-9	\$ 174,626.56
Tax Title Liens	A-10	<u>151.66</u>
	A-2	<u>\$ 174,778.22</u>
Fees and Permits Other:		
Fire Safety	A-12	\$ 12,211.45
Clerk	A-12	92,804.20
Police	A-12	4,397.23
Miscellaneous	A-12	<u>41,193.93</u>
	A-2	<u>\$ 150,606.81</u>
Miscellaneous Revenue Not Anticipated:		
Interest on Investments		\$ 11,902.62
State of New Jersey Motor Vehicle Fines		1,265.00
Senior Citizen and Veteran Administration Fee		513.80
Insurance Refund		8,464.00
Miscellaneous		4,250.66
Refunds		1,237.50
Reimbursement of Costs - FEMA		22,586.73
Recycling		2,387.90
Rent		<u>2,356.74</u>
	A-4	\$ 54,964.95
Refunds	A-4	<u>1,692.74</u>
	A-1:A-2	<u>\$ 53,272.21</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, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Mayor and Council:					
Salaries and Wages	\$ 12,500.00	\$ 12,501.00	\$ 12,500.08	\$ 0.92	\$
Municipal Clerk:					
Salaries and Wages	106,935.00	106,935.00	106,857.90	77.10	
Other Expenses	26,500.00	32,500.00	32,172.95	327.05	
Financial Administration:					
Salaries and Wages	52,828.00	52,828.00	52,777.33	50.67	
Other Expenses	10,500.00	10,500.00	10,450.69	49.31	
Auditor:					
Other Expenses	51,150.00	51,150.00	51,120.00	30.00	
Tax Assessor:					
Salaries and Wages	32,450.00	32,450.00	32,448.26	1.74	
Other Expenses	4,500.00	5,700.00	5,395.33	304.67	
Maintenance of Tax Map	2,000.00	2,000.00	262.50	1,737.50	
Tax Collector:					
Salaries and Wages	20,444.00	21,044.00	20,973.27	70.73	
Other Expenses	9,360.00	7,750.00	7,457.71	292.29	
Liquidation of Tax Title Lien and Foreclosed Property:					
Other Expenses	500.00	500.00		500.00	
City Attorney:					
Other Expenses	23,500.00	23,000.00	22,543.99	456.01	
Municipal Prosecutor:					
Other Expenses	40,750.00	34,650.00	33,443.26	1,206.74	
Municipal Court:					
Salaries and Wages	75,772.00	73,272.00	72,618.42	663.58	
Other Expenses	10,000.00	8,834.50	7,734.77	1,099.73	
Public Defender:					
Salaries and Wages	1,000.00	1,000.00	450.00	550.00	
PUBLIC AFFAIRS AND PUBLIC SAFETY					
Police:					
Salaries and Wages	974,668.00	948,551.00	944,889.00	3,662.00	
Other Expenses	59,125.00	55,949.00	51,748.19	4,200.81	
Dog Regulation:					
Salaries and Wages	8,000.00	8,000.00	3,630.75		4,369.25
Other Expenses	1,000.00	1,000.00	620.20	379.80	

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, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
PUBLIC AFFAIRS AND PUBLIC SAFETY (CONTINUED)					
Emergency Management Services:					
Other Expenses	\$ 200.00	\$ 200.00	\$ 12.72	\$ 187.28	\$
Inspection and Code Enforcement:					
Other Expenses	10,250.00	9,350.00	9,250.00	100.00	
Public Works:					
Salaries and Wages	141,290.00	137,189.59	137,156.83	32.76	
Other Expenses	34,000.00	32,200.00	28,927.95	3,272.05	
Solid Waste Collection:					
Salaries and Wages	105,543.00	105,543.00	104,547.99	995.01	
Other Expenses	145,000.00	144,400.00	142,777.44	1,622.56	
Street Lighting:					
Other Expenses	35,000.00	37,500.00	37,310.06	189.94	
Parks and Playgrounds:					
Other Expenses	1,000.00	1,000.00	1,000.00		
Buildings and Grounds:					
Other Expenses	20,000.00	21,500.00	20,839.11	660.89	
Snow Removal:					
Salaries and Wages	3,000.00	4,650.41	4,650.41		
HEALTH, WELFARE AND HOUSING					
Municipal Land Use Law (N.J.S.A. 40A:55D-1)					
Planning Board:					
Salaries and Wages	7,377.00	7,377.00	7,323.90	53.10	
Other Expenses	700.00	3,200.00	3,102.67	97.33	
Zoning Board of Adjustments:					
Salaries and Wages	10,858.00	10,858.00	10,738.92	119.08	
Other Expenses	400.00	850.00	842.93	7.07	
Uniform Fire Safety Act (P.L. 1983 C.383):					
Fire Inspection Official:					
Salaries and Wages	17,012.00	16,562.00	16,541.47	20.53	
Other Expenses	825.00	725.00	470.31	254.69	
Administration of Public Assistance:					
Salaries and Wages	15,734.00	15,734.00	15,694.02	39.98	
Other Expenses	800.00	1,050.00	1,038.80	11.20	
Contribution to Public Event, Anniversary or Holiday:					
Other Expenses	5,120.00	4,796.00	4,795.90	0.10	
Contribution to Lambertville Senior Citizen Center:					
Other Expenses	500.00	500.00	500.00		
Historic Preservation:					
Salaries and Wages	1,104.00	1,114.00	1,109.92	4.08	
Other Expenses	100.00	450.00	399.14	50.86	

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, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Insurance:					
Group Insurance Plan	\$ 580,350.00	\$ 573,305.74	\$ 547,374.31	\$ 25,931.43	\$
Other Insurance Premiums	112,942.00	110,087.00	110,001.00	86.00	
Workers Compensation	70,463.00	70,463.00	70,463.00		
Group Insurance - Health Benefit Waiver	15,000.00	22,044.26	22,044.26		
State Uniform Construction Code:					
Construction Official:					
Salaries and Wages	99,680.00	100,405.00	100,318.98	86.02	
Other Expenses	4,500.00	8,600.00	8,568.89	31.11	
<u>UNCLASSIFIED</u>					
Fuel Oil	1,900.00	2,450.00	2,401.36	48.64	
Gasoline	21,634.00	24,399.00	24,223.50	175.50	
Telephone	14,250.00	16,750.00	16,429.60	320.40	
Diesel Fuel	12,828.00	16,500.00	16,325.59	174.41	
Electricity	23,750.00	23,750.00	21,758.60	1,991.40	
Sewerage	1,700.00	1,710.00	1,707.87	2.13	
Water	4,975.00	6,475.00	5,984.73	490.27	
Natural Gas	6,000.00	6,000.00	5,999.40	0.60	
Accumulated Leave Compensation:					
Salaries and Wages	100.00	100.00	100.00		
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	\$ 3,049,367.00	\$ 3,029,902.50	\$ 2,972,726.18	\$ 52,807.07	\$ 4,369.25
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"					
Deferred Charges:					
Deficit in Trust Other Fund	\$ 920.00	\$ 920.00	\$ 920.00	\$	\$
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	118,118.00	118,782.00	118,781.94	0.06	
Social Security System	139,200.00	143,750.00	137,582.98	6,167.02	
Police and Firemen's Retirement System	167,865.00	167,865.00	167,865.00		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"	\$ 426,103.00	\$ 431,317.00	\$ 425,149.92	\$ 6,167.08	\$

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, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 3,475,470.00	\$ 3,461,219.50	\$ 3,397,876.10	\$ 58,974.15	\$ 4,369.25
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (CH. 82 P.L. 1985)	\$ 259,680.17	\$ 259,680.17	\$ 259,121.26	\$ 558.91	\$
Interlocal Municipal Service Agreements:					
Frenchtown - Construction Code Official:					
Salaries & Wages	15,630.00	29,880.00	20,317.37	9,562.63	
Frenchtown - Zoning					
Salaries & Wages	3,264.00	3,264.00	3,201.02	62.98	
Other Expenses	436.00	436.00		436.00	
West Amwell - Dog Regulation:					
Other Expenses	8,000.00	8,000.00	3,630.74		4,369.26
Increase in ABC Licenses:					
Municipal Clerk:					
Other Expenses	4,368.00	4,368.00	4,368.00		
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	\$ 291,378.17	\$ 305,628.17	\$ 290,638.39	\$ 10,620.52	\$ 4,369.26
STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES					
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 + \$9,528.35)		9,528.35	9,528.35		
Recycling Tonnage Grant (N.J.S.A. 40A:4-87 + \$11,580.45)		11,580.45	11,580.45		
Stay Sober (N.J.S.A. 40A:4-87 + \$5,472.50)		5,472.50	5,472.50		
Supplemental Fire District Payment	1,249.00	1,249.00	1,249.00		
Body Armor Replacement Fund (N.J.S.A. 40A:4-87 + \$1,223.11)		1,223.11	1,223.11		
Alcohol Education and Rehabilitation Fund (N.J.S.A. 40A:4-87 + \$514.72)		514.72	514.72		
TOTAL STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES	\$ 1,249.00	\$ 33,068.13	\$ 33,068.13	\$	\$
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	\$ 292,627.17	\$ 338,696.30	\$ 323,706.52	\$ 10,620.52	\$ 4,369.26
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$	\$
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"	\$ 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, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 570,000.00	\$ 570,000.00	\$ 570,000.00	\$	\$
Payment of Bond Anticipation Notes	101,005.00	101,005.00	101,005.00		
Interest on Bonds	271,753.75	271,753.75	271,753.75		0.49
Interest on Notes	76,844.96	76,844.96	76,631.50		213.46
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"	\$ 1,019,603.71	\$ 1,019,604.21	\$ 1,019,390.26	\$	\$ 213.95
TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"	\$ 1,329,730.88	\$ 1,375,800.51	\$ 1,360,596.78	\$ 10,620.52	\$ 4,583.21
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	\$ 4,805,200.88	\$ 4,837,020.01	\$ 4,758,472.88	\$ 69,594.67	\$ 8,952.46
	345,000.00	345,000.00	345,000.00		
TOTAL GENERAL APPROPRIATIONS	\$ 5,150,200.88	\$ 5,182,020.01	\$ 5,103,472.88	\$ 69,594.67	\$ 8,952.46
REF.	A-2		A-1	A-A-1	
Appropriation by:					
40A 4-87		\$ 31,819.13			
Budget		5,150,200.88			
		\$ 5,182,020.01			
Encumbrances Payable	A-14		\$ 13,950.96		
Reserve for Grants Appropriated	A-16		31,819.13		
Reserve for Uncollected Taxes	A-2		345,000.00		
Cash Disbursed	A-4		4,788,405.73		
			\$ 5,179,175.82		
Less: Refunds	A-4		75,702.94		
			\$ 5,103,472.88		

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

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TRUST FUND

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CITY OF LAMBERTVILLE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-2	\$ 16,343.79	\$ 12,833.86
Other Funds:			
Cash	B-2	\$ 911,710.82	\$ 1,022,971.33
Interfunds Receivable	B-8	290,690.13	245,220.20
Over-expenditure of Trust Reserve	B-13	1,913.00	920.00
		\$ 1,204,313.95	\$ 1,269,111.53
		\$ 1,220,657.74	\$ 1,281,945.39
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Interfunds Payable	B-20	\$ 9,698.00	\$ 9,606.11
Due State of New Jersey	B-19	2.40	1.20
Encumbrances Payable	B-16	29.49	
Reserve for Expenditures	B-18	6,613.90	3,226.55
		\$ 16,343.79	\$ 12,833.86
Other Funds:			
Interfunds Payable	B-8	\$ 4,776.25	\$ 4,776.25
Encumbrances Payable	B-17	843.00	500.00
Reserve For:			
Municipal Open Space Tax	B-3	214,841.76	217,000.42
CDBG Rehabilitation Loan - Brewery	B-4	98,742.19	98,251.05
State Unemployment Insurance	B-5	57,979.95	56,338.79
Tax Sale Premiums	B-6	228,800.00	309,200.00
Other Federal Programs	B-7	41,532.66	34,767.06
Performance Deposits	B-9	156,230.19	196,437.91
CDBG Rehabilitation Loan Repayment	B-10	243,254.77	248,117.41
Miscellaneous Trust Deposits	B-11	100,046.91	85,319.09
UDAG Loan Repayment	B-12	1.18	6,340.15
Payroll Agency	B-14	16,052.81	2,594.95
C.O.A.H.	B-15	41,212.17	9,468.34
Fund Balance	B-1	0.11	0.11
		\$ 1,204,313.95	\$ 1,269,111.53
		\$ 1,220,657.74	\$ 1,281,945.39

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

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ <u>0.11</u>
Balance, December 31, 2017	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

CITY OF LAMBERTVILLEGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Cash	C-2	\$ 850,461.21	\$ 405,941.59
Deferred Charges to Future Taxation-Funded	C-13	7,577,629.79	7,860,000.00
Deferred Charges to Future Taxation-Unfunded	C-6	6,224,083.75	5,588,762.54
Interfunds Receivable	C-9	961,981.64	698,707.02
Grants Receivable	C-15	108,500.00	108,500.00
		<u>\$ 15,722,656.39</u>	<u>\$ 14,661,911.15</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	C-7	\$ 5,057,046.00	\$ 3,842,248.00
General Serial Bonds	C-11	7,290,000.00	7,860,000.00
Green Acres Loans	C-12	287,629.79	
Capital Improvement Fund	C-4	3,565.24	25.72
Contracts Payable	C-14	145,966.12	215,930.94
Improvement Authorizations:			
Funded	C-5	101,003.32	161,784.38
Unfunded	C-5	1,491,398.89	1,887,613.48
Reserve to Pay Debt Service	C-8	1,303,651.41	632,957.20
Reserve for COAH Deposits	C-10	15,113.71	14,831.52
Fund Balance	C-1	27,281.91	46,519.91
		<u>\$ 15,722,656.39</u>	<u>\$ 14,661,911.15</u>

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

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 46,519.91
Decreased by:		
Utilized as Anticipated Revenue - Current Fund	C-2	<u>19,238.00</u>
Balance, December 31, 2017	C	\$ <u><u>27,281.91</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>	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
<u>ASSETS</u>			
Cash	E-1	\$ <u>44,271.63</u>	\$ <u>37,072.04</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		\$ <u>44,271.63</u>	\$ <u>37,072.04</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, 2017</u>	BALANCE DECEMBER <u>31, 2016</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>1,879,012.59</u>	<u>1,682,488.59</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 8,295,112.59</u>	<u>\$ 8,098,588.59</u>
<u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 8,295,112.59</u>	<u>\$ 8,098,588.59</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, 2017 AND 2016

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.

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.

The City of Lambertville had the following cash and cash equivalents at December 31, 2017:

<u>Fund</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$3,260,292.65	\$319,022.64	\$91,775.86	\$3,487,539.43
Animal Control Fund	18,272.99		1,929.20	16,343.79
Other Trust Fund	957,277.30	339.70	45,906.18	911,710.82
General Capital Fund	910,888.16		60,426.95	850,461.21
Public Assistance Trust Fund	45,950.68		1,679.05	44,271.63
<u>TOTAL DECEMBER 31, 2017</u>	<u>\$5,192,681.78</u>	<u>\$319,362.34</u>	<u>\$201,717.24</u>	<u>\$5,310,326.88</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

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, 2017, 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, \$376,117.14 was covered by Federal Depository Insurance and \$4,816,564.64 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.
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;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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.

The City had no investments outstanding at December 31, 2017. 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 2017</u>	<u>YEAR 2016</u>	<u>YEAR 2015</u>
Issued:			
General:			
Bonds, Loans and Notes	\$12,634,675.79	\$11,702,248.00	\$10,802,998.00
Less: Funds Temporarily Held to Pay			
Bonds and Notes - General Capital	<u>1,762,969.08</u>	<u>667,606.08</u>	<u>769,833.00</u>
<u>Net Debt Issued</u>	\$10,871,706.71	\$11,034,641.92	\$10,033,165.00
Authorized But Not Issued:			
General - Bonds and Notes	<u>1,626,355.42</u>	<u>1,781,163.42</u>	<u>1,788,113.42</u>
Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$12,498,062.13</u>	<u>\$12,815,805.34</u>	<u>\$11,821,278.42</u>

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 1.624%.

	<u>GROSS DEBT</u>	<u>DEDUCTION</u>	<u>NET DEBT</u>
Regional School District Debt	\$7,141,624.13	\$7,141,624.13	
General Debt	<u>14,261,031.21</u>	<u>1,762,969.08</u>	<u>\$12,498,062.13</u>
	<u>\$21,402,655.34</u>	<u>\$8,904,593.21</u>	<u>\$12,498,062.13</u>

NET DEBT \$12,498,062.13 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2 \$769,324,020.00 EQUALS 1.624%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

EQUALIZED VALUATION BASIS

2015 Equalized Valuation Basis of Real Property	\$ 742,895,543.00
2016 Equalized Valuation Basis of Real Property	778,033,184.00
2017 Equalized Valuation Basis of Real Property	<u>787,043,333.00</u>
	\$ <u>769,324,020.00</u>

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

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2017	<u>\$769,324,020.00</u>
3 1/2% of Equalized Valuation Basis	\$26,926,340.70
Net Debt	<u>12,498,062.13</u>
Remaining Borrowing Power	<u>\$14,428,278.57</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%.	\$	1,355,000.00
\$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%.		2,050,000.00
\$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%.		<u>3,885,000.00</u>
	\$	<u><u>7,290,000.00</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%.	\$	220,000.00
\$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>67,629.79</u>
	\$	<u><u>287,629.79</u></u>

Bonds and Notes Authorized But Not Issued

At December 31, 2017, the City has authorized but not issued bonds and notes as follows:

General Capital Fund	<u><u>\$1,626,355.42</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, 2017

<u>CALENDAR YEAR</u>		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$	605,000.00	\$ 249,972.50	\$ 854,972.50
2019		675,000.00	226,860.00	901,860.00
2020		695,000.00	202,072.50	897,072.50
2021		705,000.00	177,337.50	882,337.50
2022		715,000.00	151,575.00	866,575.00
2023		725,000.00	123,912.50	848,912.50
2024		735,000.00	96,562.50	831,562.50
2025		245,000.00	75,662.50	320,662.50
2026		250,000.00	68,237.50	318,237.50
2027		265,000.00	60,181.25	325,181.25
2028		275,000.00	51,406.25	326,406.25
2029		275,000.00	42,468.75	317,468.75
2030		275,000.00	33,531.25	308,531.25
2031		275,000.00	24,593.75	299,593.75
2032		275,000.00	15,312.50	290,312.50
2033		<u>300,000.00</u>	<u>5,250.00</u>	<u>305,250.00</u>
TOTAL		<u>\$7,290,000.00</u>	<u>\$1,604,936.25</u>	<u>\$8,894,936.25</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR GREEN
ACRES LOANS PAYABLE DECEMBER 31, 2017

CALENDAR YEAR	PRINCIPAL	INTEREST	TOTAL
2018	\$ 12,193.80	\$ 5,691.93	\$ 17,885.73
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	8,854.33	88.54	8,942.87
	<u>\$ 287,629.79</u>	<u>\$ 61,142.10</u>	<u>\$ 348,771.85</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	1.24%	03/22/2017	01/22/2018	<u>\$5,057,046.00</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 2017.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balance, at December 31, 2017, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2018, was as follows:

Current Fund	\$435,454.00
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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, 2017	BALANCE DECEMBER 31, 2016
Prepaid Taxes	<u>\$1,139,526.37</u>	<u>\$116,312.11</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 Fireman'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/annrprts.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 Fireman's Retirement System (PFRS) - The Police and Fireman'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 invested 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 invested. 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 is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2017, PERS provides for employee contributions of 7.34 of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2017, members contributed at a uniform rate of 10.00% of base salary.

All contributions were equal to the required contributions for each of the three years, respectively.

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 \$286,254 for 2017, \$289,934 for 2016, and \$278,178 for 2015.

NOTE 7: PENSION PLANS

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, 2017. 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, 2017.

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of \$2,632,082.00 for the City of Lambertville’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. 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, 2017, the City’s proportion was 0.0113069699 percent, which was an increase of 0.0005507186 percent from its proportion measured as of June 30, 2016.

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$201,648.00 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, 2017 billing was \$95,557.00.

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	-	\$61,976.00
Changes of assumptions	\$528,330.00	530,274.00
Net difference between projected and actual earnings on pension plan investments		17,923.00
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>114,020.00</u>	<u>153,239.00</u>
	<u>\$642,350.00</u>	<u>\$763,412.00</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>
2018	\$71,688.00
2019	103,369.00
2020	56,880.00
2021	(69,594.00)
2022	<u>(41,281.00)</u>
	<u>\$121,062.00</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, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. These actuarial valuations used the following assumptions:

	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Inflation	3.04 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	2.15-4.40 Percent	1.65-4.15 Percent
Thereafter	3.15-5.40 Percent	2.65-5.15 Percent
Investment Rate of Return	7.90 Percent	7.65 percent

Pre-retirement 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 plan actuary's modified MP-2014 projection scale. Post-retirement 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 and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. 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, 2016 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, 2017 and 7.65 at June 30, 2016) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	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 markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

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 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, 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 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>4.00%</u>	June 30, 2017 At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
City's proportionate share of the pension liability	\$3,265,276.00	\$2,632,082.00	\$2,104,553.00

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>.

NOTE 7: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2017, the State reported a net pension liability of \$2,977,496.00 for the City of Lambertville's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. 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, 2017, the City's proportion was 0.0192867164 percent, which was a decrease of 0.0001088591 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$259,322.00. The pension expense recognized in the City's financial statement based on the April 1, 2017 billing was \$158,140.00.

At June 30, 2017, 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	\$17,475.00	\$19,316.00
Changes of assumptions	487,627.00	367,158.00
Net difference between projected and actual earnings on pension plan investments		56,818.00
Changes in proportion and differences between the City's contributions and proportionate share of contributions	<u>41,775.00</u>	<u>7,518.00</u>
	<u>\$546,877.00</u>	<u>\$450,810.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

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

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

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

Year Ended <u>June 30</u>	<u>Amount</u>
2018	\$25,257.00
2019	88,958.00
2020	(8,414.00)
2021	(139,671.00)
2022	<u>(62,197.00)</u>
	<u><u>(\$96,067.00)</u></u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

	<u>2016</u>	<u>2017</u>
Inflation	3.08 Percent	2.25 Percent
Salary Increases (based on age) Through 2026	2.10-8.98 Percent Based on Age	2.10-8.98 Percent Based on Age
Thereafter	3.10-9.98 Percent Based on Age	3.10-9.98 Percent Based on Age
Investment Rate of Return	7.65 Percent	7.00 Percent

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)

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2016 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 percent at June 30, 2017 and 7.65% at June 30, 2016) 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, 2017 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

Asset Class	June 30, 2017	
	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	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 markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.14% and 5.55% as of June 30, 2017 and June 30, 2016 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00 and 7.65% and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and June 30, 2016 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 and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, 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, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease <u>5.14%</u>	At Current Discount Rate <u>6.14%</u>	1% Increase <u>7.14%</u>
City's proportionate share of the PFRS pension liability	\$3,923,096.00	\$2,977,496.00	\$2,200,578.00

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 City 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 December 31, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$335,505.00 and \$311,132.00 respectively.

At December 31, 2017, 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	\$2,977,496.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the City	<u>333,505.00</u>
	<u>\$3,311,001.00</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, 2017.

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 2017 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, 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>
2017	\$	285.20	\$	3,466.00	\$	2,110.04	\$	57,979.95
2016		276.40		3,328.16		2,074.89		56,338.79
2015		262.86		3,840.85				54,809.12

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2017:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current	\$9,698.00	\$1,262,285.26
Grant	14,389.74	
Animal Control Trust		9,698.00
Trust Other	290,690.13	4,776.25
General Capital	961,981.64	
	<u>\$1,276,759.51</u>	<u>\$1,276,759.51</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, 2017, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER <u>31, 2017</u>	2018 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>BUDGETS</u>
Trust:			
Overexpenditure of Public Defender Trust Reserve	<u>\$1,913.00</u>	<u>\$1,913.00</u>	<u>\$0.00</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 2017. 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 July 23, 2018 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

NOTE 16: GASB 45: OTHER POST-RETIREMENT BENEFITS

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2009, the City authorized participation in the SHBP post-retirement benefit program through resolution 2009-70.

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

Funding Policy. Contributions to pay for the health premiums of participating employees in the SHBP are billed to the City on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The City's contributions to SHBP for the years ended December 31, 2017, 2016 and 2015 were \$268,458.42, \$280,776.59, and \$225,079.16 respectively, which equaled the required contributions for each year.

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CITY OF LAMBERTVILLE

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2017

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF CASH - TREASURER

REF.	CURRENT FUND	GRANT FUND
A	\$ 2,265,845.71	\$
A-5	\$ 16,823,263.51	\$
A-8	25,599.56	
A-11	11,092.06	
A-12	1,920,391.46	
A-13	700.00	
A-15		36,819.13
A-2	54,964.95	
A-3	75,702.94	
A-6:A-26	4,514,519.58	27,751.85
A-21	26.00	
	\$ 23,426,260.06	\$ 64,570.98
	\$ 25,692,105.77	\$ 64,570.98
A-3	\$ 4,788,405.73	\$
A-24	34,361.79	
A-2	1,692.74	
A-1	1,349.37	
A-11	205,075.80	
A-13	700.00	
A-14	24,204.75	
A-16		27,751.85
A-17	2,663,232.81	
A-19	76,056.35	
A-22	29,301.36	
A-23	9,591,098.00	
A-25	592,588.00	
A-6:A-26	4,196,799.64	36,819.13
	\$ 22,204,866.34	\$ 64,570.98
A	\$ 3,487,239.43	\$

Balance, December 31, 2016

Increased by Receipts:

Collector
State of New Jersey-Senior Citizens and Veterans
Deductions-Chapter 20, P.L. 1971
Miscellaneous Reserves
Revenue Accounts Receivable
Petty Cash
Grants Receivable
Miscellaneous Revenue Not Anticipated
2017 Appropriation Refunds
Interfunds
Sale of Municipal Assets

Decreased by Disbursements:

2017 Appropriations
2016 Appropriation Reserves
Refund - Miscellaneous Revenue Not Anticipated
Refund of Prior Years Revenue
Miscellaneous Reserves
Petty Cash
Encumbrances Payable
Reserve for Grants-Appropriated
County Taxes
Municipal Open Space Taxes
Tax Overpayment
Regional High School Taxes
Fire District Taxes Payable
Interfunds

Balance, December 31, 2017

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-12	\$ 46,062.80	
Property Taxes Receivable	A-9	15,411,091.40	
Tax Overpayments	A-22	29,301.41	
Senior Citizens and Veterans Deductions	A-8	2,650.24	
Prepaid Property Taxes	A-18	1,139,526.37	
Tax Title Liens	A-10	151.66	
Miscellaneous Reserves	A-11	<u>194,479.63</u>	
			\$ <u>16,823,263.51</u>
Decreased by Disbursements:			
Turnovers to Treasurer	A-4		\$ <u><u>16,823,263.51</u></u>

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, 2016:						
Due to	A	\$ 944,473.43	\$ 5,322.46	\$	\$ 245,220.20	\$ 693,930.77
Due from	A	<u>9,606.11</u>		<u>9,606.11</u>		
Cash Receipts	A-4	\$ 4,514,519.58	\$ 36,819.13	\$	\$ 105,784.45	\$ 4,371,916.00
Cash Disbursements	A-4	\$ <u>4,196,799.64</u>	\$ <u>27,751.85</u>	\$ <u>91.89</u>	\$ <u>60,314.52</u>	\$ <u>4,108,641.38</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><u>9,698.00</u></u>		<u><u>9,698.00</u></u>		

"A-7"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2016	A	\$ 300.00
Balance, December 31, 2017	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

	<u>REF.</u>		
Balance, December 31, 2016 (Due To)	A	\$	(500.00)
Increased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$	6,000.00
Veterans			22,500.00
Allowed by Collector			<u>500.00</u>
			29,000.00
		\$	<u>28,500.00</u>
Decreased by:			
Senior Citizens and Veterans Deductions:			
Received in Cash From State	A-4	\$	25,599.56
Received by Tax Collector	A-5		2,650.24
Canceled	A-1		0.20
Senior Citizens Disallowed by Collector:			
Current Year			<u>250.00</u>
			<u>28,500.00</u>
<u>SUMMARY OF 2017 EXEMPTIONS</u>			
Senior Citizens and Veterans Exemptions			
Per Tax Billings		\$	28,500.00 \$
Senior Citizens and Veterans Exemptions			
Allowed by Tax Collector			<u>500.00</u>
Per Tax Billings	A-9	\$	29,000.00
Senior Citizens and Veterans Exemptions			
Disallowed by Tax Collector			<u>250.00</u>
Per Tax Billings	A-9	\$	<u>28,750.00</u>

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	COLLECTIONS BY CASH 2016	2017	TRANSFERRED TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2017
2015	\$ 252.00	\$	\$	\$ 242.25	\$	\$	\$ 9.75
2016	\$ 177,048.51			\$ 174,384.31	\$ 1,720.86	\$ 943.34	\$ 9.75
	\$ 177,300.51			\$ 174,626.56	\$ 1,720.86	\$ 943.34	\$ 9.75
2017		\$ 15,522,087.63	\$ 116,312.11	\$ 15,265,214.84	\$ 9,045.70	\$ 2,047.62	\$ 129,467.36
	\$ 177,300.51	\$ 15,522,087.63	\$ 116,312.11	\$ 15,439,841.40	\$ 10,766.56	\$ 2,990.96	\$ 129,477.11
REF.	A		A-2,A-18	A-2	A-10		A
Collector	A-5			\$ 15,411,091.40			
State of New Jersey	A-8			\$ 28,750.00			
				\$ 15,439,841.40			

ANALYSIS OF 2017 PROPERTY TAX LEVY

TAX YIELD				
General Purpose Tax	\$	15,515,489.22		
Added and Omitted Tax (54:4-63.1 et seq.)		6,598.41		
	\$	15,522,087.63		
TAX LEVY				
Lambertville Fire District	A-25			
Local District School Tax (Abstract)	A-21	\$	592,588.00	
Regional District School Tax				
Levy (Abstract)	A-23		9,591,098.00	
County Tax (Abstract)	A-17	\$	2,660,899.11	
Due County for Added Taxes - (54:4-63.1 et seq.)	A-17		1,131.52	
Total County Tax			2,662,030.63	
Local Tax for Municipal Purposes (Abstract)	A-2	\$	2,326,911.71	
Local Library Tax (Abstract)	A-2		259,680.17	
Municipal Open Space	A-19		76,056.35	
Add: Additional Taxes Levied			13,722.77	
			2,676,371.00	
		\$	15,522,087.63	

"A-10"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>			
Balance, December 31, 2016	A		\$	127,160.69
Increased by:				
Transfers From Taxes Receivable	A-9	\$	10,766.56	
Interest and Costs Accrued by Tax Sale of October 30, 2017			<u>286.81</u>	
				<u>11,053.37</u>
			\$	<u>138,214.06</u>
Decreased by:				
Cash Receipts	A-2:A-5	\$	151.66	
Canceled			<u>161.28</u>	
				<u>312.94</u>
Balance, December 31, 2017	A		\$	<u><u>137,901.12</u></u>

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF MISCELLANEOUS RESERVE

	BALANCE DECEMBER 31, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2017
	\$ 325.00	\$ 975.00	\$ 1,025.00	\$ 275.00
	2,551.10	10,117.06	9,571.17	3,096.99
		190,490.31	190,490.31	
		3,989.32	3,989.32	
	<u>\$ 2,876.10</u>	<u>\$ 205,571.69</u>	<u>\$ 205,075.80</u>	<u>\$ 3,371.99</u>

REF.

A

A-4

A

Due State of New Jersey:
 Marriage/Domestic Partnership Licenses
 Construction Code State Training Fees
 Outside Liens
 Due LSA

Tax Collector
 Treasurer

A-5
 A-4

\$ 194,479.63
11,092.06
 \$ 205,571.69

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2016	ACCRUED IN 2017	COLLECTED BY		BALANCE DECEMBER 31, 2017
			COLLECTOR	TREASURER	
Clerk:					
Licenses:					
Alcoholic Beverage	\$	\$		\$	\$
Other		326.00		23,508.00	236.00
Fees and Permits		22,077.00		22,167.00	7,916.00
Municipal Court:		92,355.15		92,804.20	
Fines and Costs					
Fire Safety:		138,635.34		138,953.25	10,438.42
Fees and Permits		12,295.39		12,211.45	334.15
Police:					
Fees and Permits		4,397.23		4,397.23	
Miscellaneous:					
Fees and Permits		41,193.93		41,193.93	
Interest and Costs on Taxes		46,062.80	46,062.80		
Parking Meters		348,942.66		348,942.66	
Consolidated Municipal Property Tax Relief Act		70,701.00		70,701.00	
Energy Receipts Tax		344,369.00		344,369.00	
Construction Code Official:					
Fees and Permits		211,416.17		190,047.83	31,564.24
Interlocal - West Amwell		2,000.00		4,000.00	
Interlocal - Frenchtown		3,700.00		4,625.00	
Licenses-Alcoholic Beverage Additional		4,368.00		4,368.00	
Uniform Fire Safety Act		5,659.55		5,659.55	
Cable TV - Gross Revenue Franchise Fee		22,202.89		22,202.89	
Reserve for Debt Service		172,500.00		172,500.00	
Payment in Lieu of Taxes:					
South Hunterdon Apartments		11,386.95		11,386.95	
Econo Tech		34,490.00		34,490.00	
Community Investment Strategy		52,000.00		52,000.00	
Reserve for Open Space		56,000.00		56,000.00	
Hotel and Motel Occupancy Fees		112,625.52		112,625.52	
General Capital Fund Balance		19,238.00		19,238.00	
Contribution from MUA		72,000.00		72,000.00	
Reimbursement of Costs - Library		60,000.00		60,000.00	
	\$	\$	\$	\$	\$
	32,818.49	1,984,124.58	46,062.80	1,920,391.46	50,488.81
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	\$ <u>700.00</u>
Decreased by:		
Cash Receipts	A-4	\$ <u><u>700.00</u></u>

"A-14"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2016	A	\$	39,167.66
Increased by:			
Transferred from 2017 Appropriations	A-3		<u>13,950.96</u>
		\$	<u>53,118.62</u>
Decreased by:			
Transfer to 2016 Appropriation Reserves	A-24	\$	14,962.91
Cash Disbursements	A-4		<u>24,204.75</u>
			<u>39,167.66</u>
Balance, December 31, 2017	A	\$	<u><u>13,950.96</u></u>

CITY OF LAMBERTVILLE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2016	TRANSFERRED FROM 2017 BUDGET APPROPRIATION	CASH RECEIPTS	BALANCE DECEMBER 31, 2017
Alcohol Education and Rehabilitation Fund	\$	\$	\$	
Clean Communities Program		514.72	514.72	
Drive Sober or Get Pulled Over		9,528.35	9,528.35	
Green Communities		5,472.50	5,472.50	
Sustainable New Jersey	3,000.00			3,000.00
Drunk Driving Enforcement Fund	5,000.00		5,000.00	
Small Cities CDBG		3,500.00	3,500.00	
Recycling Tonnage Grant	227,628.00		11,580.45	227,628.00
Body Armor Replacement Fund		11,580.45	1,223.11	
ANJEC Grant		1,223.11		
	<u>310.00</u>	<u></u>	<u></u>	<u>310.00</u>
	<u>\$ 235,938.00</u>	<u>\$ 31,819.13</u>	<u>\$ 36,819.13</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, 2016	ENCUMBRANCES PAYABLE	TRANSFERRED FROM 2017 BUDGET APPROPRIATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2017
Drunk Driving Enforcement Fund	\$ 8,063.45	\$	3,500.00	\$ 849.33	\$ 10,714.12
Alcohol Education and Rehabilitation	10,769.39		514.72		11,284.11
Clean Communities Program	1,330.49		9,528.35	10,858.84	
Recycling Tonnage Grant	2,132.91	327.60	11,580.45	5,555.78	8,485.18
Small Cities CDBG	206,151.08				206,151.08
Body Armor Replacement Fund	2,704.67		1,223.11	2,504.70	1,423.08
Stay Sober	6,325.00		5,472.50	5,472.50	6,325.00
Green Communities	3,000.00			3,000.00	
Sustainable New Jersey		246.60		246.60	
ANJEC Grant	209.27			99.00	110.27
	<u>\$ 240,686.26</u>	<u>\$ 574.20</u>	<u>\$ 31,819.13</u>	<u>\$ 28,586.75</u>	<u>\$ 244,492.84</u>
REF.	A	A-20	A-3		A
Cash Disbursements				\$ 27,751.85	
Encumbrances Payable				<u>834.90</u>	
				<u>\$ 28,586.75</u>	

"A-17"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	2,333.70
Increased by:			
2017 Levy	A-1:A-9	\$	2,660,899.11
Added and Omitted Taxes	A-1:A-9		<u>1,131.52</u>
			2,662,030.63
		\$	<u>2,664,364.33</u>
Decreased by:			
Cash Disbursements	A-4		<u>2,663,232.81</u>
Balance, December 31, 2017	A	\$	<u><u>1,131.52</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2016	A	\$	116,312.11
Increased by:			
Collection of 2018 Taxes	A-5		<u>1,139,526.37</u>
		\$	<u>1,255,838.48</u>
Decreased by:			
Applied to 2017 Taxes Receivable	A-9		<u>116,312.11</u>
Balance, December 31, 2017	A	\$	<u><u>1,139,526.37</u></u>

"A-19"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

REF.

Increased by:		
2017 Tax Levy	A-1:A-9	\$ <u>76,056.35</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>76,056.35</u></u>

"A-20"

SCHEDULE OF ENCUMBRANCES PAYABLE - GRANT FUND

Balance, December 31, 2016	A	\$ 574.20
Increased by:		
Transfer from Grants Appropriated	A-16	\$ <u>834.90</u>
		\$ 1,409.10
Decreased by:		
Transferred to Reserve	A-16	<u>574.20</u>
Balance, December 31, 2017	A	\$ <u><u>834.90</u></u>

"A-21"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 9,805.68
Increased by:		
Cash Receipts	A-4	<u>26.00</u>
Balance, December 31, 2017	A	\$ <u>9,831.68</u>

"A-22"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2016	A	\$ 14.37
Increased by:		
Cash Receipts	A-5	<u>29,301.41</u>
		\$ <u>29,315.78</u>
Decreased by:		
Cash Disbursements	A-4	<u>29,301.36</u>
Balance, December 31, 2017	A	\$ <u>14.42</u>

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

Increased by:		
2017 Levy	A-1:A-9	\$ <u>9,591,098.00</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>9,591,098.00</u></u>

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

<u>APPROPRIATION</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
<u>SALARIES AND WAGES</u>				
Municipal Clerk	\$ 144.44	\$ 144.44	\$	144.44
Financial Administration	45.40	45.40		45.40
Tax Assessor	0.95	0.95		0.95
Tax Collector	1,394.53	1,394.53		1,394.53
Municipal Court	2,283.98	2,283.98		2,283.98
Police	47,377.94	47,377.94	11,287.92	36,090.02
Dog Regulation	3,692.34	3,692.34		3,692.34
Public Works	11,176.54	11,176.54		11,176.54
Solid Waste Collection	1,587.21	1,587.21		1,587.21
Planning Board	1.50	1.50		1.50
Zoning Board of Adjustments	15.86	15.86		15.86
Fire Inspection Official	371.48	371.48		371.48
Snow Removal	1.05	1.05		1.05
Administration of Public Assistance	74.42	74.42		74.42
Construction Official	284.79	284.79		284.79
Historic Preservation	1.20	1.20		1.20
Accumulated Leave Compensation	2.27	2.27		2.27
<u>OTHER EXPENSES</u>				
Municipal Clerk	24.81	223.18	219.37	3.81
Financial Administration	127.29	327.29	180.33	146.96
Auditor	720.00	720.00		720.00
Tax Assessor	108.55	108.55		108.55
Maintenance of Tax Map	0.26	0.26		0.26
Tax Collector	390.55	390.55		390.55
Liquidation of Tax Lien and Foreclosed Property	500.00	500.00		500.00
City Attorney	6,956.23	6,956.23		6,956.23
Municipal Prosecutor	2,578.95	2,578.95		2,578.95
Municipal Court	1,484.75	1,484.75	70.00	1,414.75
Emergency Management Services	150.80	200.00	49.20	150.80
Insurance:				
Group Insurance Plan	2,162.52	2,162.52		2,162.52
Group Insurance - Health Benefit Waiver	0.44	0.44		0.44
Police	2,595.27	4,150.66	2,458.70	1,691.96
Dog	1,000.00	1,000.00		1,000.00
Inspection and Code Enforcement	1,350.00	1,350.00		1,350.00
Public Works	336.25	786.63	786.63	
Solid Waste Collection	7,680.82	15,123.12	8,584.41	6,538.71
Street Lighting	944.86	1,302.86	356.33	946.53
Building and Grounds	343.81	1,503.43	1,149.22	354.21
Planning Board	0.84	0.84		0.84
Zoning Board Adjustments	23.18	23.18		23.18
Fire Inspection Official	2.32	2.32		2.32
Administration of Public Assistance	69.16	69.16		69.16
Contribution to Public Event, Anniversary or Holiday	2,644.89	5,089.68	2,921.28	2,168.40
Historic Preservation	56.06	56.06		56.06
Construction Official	2,530.10	2,634.38	2,454.70	179.68

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

<u>APPROPRIATION</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Unclassified:				
Fuel Oil	\$ 1,167.23	\$ 1,369.89	\$ 202.66	\$ 1,167.23
Gasoline	6,876.61	6,876.61	1,747.10	5,129.51
Telephone	1,374.06	1,374.06		1,374.06
Diesel Fuel	6,567.77	7,365.69	797.92	6,567.77
Electricity	1,484.66	1,484.66		1,484.66
Sewerage	12.80	12.80		12.80
Natural Gas	2,259.44	2,259.44	940.86	1,318.58
Water	423.25	423.25	109.36	313.89
Contribution To:				
FICA/OASI/Social Security	13,742.40	13,742.40		13,742.40
Maintenance of Free Public Library	42.71	42.71		42.71
Declared State of Emergency Cost for Snow Removal:N.J.S.A. (40:4-45.45.3(bb)) :				
Other Expenses	180.00	180.00	45.80	134.20
Frenchtown - Construction Code Official:				
Salaries & Wages	13,247.98	13,247.98		13,247.98
Frenchtown - Zoning:				
Salaries & Wages	246.32	246.32		246.32
Other Expenses	420.00	420.00		420.00
West Amwell - Dog Regulation:				
Salaries & Wages	2,461.58	2,461.58		2,461.58
	<u>\$ 153,745.42</u>	<u>\$ 168,708.33</u>	<u>\$ 34,361.79</u>	<u>\$ 134,346.54</u>

REF.

A

A-1

Reserves	A-24	\$ 153,745.42	\$
Cash Disbursements	A-4	34,361.79	
Encumbrances Payable	A-14	14,962.91	
		<u>\$ 168,708.33</u>	<u>\$ 34,361.79</u>

"A-25"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

REF.

Increased by:		
2017 Levy	A-1:A-9	\$ <u>592,588.00</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>592,588.00</u></u>

"A-26"

GRANT FUND

SCHEDULE OF INTERFUNDS

		<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2016	A	\$ 5,322.46	\$ 5,322.46
Increased by:			
Cash Disbursements	A-4	<u>36,819.13</u>	<u>36,819.13</u>
		\$ <u>42,141.59</u>	\$ <u>42,141.59</u>
Decreased by:			
Cash Receipts	A-4	<u>27,751.85</u>	<u>27,751.85</u>
Balance, December 31, 2017	A	\$ <u><u>14,389.74</u></u>	\$ <u><u>14,389.74</u></u>

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2016	B	\$ <u>12,833.86</u>	\$ <u>1,022,971.33</u>
Increased by:			
Reserve for:			
Municipal Open Space Tax	B-3	\$	\$ 121,241.34
CDBG Rehabilitation Loan - Brewery	B-4		491.14
State Unemployment Insurance	B-5		3,751.20
Tax Sale Premiums	B-6		55,900.00
Other Federal Programs	B-7		7,892.79
Performance Deposits	B-9		27,855.84
CDBG Rehabilitation Loan	B-10		1,137.36
Miscellaneous Trust Deposits	B-11		225,490.94
UDAG Loan Receivable	B-12		23.78
Budget Appropriation:			
Overexpenditure of Trust Reserve	B-13		920.00
Payroll Agency	B-14		2,473,192.95
C.O.A.H.	B-15		31,931.86
Animal Control Fees	B-18	11,583.31	
Due State of New Jersey	B-19	567.60	
Interfunds	B-8:B-20	<u>91.89</u>	<u>61,029.52</u>
		\$ <u>12,242.80</u>	\$ <u>3,010,858.72</u>
		\$ <u>25,076.66</u>	\$ <u>4,033,830.05</u>
Decreased by:			
Reserve for:			
Municipal Open Space Tax	B-3	\$	\$ 123,400.00
State Unemployment Insurance	B-5		2,110.04
Tax Sale Premiums	B-6		136,300.00
Other Federal Programs	B-7		1,009.19
Performance Deposits	B-9		67,838.56
CDBG Rehabilitation Loan	B-10		6,000.00
Miscellaneous Trust Deposits	B-11		210,763.12
UDAG Loan Receivable	B-12		6,362.75
Over-expenditure of Trust Reserve	B-13		1,913.00
Payroll Agency	B-14		2,459,735.09
C.O.A.H.	B-15		188.03
Expenditures Under R.S. 4:19-15.11	B-18	8,166.47	
Due State of New Jersey	B-19	566.40	
Interfunds	B-8	<u></u>	<u>106,499.45</u>
		\$ <u>8,732.87</u>	\$ <u>3,122,119.23</u>
Balance, December 31, 2017	B	\$ <u><u>16,343.79</u></u>	\$ <u><u>911,710.82</u></u>

"B-3"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TAX

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 217,000.42
Increased by:		
Cash Receipts	B-2	121,241.34
		<u>\$ 338,241.76</u>
Decreased by:		
Cash Disbursements	B-2	123,400.00
		<u>123,400.00</u>
Balance, December 31, 2017	B	<u>\$ 214,841.76</u>

"B-4"

SCHEDULE OF RESERVE FOR CDBG REHABILITATION
LOAN REPAYMENT - BREWERY

Balance, December 31, 2016	B	\$ 98,251.05
Increased by:		
Cash Receipts	B-2	491.14
		<u>491.14</u>
Balance, December 31, 2017	B	<u>\$ 98,742.19</u>

"B-5"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 56,338.79
Increased by:		
Cash Receipts	B-2	<u>3,751.20</u>
		\$ <u>60,089.99</u>
Decreased by:		
Cash Disbursements	B-2	<u>2,110.04</u>
Balance, December 31, 2017	B	\$ <u><u>57,979.95</u></u>

"B-6"

SCHEDULE OF RESERVE FOR
TAX SALE PREMIUMS

Balance, December 31, 2016	B	\$ 309,200.00
Increased by:		
Cash Receipts	B-2	<u>55,900.00</u>
		\$ <u>365,100.00</u>
Decreased by:		
Cash Disbursements	B-2	<u>136,300.00</u>
Balance, December 31, 2017	B	\$ <u><u>228,800.00</u></u>

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR OTHER FEDERAL PROGRAMS

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	34,767.06
Increased by:			
Cash Receipts	B-2		<u>7,892.79</u>
		\$	<u>42,659.85</u>
Decreased by:			
Cash Disbursements	B-2	\$	1,009.19
Encumbrances Payable	B-18		<u>118.00</u>
			<u>1,127.19</u>
Balance, December 31, 2017	B	\$	<u><u>41,532.66</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, 2016:				
Due to	B	\$ 4,776.25	\$	\$ 4,776.25
Due from	B	<u>245,220.20</u>	<u>245,220.20</u>	<u></u>
Cash Receipts	B-2	\$ <u>61,029.52</u>	\$ <u>61,029.52</u>	\$ <u></u>
Cash Disbursements	B-2	\$ <u>106,499.45</u>	\$ <u>106,499.45</u>	\$ <u></u>
Balance, December 31, 2017:				
Due to	B-2	\$ 4,776.25	\$	\$ 4,776.25
Due from	B-2	<u><u>290,690.13</u></u>	<u><u>290,690.13</u></u>	<u><u></u></u>

"B-9"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR PERFORMANCE DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	196,437.91
Increased by:			
Cash Receipts	B-2		<u>27,855.84</u>
		\$	<u>224,293.75</u>
Decreased by:			
Cash Disbursements	B-2	\$	67,838.56
Encumbrances Payable	B-17		<u>225.00</u>
			<u>68,063.56</u>
Balance, December 31, 2017	B	\$	<u><u>156,230.19</u></u>

"B-10"

SCHEDULE OF RESERVE FOR CDBG REHABILITATION
LOAN REPAYMENT

Balance, December 31, 2016	B	\$	248,117.41
Increased by:			
Cash Receipts	B-2		<u>1,137.36</u>
		\$	<u>249,254.77</u>
Decreased by:			
Cash Disbursements	B-2		<u>6,000.00</u>
Balance, December 31, 2017	B	\$	<u><u>243,254.77</u></u>

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE DECEMBER 31, 2017</u>	
Police Donations	\$ 552.86	\$ 200.00	\$	\$ 752.86	
Recreation	7,614.98	14,229.00	10,423.89	11,420.09	
Parking Offense Adjudication Act	9,007.42	1,328.00	1,548.00	8,787.42	
Recycling	33.20			33.20	
Office of Emergency Management Donations	475.53			475.53	
Public Defender Fees		3,037.00	3,037.00		
Police Outside Overtime	53,623.62	205,816.94	194,575.23	64,865.33	
Antique Meter Sleeves	395.00			395.00	
Halloween	442.31	880.00	1,095.00	227.31	
Memorial Garden	5,332.35		84.00	5,248.35	
Tree Planting Donations	4,350.00			4,350.00	
Community Development Block Grant	3,491.82			3,491.82	
	<u>\$ 85,319.09</u>	<u>\$ 225,490.94</u>	<u>\$ 210,763.12</u>	<u>\$ 100,046.91</u>	
	B	B-2	B-2	B	
<u>REF.</u>					

"B-12"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR UDAG LOAN REPAYMENT

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 6,340.15
Increased by:		
Cash Receipts	B-2	<u>23.78</u>
		\$ 6,363.93
Decreased by:		
Cash Disbursements	B-2	<u>6,362.75</u>
Balance, December 31, 2017	B	<u><u>\$ 1.18</u></u>

"B-13"

SCHEDULE OF OVEREXPENDITURE OF TRUST RESERVES

Balance, December 31, 2016	B	\$ 920.00
Increased by:		
Cash Disbursements	B-2	<u>1,913.00</u>
		\$ 2,833.00
Decreased by:		
Raised in 2017 Budget	B-2	<u>920.00</u>
Balance, December 31, 2017	B	<u><u>\$ 1,913.00</u></u>

"B-14"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL AGENCY

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 2,594.95
Increased by:		
Cash Receipts	B-2	<u>2,473,192.95</u>
		\$ <u>2,475,787.90</u>
Decreased by:		
Cash Disbursements	B-2	<u>2,459,735.09</u>
Balance, December 31, 2017	B	\$ <u><u>16,052.81</u></u>

"B-15"

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

Balance, December 31, 2016	B	\$ 9,468.34
Increased by:		
Cash Receipts	B-2	<u>31,931.86</u>
		\$ <u>41,400.20</u>
Decreased by:		
Cash Disbursements	B-2	<u>188.03</u>
Balance, December 31, 2017	B	\$ <u><u>41,212.17</u></u>

"B-16"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE - ANIMAL CONTROL FUND

REF.

Increased by:			
Transfer From Animal Control Reserve	B-18	\$	<u>29.49</u>
Balance, December 31, 2017	B	\$	<u><u>29.49</u></u>

"B-17"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2016	B	\$	500.00
Increased by:			
Transfer From Reserve for:			
Other Federal Programs	B-7	\$	118.00
Performance Deposits	B-9		<u>225.00</u>
			<u>343.00</u>
Balance, December 31, 2017	B	\$	<u><u>843.00</u></u>

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	3,226.55
Increased by:			
Dog License Fees Collected in 2017		\$	9,471.90
Shared Services			1,916.41
Cat License Fees			<u>195.00</u>
	B-2		<u>11,583.31</u>
		\$	<u>14,809.86</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	B-2	\$	8,166.47
Encumbrances Payable	B-16		<u>29.49</u>
			<u>8,195.96</u>
Balance, December 31, 2017	B	\$	<u><u>6,613.90</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$ 5,918.80
2016	<u>5,495.80</u>
	<u><u>\$ 11,414.60</u></u>

"B-19"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - ANIMAL CONTROL

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 1.20
Increased by:		
Cash Receipts	B-2	567.60
		\$ <u>568.80</u>
Decreased by:		
Cash Disbursements	B-2	566.40
Balance, December 31, 2017	B	\$ <u><u>2.40</u></u>

"B-20"

SCHEDULE OF INTERFUNDS
ANIMAL CONTROL TRUST FUND

Balance, December 31, 2016	B	\$ (9,606.11)
Increased by:		
Cash Receipts	B-2	91.89
Balance, December 31, 2017	B	\$ <u><u>(9,698.00)</u></u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	405,941.59
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-4	\$	17,500.00
Proceeds From Sale of Notes	C-7		5,057,046.00
Interfunds	C-9		195,725.88
Reserve for COAH Deposits	C-10		282.19
Grants Receivable	C-15		65,000.00
Proceeds From Loans	C-12		287,629.79
Reserve for Debt Service	C-8		<u>843,318.21</u>
			<u>6,466,502.07</u>
		\$	<u>6,872,443.66</u>
Decreased by Disbursements:			
Contracts Payable	C-14	\$	1,630,000.95
Interfunds	C-9		459,000.50
Bond Anticipation Notes	C-7		3,741,243.00
Capital Surplus	C-1		19,238.00
Reserve to Pay Debt	C-8		<u>172,500.00</u>
			<u>6,021,982.45</u>
Balance, December 31, 2017	C:C-3	\$	<u><u>850,461.21</u></u>

"C-3"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

BALANCE
DECEMBER
31, 2017

Capital Improvement Fund	\$ 3,565.24
Reserve for COAH	15,113.71
State Aid Receivable	(108,500.00)
Capital Surplus	27,281.91
Contracts Payable	145,966.12
Improvement Authorizations Funded set forth on "C-5"	101,003.32
Due Current Fund	(957,205.39)
Due Trust Other Fund	(4,776.25)
Reserve to Pay Debt Service	1,303,651.41
Improvements Expended set forth on "C-6"	(627,649.48)
Unexpended Proceeds of Bond Anticipation Notes Issued	492,692.95
Cash on Hand to Pay Notes	<u>459,317.67</u>
	<u>\$ 850,461.21</u>

REF.

C

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	25.72
Increased by:			
2017 Budget Appropriation	C-2	\$	17,500.00
Improvement Authorizations Canceled	C-5		<u>589.52</u>
			<u>18,089.52</u>
		\$	<u>18,115.24</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-5		<u>14,550.00</u>
Baiance, December 31, 2017	C	\$	<u><u>3,565.24</u></u>

CITY OF LAMBERTVILLE
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS	PAID OR CHARGED	REAUTHORIZED/ CANCELED	BALANCE DECEMBER 31, 2017	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
2001-01	Housing Rehabilitation - Delaware Township	02/20/01	\$ 100,000.00	\$		\$	\$		\$ 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 #00-3507-95	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	11,149.24			10,205.07		18,168.14	
2008-20	Implementation of Bicycle/Pedestrian Safety Improvements			18,168.14				(27,556.22)		
2008-21	Installation of Rec. Equip. - Connaught Hill Pocket Park	10/20/08	150,000.00	27,556.22					1,167.22	
2009-21	City Hall Structural Improvements (supplemental)	11/23/09	185,000.00	1,167.22			2,918.97			
2010-19	Purchase of a Refurbished Garbage Truck	07/22/10	62,000.00	2,918.97						
2012-12	Various Capital Improvements	10/15/12	795,000.00	10,892.55					10,892.55	
2014-03	Various Capital Improvements	02/18/14	300,000.00		71,219.62					
2014-05	Roof Replacement Library	05/20/14	235,000.00		26,438.61					
2014-10	Improvements to Cavallo Park - Supp. Ord 2013-11	06/24/14	510,000.00		40,832.58					
2014-11	Purchase Digital Parking Meters	06/24/14	510,000.00							4,609.00
2014-11	Acquisition of McCann Property (Amend Ord. 2013-12)	05/20/14	10,000.00	103.74						
2014-21	Acquisition of Emergency Generators - Supp. Ord	08/19/14	210,000.00		24,199.37					
2014-23	Acquisition of Generator - Supplemental 2014-23	09/16/14	150,000.00		9,925.30					21,714.39
2015-01	Acquisition of Generator - Supplemental 2014-23	03/18/15	55,000.00		46,141.26			(9,925.30)		
2015-08	Redesign of City Website - Acquisition of Equipment	05/14/15	59,300.00	6,809.45			88.00	(45,053.26)		
2015-10	Improvement to Upper York and Upper Washington Streets	06/12/15	900,000.00		575,268.64		268.75	(104.78)	6,437.92	
2015-13	Acquisition of Equipment - Supplemental 2014-25	07/13/15	16,000.00		1,236.13		1,236.13			
2015-14	Professional and Consulting Fees - COAH	08/31/15	30,000.00	0.60			0.60			
2015-17	Improvement to Upper York and Upper Washington Streets	08/31/15	230,000.00		228,989.33		228,989.33			
2015-21	Various Capital Improvements	09/14/15	159,000.00		9,975.32		8,435.63	(123.25)		1,415.44
2015-25	Planning and Legal Services Connaught Hill Redevelopment	10/08/15	45,000.00		8,170.71		8,170.71			
2015-26	Improvements to Philip Pittore Justice Center	11/24/15	31,200.00	23,935.17					546.82	
2015-27	Acquisition and Installation of Video Transmission Equip.	12/4/15	40,000.00	7,537.50			7,537.50	(4,289.04)		
2016-14	Acquisition of Police Vehicles and Equipment	04/19/16	55,000.00		4,289.04					
2016-16	Improvements to Clinton Street	05/17/16	590,000.00		499,443.48		65,125.93		434,317.55	
2016-17	Upgrades to City Hall	05/17/16	130,000.00		4,868.37		4,868.37			
2016-20	North Union St. Park Upgrades	09/16/16	190,000.00		180,500.00		159,414.17		27,320.41	
2016-25	Acquisition of Heavy Duty Vehicles	10/18/16	80,000.00		2,438.26		1,738.99	(699.27)		
2016-26	Engineering Fees for CRS Updates	10/18/16	8,000.00		4,140.63		825.47		3,315.16	
2016-27	Engineering Services Related to Swan Creek Flood Control	11/22/16	125,000.00		111,476.87		111,476.87			
2016-28	Supplemental Ord 2015-23	12/20/16	40,000.00		33,612.22		33,612.22			
2017-01	Acquisition of Fire Prevention Software	01/17/17	15,000.00		15,000.00					6,473.73
2017-08	Improvements to City Property- Bicycle Transportation	03/21/17	197,630.00		197,630.00		35,117.51		162,512.39	
2017-08	Refurbishing and Repair of Heavy Equipment Vehicles	03/21/17	35,000.00		35,000.00		35,000.00			
2017-10	Supplemental -Ord 2016-28 - Professional Service Fees- COAH	03/21/17	40,000.00		40,000.00		13,448.12		26,551.88	
2017-11	Supplemental -Ord 2016-28 - Professional Service Fees- Connaught Hill Redevelopment									
2017-17	Improvements to City Buildings	03/21/17	41,000.00		41,000.00		12,530.63		28,469.17	
2017-20	Improvements to City Roads Including Clinton Street	06/20/17	145,000.00		145,000.00		42,083.09		102,916.91	
2017-21	Improvements and Repairs to City Parks	07/18/17	550,000.00		550,000.00		1,684.89		548,315.11	
2017-23	Improvements to City Buildings, Streets and Parks	07/18/17	65,000.00		65,000.00		48,462.50			
2017-25	Supplemental -Ord 2016-01 - Engineering Fees - Flood Gates	09/19/17	154,554.02		154,554.02		42,395.39	154,554.02	112,158.63	
		10/17/17	15,000.00			15,000.00	8,139.62		6,860.38	
				\$ 161,784.38	\$ 1,887,613.48	\$ 1,103,630.00	\$ 1,560,035.13	\$ (589.52)	\$ 101,003.32	\$ 1,491,398.89
				C	C		C-14	C	C	C-C-6
Capital Improvement Fund						\$ 14,550.00		(589.52)		
Grants Receivable						65,000.00				
Deferred Charges to Future Taxation-Unfunded						1,024,080.00				
						\$ 1,103,630.00		(589.52)		

[illegible]

CITY OF LAMBERTVILLE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
2013-01	Acquisition of Emergency Generators	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	\$ 142,500.00	\$ 133,000.00	\$ 142,500.00	\$ 133,000.00
2013-11	Improvements to Cavallo Park	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	209,948.00	197,189.00	209,948.00	197,189.00
2013-12	Acquisition of McCann Property	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	430,300.00	420,616.00	430,300.00	420,616.00
2014-03	Various Capital Improvements	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	285,000.00	270,000.00	285,000.00	270,000.00
2014-09/ 2015-21	Roof Replacement Library/Improvements to City Property	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	235,000.00	226,896.00	235,000.00	226,896.00
2014-10	Improvements to Cavallo Park - Supp. Ord 2013-11	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	510,000.00	492,413.00	510,000.00	492,413.00
2014-21	Acquisition of McCann Property (Amend Ord. 2013-12)	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	210,000.00	207,341.00	210,000.00	207,341.00
2014-23	Acquisition of Emergency Generators - Supp. Ord	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	150,000.00	140,000.00	150,000.00	140,000.00
2014-24	Improvements to Wilson Street	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	118,750.00	115,708.00	118,750.00	115,708.00
2014-25	Acquisition of Equipment and Repairs to City Property	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	114,000.00	101,333.00	114,000.00	101,333.00
2015-01	Acquisition of Generator - Supplemental 2014-23	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	55,000.00	55,000.00	55,000.00	55,000.00
2015-10	Improvement to Upper York and Upper Washington Streets	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	900,000.00	900,000.00	900,000.00	900,000.00
2015-13	Acquisition of Equipment - Supplemental 2014-25	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	15,200.00	15,200.00	15,200.00	15,200.00
2015-17	Improvement to Upper York and Upper Washington Streets	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	230,000.00	230,000.00	230,000.00	230,000.00
2015-20	Engineering Services North Union St. Parking Improvements	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	42,750.00	42,750.00	42,750.00	42,750.00
2015-21	Various Capital Improvements	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	151,050.00	151,050.00	151,050.00	151,050.00
2015-25	Planning and Legal Services Connaught Hill Redevelopment	03/24/16 03/22/17	03/23/17 01/22/18	2.000% 1.240%	42,750.00	42,750.00	42,750.00	42,750.00

CITY OF LAMBERTVILLE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
2016-01	Engineering Services Flood Gates	03/22/17	03/22/17	01/22/18	1.240%	\$	23,750.00	\$	23,750.00
2016-02	Professional/Consulting Fees - COAH	03/22/17	03/22/17	01/22/18	1.240%		33,250.00		33,250.00
2016-10	Acquisition & Repair Heavy Equipment and Vehicles	03/22/17	03/22/17	01/22/18	1.240%		148,200.00		148,200.00
2016-14	Acquisition of Police Vehicles and Equipment	03/22/17	03/22/17	01/22/18	1.240%		52,250.00		52,250.00
2016-16	Improvements to Clinton Street	03/22/17	03/22/17	01/22/18	1.240%		590,000.00		590,000.00
2016-20	North Union Street Park Upgrades	03/22/17	03/22/17	01/22/18	1.240%		190,000.00		190,000.00
2016-23	Supplemental Ord. 2015-14 COAH	03/22/17	03/22/17	01/22/18	1.240%		38,000.00		38,000.00
2016-25	Acquisition of Heavy Duty Vehicles	03/22/17	03/22/17	01/22/18	1.240%		76,000.00		76,000.00
2016-26	Engineering Fees for CRS Updates	03/22/17	03/22/17	01/22/18	1.240%		7,600.00		7,600.00
2016-27	Engineering Services Swan Creek Flood Control	03/22/17	03/22/17	01/22/18	1.240%		118,750.00		118,750.00
2016-28	Supplemental Ord. 2016-23	03/22/17	03/22/17	01/22/18	1.240%		38,000.00		38,000.00
						\$	5,057,046.00	3,842,248.00	5,057,046.00
					REF	C	C-2	C-2	C-C-6
	Issued for Cash				C-2				
	Paid by Budget Appropriation				C-6				
						\$	3,741,243.00	101,005.00	
						\$	3,842,248.00		

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE TO PAY DEBT

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	632,957.20
Increased by:			
Cash Receipts	C-2		<u>843,318.21</u>
		\$	<u>1,476,275.41</u>
Decreased by:			
Cash Disbursements	C-2	\$	172,500.00
Applied to Deferred Charges - Unfunded	C-6		<u>124.00</u>
			<u>172,624.00</u>
Balance, December 31, 2017	C	\$	<u><u>1,303,651.41</u></u>

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, 2016:				
Due from	C	\$ <u>698,707.02</u>	\$ <u>693,930.77</u>	\$ <u>4,776.25</u>
Cash Receipts	C-2	\$ 195,725.88	\$ 195,725.88	\$
Cash Disbursements	C-2	\$ <u>459,000.50</u>	\$ <u>459,000.50</u>	\$
Balance, December 31, 2017:				
Due from	C	\$ <u><u>961,981.64</u></u>	\$ <u><u>957,205.39</u></u>	\$ <u><u>4,776.25</u></u>

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, 2016	C	\$ 14,831.52	\$ 8,820.07	\$ 5,086.55	\$ 924.90
Increased by: Interest Earned	C-2	<u>282.19</u>	<u>168.94</u>	<u>81.23</u>	<u>32.02</u>
Balance, December 31, 2017	C	\$ <u>15,113.71</u>	\$ <u>8,989.01</u>	\$ <u>5,167.78</u>	\$ <u>956.92</u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2016	DECREASED	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT				
General Improvement	05/15/03	\$ 2,425,000.00	08/15/18	\$ 175,000.00	3.625%	\$	\$	
			08/15/19	185,000.00	3.75%			
			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%			
General Improvement	03/01/10	3,335,000.00	08/15/24	200,000.00	4.00%	1,520,000.00	165,000.00	1,355,000.00
			03/01/18	250,000.00	4.00%			
			03/01/19-20	300,000.00	4.00%			
			03/01/21	300,000.00	3.50%			
			03/01/22	300,000.00	3.63%			
			03/01/23	300,000.00	3.75%			
General Improvement	03/19/14	4,365,000.00	03/01/24	300,000.00	3.80%	2,285,000.00	235,000.00	2,050,000.00
			03/01/18	180,000.00	3.00%			
			03/01/19	190,000.00	3.00%			
			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%			
						4,055,000.00	170,000.00	3,885,000.00
						\$ 7,860,000.00	\$ 570,000.00	\$ 7,290,000.00
						C	C-14	C
						REF.		

CITY OF LAMBERTVILLE
GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES TRUST LOANS PAYABLE

IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING DECEMBER 31, 2017		INTEREST RATE	INCREASED	BALANCE 12/31/2017
			DATE	AMOUNT			
McCann Tract Acquisition	6/13/2017	\$ 220,000.00	2018	\$ 9,326.70	2.000%	\$	\$
			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	220,000.00
McCann Tract Acquisition	6/13/2017	67,629.79	2018	2,867.10	2.000%		
			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	67,629.79
						\$ 287,629.79	\$ 287,629.79
					REF.	C-2-C-6	C

"C-13"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 7,860,000.00
Increased by:		
Loans Issued	C-12	<u>287,629.79</u>
		\$ <u>8,147,629.79</u>
Decreased by:		
Serial Bonds Paid by Budget	C-11	<u>570,000.00</u>
Balance, December 31, 2017	C	\$ <u><u>7,577,629.79</u></u>

"C-14"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2016	C	\$ 215,930.94
Increased by:		
Charges to Improvement Authorizations	C-5	<u>1,560,036.13</u>
		\$ <u>1,775,967.07</u>
Decreased by:		
Cash Disbursements	C-2	<u>1,630,000.95</u>
Balance, December 31, 2017	C	\$ <u><u>145,966.12</u></u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 108,500.00
Increased by:		
Grants Authorized	C-5	<u>65,000.00</u>
		\$ <u>173,500.00</u>
Decreased by:		
Cash Receipts	C-2	<u>65,000.00</u>
Balance, December 31, 2017	C	\$ <u><u>108,500.00</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, 2017</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
2017-01	Acquisition of Fire Prevention Software	14,250.00
2017-08	Improvements to City Property- Bicycle Transportation	197,630.00
2017-09	Refurbishing and Repair of Heavy Equipment Vehicles	33,250.00
2017-10	Supplemental -Ord 2016-28 - Professional Service Fees- COAH	38,000.00
2017-11	Supplemental -Ord 2015-25 - Professional Service Fees- Connaught Hill Redevelopment	38,950.00
2017-17	Improvements to City Buildings	137,750.00
2017-20	Improvements to City Roads Including Clinton Street	550,000.00
2017-23	Improvements to City Buildings, Streets and Parks	127,412.00
2017-25	Supplemental -Ord 2016-01 - Engineering Fees - Flood Gates	14,250.00
		<u>\$ 1,626,355.42</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, 2016	E	\$ <u>37,072.04</u>	\$ <u>37,072.04</u>
Increased by:			
State Aid		\$ 114,100.00	\$ 114,100.00
Prior Year Voided Checks		5,392.80	5,392.80
Other Receipts		1,412.85	1,412.85
Supplemental Security Income		3,206.00	3,206.00
Interest Earned		161.36	161.36
	E-4	\$ <u>124,273.01</u>	\$ <u>124,273.01</u>
Decreased by:			
2017 Assistance	E-5	\$ <u>117,073.42</u>	\$ <u>117,073.42</u>
Balance, December 31, 2017	E	\$ <u><u>44,271.63</u></u>	\$ <u><u>44,271.63</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, 2017	E-1	\$	44,271.63
Increased by:			
Cash Receipts			31,028.55
		\$	<u>75,300.18</u>
Decreased by Disbursements:			
2018 Assistance			<u>70,353.22</u>
Balance, May 31, 2018		\$	<u><u>4,946.96</u></u>

<u>RECONCILIATION - MAY 31, 2018</u>	<u>P.A.T.F. II</u> <u>ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:		
Bank of Princeton		
Account #1800000265	\$ 19,024.01	\$ 19,024.01
Less:		
Outstanding Checks	<u>14,077.05</u>	<u>14,077.05</u>
Balance, May 31, 2018	\$ <u><u>4,946.96</u></u>	\$ <u><u>4,946.96</u></u>

CITY OF LAMBERTVILLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION AS OF DECEMBER 31, 2017

	<u>REF.</u>		
Balance, December 31, 2016	E-1	\$	37,072.04
Increased by Receipts:			
State Aid		\$	114,100.00
Prior Year Voided Checks			5,392.80
Other Receipts			1,412.85
Supplemental Security Income			3,206.00
Interest Earned			<u>161.36</u>
	E-4		124,273.01
		\$	<u>161,345.05</u>
Decreased by Disbursements:			
2017 Assistance	E-5		<u>117,073.42</u>
Balance, December 31, 2017	E-1	\$	<u><u>44,271.63</u></u>

<u>RECONCILIATION - DECEMBER 31, 2017</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	\$ 45,950.68	\$ 45,950.68
Less:		
Outstanding Checks	<u>1,679.05</u>	<u>1,679.05</u>
Balance, December 31, 2017	\$ <u><u>44,271.63</u></u>	\$ <u><u>44,271.63</u></u>

"E-4"

CITY OF LAMBERTVILLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE REVENUES
YEAR ENDED DECEMBER 31, 2017

	<u>P.A.T.F. II</u>	<u>FUND</u> <u>TOTAL</u>
State Aid Payments	\$ 114,100.00	\$ 114,100.00
Prior Year Voided Checks	5,392.80	5,392.80
Other Receipts	1,412.85	1,412.85
Supplemental Security Income:		
State/Municipal Refund	3,206.00	3,206.00
Interest Earned	161.36	161.36
	<hr/>	<hr/>
<u>TOTAL REVENUES</u>	<u>\$ 124,273.01</u>	<u>\$ 124,273.01</u>

REF.

E-1

"E-5"

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
YEAR ENDED DECEMBER 31, 2017

	<u>P.A.T.F. II</u>	<u>FUND</u> <u>TOTAL</u>
Payments for Current Year Assistance (Reported):		
Maintenance Payments	\$ 22,674.48	\$ 22,674.48
Other:		
Work Related	379.40	379.40
Emergency Assistance	34,615.04	34,615.04
Transportation	546.00	546.00
Temporary Rental Assistance	58,858.50	58,858.50
	<hr/>	<hr/>
<u>Total Payments Reported</u>	<u>\$ 117,073.42</u>	<u>\$ 117,073.42</u>
<u>TOTAL EXPENDITURES (P.A.T.F.)</u>	<u>\$ 117,073.42</u>	<u>\$ 117,073.42</u>

REF.

E-1

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PART II
CITY OF LAMBERTVILLE
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

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

	YEAR 2017		YEAR 2016	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 465,585.00	2.56%	\$ 397,689.00	2.30%
Miscellaneous - From Other Than Local				
Property Tax Levies	2,185,892.14	12.01%	2,072,119.62	11.99%
Collection of Delinquent Taxes and				
Tax Title Liens	174,778.22	0.96%	198,380.81	1.14%
Collection of Current Tax Levy	15,381,526.95	84.48%	14,618,292.34	84.56%
<u>Total Income</u>	<u>\$ 18,207,782.31</u>	<u>100.00%</u>	<u>\$ 17,286,481.77</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures	\$ 4,828,067.55	27.18%	\$ 4,673,604.68	27.56%
County Taxes	2,662,030.63	15.00%	2,537,201.30	14.97%
Local and Regional School Taxes	9,591,098.00	54.03%	9,127,817.00	53.85%
Fire District Tax	592,588.00	3.34%	536,895.00	3.17%
Municipal Open Space Taxes	76,056.35	0.43%	73,973.00	0.44%
Other Expenditures	1,441.46	0.01%	71.27	0.01%
<u>Total Expenditures</u>	<u>\$ 17,751,281.99</u>	<u>100.00%</u>	<u>\$ 16,949,562.25</u>	<u>100.00%</u>
Excess in Revenue	\$ 456,500.32		\$ 336,919.52	
Fund Balance, January 1	996,917.24		1,057,686.72	
	\$ 1,453,417.56		\$ 1,394,606.24	
Less: Utilization as Anticipated Revenue	465,585.00		397,689.00	
Fund Balance, December 31	<u>\$ 987,832.56</u>		<u>\$ 996,917.24</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$2.041</u>	<u>\$2.001</u>	<u>\$2.017</u>
Apportionments of Tax Rate:			
Municipal	0.306	0.307	0.315
Municipal Library	0.035	0.033	0.033
Municipal Open Space	0.010	0.009	0.010
County	0.319	0.313	0.313
County Open Space	0.031	0.031	0.031
Regional School	1.262	1.235	1.240
Fire District Tax	<u>0.078</u>	<u>0.073</u>	<u>0.075</u>

ASSESSED VALUATIONS

2017	<u>\$759,962,804.00</u>
2016	<u>\$739,128,195.00</u>
2015	<u>\$717,128,071.00</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>
2017	\$15,522,087.63	\$15,381,526.95	99.09%
2016	\$14,803,531.03	\$14,618,292.34	98.74%
2015	\$14,471,600.48	\$14,276,324.42	98.65%

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>
2017	\$137,901.12	\$129,477.11	\$267,378.23	1.72%
2016	\$127,160.69	\$177,300.51	\$304,461.20	2.06%
2015	\$127,577.37	\$197,297.40	\$324,874.77	2.24%

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	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
	2013	\$805,274.39	\$210,000.00

EQUALIZED VALUATIONS – REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2017	\$787,073,333.00
2016	\$778,033,184.00
2015	\$742,895,543.00

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		
Beth Asaro	Councilperson		
Wardell Sanders	Councilperson		
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:

Improvements to Justice Center and City Hall Bathrooms
North Union Street Park – Phase I
Installation of Barrier Free Access at Ely Field

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 2017 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, 2017 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 2017.

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 October 30, 2017 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>
2017	21
2016	22
2015	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 2017 Taxes	10
Payments of 2016 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

The Public Defender Trust Fund was overexpended in the amount \$1,913.00.

RECOMMENDATION

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

*Unresolved 2016 Audit Recommendation

