

*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, 2012*



CITY OF LAMBERTVILLE

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CITY OF LAMBERTVILLE

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2012 AND 2011



# 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, 2012 and 2011, the related statement 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, 2012, 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.



## SUPLEE, CLOONEY & COMPANY

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, 2012 and 2011, 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, 2012.

### ***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, 2012 and 2011, 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, 2012 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***

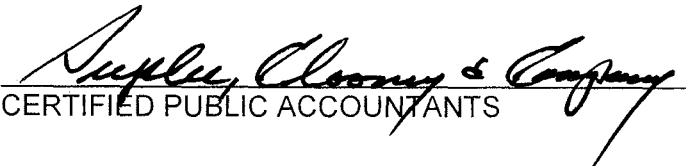
### *Other Information*

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 and schedules of federal awards and state financial assistance 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, schedules of expenditures of federal awards and state financial assistance 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, 2013 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. 50

July 23, 2013

CURRENT FUND

CITY OF LAMBERTVILLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE DECEMBER 31, 2011</u>
<u>ASSETS</u>			
Cash - Treasurer	A-4	\$ 1,945,029.35	\$ 1,861,658.83
Cash - Collector	A-5	109,163.92	66,805.33
Cash - Change Fund	A-7	500.00	500.00
Due from State of New Jersey - Senior Citizens Deductions	A-8	2,194.31	
		<u>\$ 2,056,887.58</u>	<u>\$ 1,928,964.16</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 233,482.84	\$ 225,013.48
Tax Title Liens Receivable	A-10	105,640.85	101,868.88
Revenue Accounts Receivable	A-12	14,407.07	
Prepaid Local District School Taxes	A-21	0.62	1.23
Interfunds Receivable	A-6	6,083.62	4,590.69
	A	<u>\$ 359,615.00</u>	<u>\$ 331,474.28</u>
Deferred Charges:			
Emergency Appropriation	A-29	\$	\$ 16,866.00
Special Emergency	A-29		173,888.76
Overexpenditure of Appropriations	A-29		19,864.19
Overexpenditure of Appropriation Reserves	A-29	8,370.02	2,649.32
		<u>\$ 8,370.02</u>	<u>\$ 213,268.27</u>
		<u>\$ 2,424,872.60</u>	<u>\$ 2,473,706.71</u>
Grant Fund:			
Grants Receivable	A-23	\$ 41,275.02	\$ 45,300.02
Interfunds Receivable	A-26	82,851.36	52,904.18
		<u>\$ 124,126.38</u>	<u>\$ 98,204.20</u>
		<u>\$ 2,548,998.98</u>	<u>\$ 2,571,910.91</u>

CITY OF LAMBERTVILLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-24	\$ 110,563.76	\$ 48,488.43
Encumbrances Payable	A-14	43,388.67	48,530.82
Tax Overpayments	A-28	4,098.05	3,305.00
Due from State of New Jersey -			
Senior Citizens Deductions	A-8		2,078.28
Prepaid Taxes	A-18	78,016.03	88,007.17
Special Emergency Note	A-30	140,000.00	175,000.00
Miscellaneous Reserves	A-11	9,468.32	3,095.28
County Taxes Payable	A-17	1,058.42	2,100.03
Regional High School Taxes Payable	A-22	86.12	86.12
Sale of Municipal Assets	A-27	3,731.82	8.75
Interfunds Payable	A-6	1,148,887.28	1,367,512.24
		\$ 1,539,298.47	\$ 1,738,212.12
Reserve for Receivables and Other Assets	A	359,615.00	331,474.28
Fund Balance	A-1	525,959.13	404,020.31
		\$ 2,424,872.60	\$ 2,473,706.71
Grant Fund:			
Reserve for Grants Unappropriated	A-15	\$ 20,953.40	\$ 11,568.15
Reserve for Grants Appropriated	A-16	100,443.74	86,636.05
Encumbrances Payable	A-20	2,729.24	
		\$ 124,126.38	\$ 98,204.20
		\$ 2,548,998.98	\$ 2,571,910.91

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

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2011</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 225,000.00	\$ 142,400.00
Miscellaneous Revenue Anticipated	A-2	2,032,437.83	1,759,596.43
Receipts From Delinquent Taxes	A-2	225,013.01	237,191.25
Receipts From Current Taxes	A-2	13,084,796.12	13,136,095.92
Non-Budget Revenue	A-2	111,240.32	88,281.04
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-24	6,326.13	52,796.02
Prepaid Local District School Taxes		0.61	
<u>Total Income</u>		<u>\$ 15,684,814.02</u>	<u>\$ 15,416,360.66</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 2,936,860.00	\$ 3,032,021.37
Deferred Charges and Statutory Expenditures	A-3	421,579.51	439,015.52
Operations Excluded From "CAPS":			
Operating	A-3	319,433.68	277,751.64
Capital Improvements	A-3	17,500.00	15,000.00
Municipal Debt Service	A-3	737,524.02	646,419.00
Deferred Charges	A-3	51,643.75	8,117.00
Fire District Tax	A-25	503,375.00	491,219.00
Local District School Tax	A-21	3,217,609.00	3,035,582.00
Regional High School Tax	A-22	4,676,688.41	4,886,711.39
Municipal Open Space Tax	A-19	72,093.99	72,382.91
County Taxes	A-17	2,381,016.49	2,399,842.45
County Share of Added Taxes	A-17	1,058.42	2,100.03
Interfunds Advanced		1,492.93	2,715.49
Refund of Prior Year Revenue			3,819.50
Prepaid Local District School Tax			0.54
<u>Total Expenditures</u>		<u>\$ 15,337,875.20</u>	<u>\$ 15,312,697.84</u>
Excess in Revenue		\$ 346,938.82	\$ 103,662.82
Adjustments to Income before Fund Balance:			
Expenditures Included Above which are by Statute			
Deferred Charges to the Budget of the Succeeding Year			
Emergency Appropriation			210,618.95
Statutory Excess to Fund Balance		\$ 346,938.82	\$ 314,281.77
Fund Balance			
Balance, January 1	A	404,020.31	232,138.54
		<u>\$ 750,959.13</u>	<u>\$ 546,420.31</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	225,000.00	142,400.00
Balance, December 31	A	<u>\$ 525,959.13</u>	<u>\$ 404,020.31</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, 2012

		ANTICIPATED			
			SPECIAL		
			N.J.S.		
	REF.	BUDGET	40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Current Fund Balance Appropriated	A-1	\$ 225,000.00		\$ 225,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-12	\$ 22,500.00	\$	\$ 23,508.00	\$ 1,008.00
Other	A-12	20,801.00		21,675.00	874.00
Fees and Permits:					
Construction Code Official	A-12	125,000.00		136,246.91	11,246.91
Other	A-2	70,000.00		70,000.00	
Municipal Court Fines	A-12	170,201.00		175,072.62	4,871.62
Interest and Costs on Taxes	A-12	47,168.00		44,471.83	(2,696.17)
Parking Meters	A-12	185,000.00		185,000.00	
Consolidated Municipal Property Tax					
Relief Act	A-12	91,056.00		91,056.00	
Energy Receipts Tax	A-12	324,014.00		324,014.00	
Drunk Driving Enforcement Fund	A-23	5,436.43		5,436.43	
Alcohol Education and Rehabilitation	A-23	809.02		809.02	
Over the Limit, Under Arrest	A-23	150.00		150.00	
Body Armor Replacement Fund	A-23	1,266.87		1,266.87	
Recycling Tonnage Grant	A-23	3,905.83		3,905.83	
Comcast Grant	A-23		22,500.00	22,500.00	
Stay Sober	A-23		4,400.00	4,400.00	
Reserve for Open Space	A-12	56,000.00		56,000.00	
Hotel and Motel Occupancy Fees	A-12	86,418.00		98,242.64	11,824.64
Contribution from LMSA	A-12	72,000.00		48,000.00	(24,000.00)
Licenses-ABC Additional	A-12	4,368.00		4,368.00	
Cable T.V. Franchise Fees	A-12	18,079.00		19,369.10	1,290.10
Reserve for the Payment of Debt Service	A-12	370,000.00		370,000.00	
Reimbursement of Costs Library	A-12	60,000.00		60,000.00	
Payment in Lieu of Taxes-Econotech					
Development Company	A-12	32,244.00		33,296.00	1,052.00
Payment in Lieu of Taxes-South Hunterdon					
Regional Apartments	A-12	10,520.00		10,505.25	(14.75)
Payment in Lieu of Taxes-Community					
Investments Strategy	A-12	52,000.00		52,000.00	
Uniform Fire Safety Act	A-12	8,930.00		8,579.33	(350.67)
General Capital Fund Balance	A-12	9,000.00		9,000.00	
Additional Fees and Permits	A-2	14,963.00		15,640.14	677.14
Parking Meters - Additional	A-12	55,000.00		137,924.86	82,924.86
	A-1	\$ 1,916,830.15	\$ 26,900.00	\$ 2,032,437.83	\$ 88,707.68
Receipts From Delinquent Taxes	A-1:A-2	\$ 225,000.00	\$	\$ 225,013.01	\$ 13.01
Property Tax for Support of Municipal					
Budget Appropriation:					
Local Tax for Municipal Purposes	A-2:A-9	\$ 2,455,462.79	\$	\$ 2,557,954.81	\$ 102,492.02
Budget Totals		\$ 4,822,292.94	\$ 26,900.00	\$ 5,040,405.65	\$ 191,212.71
Non-Budget Revenue	A-2			111,240.32	111,240.32
		\$ 4,822,292.94	\$ 26,900.00	\$ 5,151,645.97	\$ 302,453.03
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, 2012

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Collected	A-1:A-9	\$ 13,084,796.12
Allocated To:		
Schools and County Taxes and District Taxes		<u>10,851,841.31</u>
Support of Municipal Budget Appropriations		\$ 2,232,954.81
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>325,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>2,557,954.81</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-9	\$ <u>225,013.01</u>
	A-2	\$ <u><u>225,013.01</u></u>
Fees and Permits Other:		
Fire Safety	A-12	\$ 15,476.00
Clerk	A-12	63,008.78
Police	A-12	<u>7,155.36</u>
	A-2	\$ <u><u>85,640.14</u></u>
Miscellaneous Revenue Not Anticipated:		
Interest on Investments		\$ 5,649.54
Senior Citizen and Veteran Administration Fee		661.68
Miscellaneous Refunds		23,493.29
Recycling		24,787.54
Shared Services		5,625.00
Excess Animal Control		6,017.09
Miscellaneous		<u>42,079.76</u>
	A-4	\$ 108,313.90
Miscellaneous - Collector	A-5	<u>2,926.42</u>
	A-1:A-2	\$ <u><u>111,240.32</u></u>

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



CITY OF LAMBERTVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Mayor and Council:					
Salaries and Wages	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$	\$
Municipal Clerk:					
Salaries and Wages	94,965.00	96,465.00	96,324.31	140.69	
Other Expenses	25,000.00	25,000.00	23,648.63	1,351.37	
Financial Administration:					
Salaries and Wages	76,000.00	67,000.00	66,531.85	468.15	
Other Expenses	10,000.00	10,000.00	9,841.81	158.19	
Auditor:					
Other Expenses	47,300.00	47,850.00	47,850.00		
Tax Assessor:					
Salaries and Wages	29,271.00	29,396.00	29,389.41	6.59	
Other Expenses	8,500.00	8,500.00	7,230.47	1,269.53	
Maintenance of Tax Map	600.00	600.00	298.00	302.00	
Tax Collector:					
Salaries and Wages	38,313.00	38,313.00	38,312.86	0.14	
Other Expenses	10,250.00	10,250.00	7,360.57	2,889.43	
Liquidation of Tax Title Lien and Foreclosed Property:					
Other Expenses	500.00	500.00		500.00	
City Attorney:					
Other Expenses	24,000.00	24,000.00	19,123.23	4,876.77	
Municipal Prosecutor:					
Other Expenses	35,000.00	50,000.00	43,831.60	6,168.40	
Municipal Court:					
Salaries and Wages	65,801.00	65,801.00	62,501.71	3,299.29	
Other Expenses	11,420.00	11,420.00	10,538.61	881.39	
Public Defender:					
Other Expenses					
<u>PUBLIC AFFAIRS AND PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	988,000.00	1,013,000.00	1,003,066.48	9,933.52	
Other Expenses	50,400.00	48,449.00	36,947.65	11,501.35	
Dog Regulation:					
Salaries and Wages	577.00	727.00	720.93	6.07	
Other Expenses	5,423.00	5,423.00	4,742.70	680.30	

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, 2012

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>PUBLIC AFFAIRS AND PUBLIC SAFETY (CONTINUED)</u>					
Emergency Management Services:					
Other Expenses	\$ 100.00	\$ 100.00	\$	\$ 100.00	\$
Inspection and Code Enforcement:					
Other Expenses	9,800.00	9,800.00	7,650.00	2,150.00	
Public Works:					
Salaries and Wages	142,175.00	142,175.00	140,744.01	1,430.99	
Other Expenses	35,735.00	35,735.00	26,939.28	8,795.72	
Solid Waste Collection:					
Salaries and Wages	95,055.00	91,055.00	88,570.46	2,484.54	
Other Expenses	160,000.00	141,573.00	140,389.63	1,183.37	
Street Lighting:					
Other Expenses	41,500.00	41,500.00	41,495.44	4.56	
Parks and Playgrounds:					
Other Expenses	500.00	500.00		500.00	
Buildings and Grounds:					
Other Expenses	15,500.00	24,500.00	24,427.44	72.56	
Snow Removal:					
Other Expenses	5,000.00	5,000.00		5,000.00	
<u>HEALTH, WELFARE AND HOUSING</u>					
Municipal Land Use Law (N.J.S.A. 40A:55D-1)					
Planning Board:					
Salaries and Wages	6,658.00	6,658.00	6,657.59	0.41	
Other Expenses	1,300.00	1,300.00	322.93	977.07	
Zoning Board of Adjustments:					
Salaries and Wages	9,297.00	9,298.00	9,296.57	1.43	
Other Expenses	400.00	400.00	20.12	379.88	
Uniform Fire Safety Act (P.L.1983 C.383):					
Fire Inspection Official:					
Salaries and Wages	11,996.00	11,997.00	11,996.36	0.64	
Other Expenses	500.00	500.00	437.84	62.16	
Administration of Public Assistance:					
Salaries and Wages	13,976.00	13,977.00	13,976.30	0.70	
Other Expenses	400.00	400.00	342.36	57.64	
Contribution to Public Event, Anniversary or Holiday:					
Other Expenses	400.00	400.00	400.00		
Contribution to Lambertville Senior Citizen Center:					
Other Expenses	500.00	500.00	500.00		
Historic Preservation:					
Salaries and Wages	500.00	500.00		500.00	
Other Expenses	60.00	60.00	3.07	56.93	

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, 2012

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
Insurance:					
Group Insurance Plan	\$ 428,973.00	\$ 403,973.00	\$ 401,181.52	\$ 2,791.48	\$
Other Insurance Premiums	111,708.00	111,708.00	111,383.00	325.00	
Workers Compensation	59,071.00	49,071.00	48,872.00	199.00	
Group Insurance - Health Benefit Waiver	21,600.00	21,600.00	21,600.00		
Construction Official:					
Salaries and Wages	105,641.00	106,241.00	106,221.46	19.54	
Other Expenses	3,500.00	4,000.00	3,796.65	203.35	
<u>UNCLASSIFIED</u>					
Fuel Oil	5,500.00	5,500.00	2,899.37	2,600.63	
Gasoline	35,000.00	40,500.00	37,584.07	2,915.93	
Telephone	15,000.00	15,000.00	14,139.98	860.02	
Diesel Fuel	29,000.00	32,000.00	28,882.44	3,117.56	
Electricity	28,945.00	28,945.00	21,453.03	7,491.97	
Sewerage	1,850.00	1,850.00	1,408.17	441.83	
Water	2,100.00	3,350.00	2,344.31	1,005.69	
Natural Gas	7,500.00	7,500.00	5,315.36	2,184.64	
Accumulated Leave Compensation:					
Salaries and Wages	15,000.00	12,500.00	12,500.00		
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	<u>\$ 2,945,560.00</u>	<u>\$ 2,936,860.00</u>	<u>\$ 2,844,511.58</u>	<u>\$ 92,348.42</u>	<u>\$</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"					
Deferred Charges:					
Overexpenditure of Appropriation	\$ 19,864.19	\$ 19,864.19	\$ 19,864.19		\$
Overexpenditure of Appropriation Reserves	2,649.32	2,649.32	2,649.32		
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	106,805.00	106,805.00	106,805.00		
Social Security System	130,000.00	138,700.00	138,572.72	127.28	
Defined Contribution Retirement Plan	1,230.00	1,230.00	466.62	763.38	
Police and Firemen's Retirement System	152,331.00	152,331.00	152,331.00		
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 412,879.51</u>	<u>\$ 421,579.51</u>	<u>\$ 420,688.85</u>	<u>\$ 890.66</u>	<u>\$</u>

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

CITY OF LAMBERTVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 3,358,439.51	\$ 3,358,439.51	\$ 3,265,200.43	\$ 93,239.08	\$
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (CH. 82 P.L. 1985)	\$ 244,321.53	\$ 244,321.53	\$ 226,996.85	\$ 17,324.68	\$
Insurance:					
Group Insurance Plan For Employees	31,027.00	31,027.00	31,027.00		
Increase in ABC Licenses:					
Municipal Clerk:					
Other Expenses	4,368.00	4,368.00	4,368.00		
TOTAL OTHER OPERATIONS-EXCLUDED FROM "CAPS"	\$ 279,716.53	\$ 279,716.53	\$ 262,391.85	\$ 17,324.68	\$
STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES					
Drunk Driving Enforcement Fund	\$ 5,436.43	\$ 5,436.43	\$ 5,436.43		\$
Recycling Tonnage Grant	3,905.83	3,905.83	3,905.83		
Stay Sober (N.J.S.A. 40A:4-87 + \$4,400.00)		4,400.00	4,400.00		
Comcast Grant (N.J.S.A. 40A:4-87 + \$22,500.00)		22,500.00	22,500.00		
Over the Limit Grant	150.00	150.00	150.00		
Supplemental Fire District Payment	1,249.00	1,249.00	1,249.00		
Body Armor Replacement Fund	1,266.87	1,266.87	1,266.87		
Alcohol Education and Rehabilitation Fund	809.02	809.02	809.02		
TOTAL STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES	\$ 12,817.15	\$ 39,717.15	\$ 39,717.15		\$
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	\$ 292,533.68	\$ 319,433.68	\$ 302,109.00	\$ 17,324.68	\$
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, 2012

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$	\$
Payment of Bond Anticipation Notes	167,460.00	167,460.00	167,460.00		
Interest on Bonds	224,855.00	224,855.00	185,244.26		39,610.74
Interest on Notes	149,861.00	149,861.00	149,819.76	0.00	41.24
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>\$ 777,176.00</u>	<u>\$ 777,176.00</u>	<u>\$ 737,524.02</u>	<u>\$ (0.00)</u>	<u>\$ 39,651.98</u>
<u>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u>					
<u>DEFERRED CHARGES:</u>					
Emergency Authorization - (N.J.S.A. 40A:4-46)	\$ 16,866.00	\$ 16,866.00	\$ 16,866.00	\$	\$
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	34,777.75	34,777.75	34,777.75		
<u>TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"</u>	<u>\$ 51,643.75</u>	<u>\$ 51,643.75</u>	<u>\$ 51,643.75</u>	<u>\$</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 1,138,853.43</u>	<u>\$ 1,165,753.43</u>	<u>\$ 1,108,776.77</u>	<u>\$ 17,324.68</u>	<u>\$ 39,651.98</u>
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 4,497,292.94	\$ 4,524,192.94	\$ 4,373,977.20	\$ 110,563.76	\$ 39,651.98
RESERVE FOR UNCOLLECTED TAXES	325,000.00	325,000.00	325,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 4,822,292.94</u>	<u>\$ 4,849,192.94</u>	<u>\$ 4,698,977.20</u>	<u>\$ 110,563.76</u>	<u>\$ 39,651.98</u>
REF.	A-2			A:A-1	
Appropriation by:					
40A:4-87	A-2	\$ 26,900.00			
Budget	A-3	4,822,292.94			
		<u>\$ 4,849,192.94</u>			
Encumbrances Payable	A-14		\$ 19,201.96		
Reserve for Grants Appropriated	A-16		39,717.15		
Reserve for Uncollected Taxes	A-2		325,000.00		
Deferred Charges	A-29		74,157.26		
Cash Disbursed	A-4		4,254,678.88		
			<u>\$ 4,712,755.25</u>		
Less: Refunds	A-4		13,778.05		
			<u>\$ 4,698,977.20</u>		

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

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TRUST FUND

"B"

CITY OF LAMBERTVILLE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-2	\$ 11,921.82	\$ 10,330.59
Due State of New Jersey	B-9	1.20	
		<u>\$ 11,923.02</u>	<u>\$ 10,330.59</u>
Other Funds:			
Cash	B-2	\$ 848,461.81	\$ 1,286,117.12
Due Current Fund	B-8	52,898.19	114,894.80
Over-expenditure of Trust Reserve	B-13	1,544.73	1,544.73
		<u>\$ 902,904.73</u>	<u>\$ 1,402,556.65</u>
		<u>\$ 914,827.75</u>	<u>\$ 1,412,887.24</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	B-16	\$ 6,083.62	\$ 4,590.69
Due State of New Jersey	B-9		2.40
Reserve for Expenditures	B-11	5,839.40	5,737.50
		<u>\$ 11,923.02</u>	<u>\$ 10,330.59</u>
Other Funds:			
Encumbrances Payable	B-14	\$	\$ 34,667.06
Reserve For:			
Municipal Open Space Tax	B-3	362,881.19	363,067.39
Reserve for CDBG Rehabilitation Loan - Brewery	B-4	96,305.57	95,822.51
State Unemployment Insurance	B-5	44,555.13	48,415.53
Community Development Block Grant	B-6	3,491.82	3,491.82
Other Federal Programs	B-7	4,198.48	28,774.99
Reserve for CDBG Rehabilitation Loan	B-10	122,607.43	98,520.13
UDAG Loan Repayment	B-12	6,225.01	6,196.44
Miscellaneous Trust Deposits	B-14	244,780.34	704,029.87
Payroll Agency	B-15	17,859.65	19,570.80
Fund Balance	B-1	0.11	0.11
		<u>\$ 902,904.73</u>	<u>\$ 1,402,556.65</u>
		<u>\$ 914,827.75</u>	<u>\$ 1,412,887.24</u>

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



CITY OF LAMBERTVILLE

TRUST FUND

STATEMENT OF FUND BALANCE - OTHER FUNDS

	<u>REF.</u>		
Balance, December 31, 2011	B	\$	0.11
Balance, December 31, 2012	B	\$	<u><u>0.11</u></u>

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

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GENERAL CAPITAL FUND

"C"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>
<u>ASSETS</u>			
Cash	C-2	\$ 166,644.46	\$ 704,828.44
Deferred Charges to Future Taxation-Funded	C-13	5,045,000.00	5,280,000.00
Deferred Charges to Future Taxation-Unfunded	C-6	7,185,678.81	7,348,007.79
Due Current Fund	C-9	1,013,137.73	1,199,713.26
Grants Receivable	C-12	108,500.00	108,500.00
Overexpenditure of Ordinance Appropriation	C-2	1,022.98	
		<u>\$ 13,519,983.98</u>	<u>\$ 14,641,049.49</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	C-7	\$ 5,917,830.00	\$ 6,446,550.00
General Serial Bonds	C-11	5,045,000.00	5,280,000.00
Capital Improvement Fund	C-4	20,725.72	17,525.72
Contracts Payable	C-14	579,921.84	398,151.72
Improvement Authorizations:			
Funded	C-5	210,216.91	199,654.52
Unfunded	C-5	1,119,143.32	1,235,374.78
Reserve to Pay Debt Service	C-8	582,184.71	1,035,295.16
Reserve for COAH Deposits	C-10	19,437.57	19,124.46
Fund Balance	C-1	25,523.91	9,373.13
		<u>\$ 13,519,983.98</u>	<u>\$ 14,641,049.49</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, 2011	C	\$ 9,373.13
Increased by:		
Premium on Sale of Note	C-2	25,150.78
		\$ <u>34,523.91</u>
Decreased by:		
Utilized as Anticipated Revenue - Current Fund	C-2	<u>9,000.00</u>
Balance, December 31, 2012	C	\$ <u><u>25,523.91</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, 2012</u>	BALANCE DECEMBER <u>31, 2011</u>
<u>ASSETS</u>			
Cash	E-1	\$ <u>135,334.57</u>	\$ <u>73,189.50</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		\$ <u>135,334.57</u>	\$ <u>73,189.50</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, 2012</u>	BALANCE DECEMBER <u>31, 2011</u>
<u>FIXED ASSETS</u>		
Land	\$ 3,171,500.00	\$ 3,171,500.00
Buildings	3,005,300.00	2,995,300.00
Machinery and Equipment	<u>1,281,616.29</u>	<u>1,267,923.29</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 7,458,416.29</u>	<u>\$ 7,434,723.29</u>
<u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 7,458,416.29</u>	<u>\$ 7,434,723.29</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, 2012 AND 2011

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 the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must 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 groups:

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. Federal and State 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 - 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 - Technical Accounting Directive No. 85-2, 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 \$300.00 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 (CONTINUED)

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, 2012:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$2,759,540.38	\$500.00	\$705,347.11	\$2,054,693.27
Animal Control Fund	11,923.02		1.20	11,921.82
Other Trust Fund	862,483.83	342.45	14,364.47	848,461.81
General Capital Fund	166,644.46			166,644.46
Public Assistance Trust Fund	140,820.86		5,486.29	135,334.57
<u>TOTAL DECEMBER 31, 2012</u>	<u>\$3,941,412.55</u>	<u>\$842.45</u>	<u>\$725,199.07</u>	<u>\$3,217,055.93</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, 2012, 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, \$499,178.51 was covered by Federal Depository Insurance and \$3,442,234.04 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 Investment of the Department of Treasury 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, 2012. 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: MUNICIPAL 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 would be general obligation bonds, backed by the full faith and credit of the City. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT  
DEBT AND TYPE II SCHOOL DEBT)

	<u>YEAR 2012</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
Issued:			
General:			
Bonds, Loans and Notes	\$10,962,830.00	\$11,726,550.00	\$11,312,000.00
Less: Funds Temporarily Held to Pay			
Bonds and Notes - General Capital	<u>698,649.27</u>	<u>1,119,431.65</u>	<u>621,372.00</u>
<u>Net Debt Issued</u>	\$10,264,180.73	\$10,607,118.35	\$10,690,628.00
Authorized But Not Issued:			
General - Bonds and Notes	<u>1,384,313.37</u>	<u>985,594.28</u>	<u>982,156.79</u>
Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$11,648,494.10</u>	<u>\$11,592,712.63</u>	<u>\$11,672,784.79</u>

In addition to the capital debt shown in the previous statement, there was current debt as follows:

Issued:	
Special Emergency Notes	<u>\$140,000.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.575%.

	<u>GROSS DEBT</u>	<u>DEDUCTION</u>	<u>NET DEBT</u>
Regional School District Debt	\$9,206,535.77	\$9,206,535.77	
Local School District Debt	19,791.83	19,791.83	
General Debt	<u>12,347,143.37</u>	<u>698,649.27</u>	<u>\$11,648,494.10</u>
	<u>\$21,573,470.97</u>	<u>\$9,924,976.87</u>	<u>\$11,648,494.10</u>

NET DEBT \$11,648,494.10 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2 \$739,546,468.33 EQUALS 1.575%.

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

Equalized Valuation Basis* - December 31, 2012	<u>\$739,546,468.33</u>
3 1/2% of Equalized Valuation Basis	\$25,884,126.39
Net Debt	<u>11,648,494.10</u>
Remaining Borrowing Power	<u>\$14,235,632.29</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.

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: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt

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%. \$ 2,010,000.00

\$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%. 3,035,000.00  
\$ 5,045,000.00

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	1.50%	05/03/2012	05/03/2013	<u>\$5,917,830.00</u>

Bonds and Notes Authorized But Not Issued

At December 31, 2012, the City has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$1,384,313.37</u>
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NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2012

CALENDAR YEAR		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2013	\$	265,000.00	\$ 179,516.25	\$ 444,516.25
2014		275,000.00	173,316.25	448,316.25
2015		345,000.00	165,316.25	510,316.25
2016		355,000.00	154,241.25	509,241.25
2017		400,000.00	141,116.25	541,116.25
2018		425,000.00	125,435.00	550,435.00
2019		485,000.00	107,872.50	592,872.50
2020		495,000.00	88,935.00	583,935.00
2021		500,000.00	70,275.00	570,275.00
2022		500,000.00	51,887.50	551,887.50
2023		500,000.00	33,025.00	533,025.00
2024		<u>500,000.00</u>	<u>13,700.00</u>	<u>513,700.00</u>
TOTAL		<u>\$5,045,000.00</u>	<u>\$1,304,636.25</u>	<u>\$6,349,636.25</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2012 which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2013 was as follows:

Current Fund	\$210,000.00
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NOTE 5: 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 <u>31, 2012</u>	BALANCE DECEMBER <u>31, 2011</u>
Prepaid Taxes	<u>\$78,016.03</u>	<u>\$88,007.17</u>

NOTE 6: PENSION PLANS

City employees, who are eligible for a pension plan, are enrolled in one of two pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System and the Police and Firemen's Retirement System. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The City's share of pension costs, which is based upon the annual billings received from the State, amounted to \$224,868.00 for 2010, \$264,261.00 for 2011 and \$259,136.00 for 2012.

Certain City employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: 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 8: 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 as presented but has been estimated to be \$489,789.09. 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, 2012.

NOTE 9: 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. The state and federal grants received and expended in 2012 were subject to the Single Audit Act Amendments of 1996 and State of New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the City's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II in the Schedule of Findings and Questioned Costs. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2012, the City does not believe that any material liabilities will result from such audits.

NOTE 10: 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 10: 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>
2012	\$	231.17	\$	5,195.20	\$	9,286.77	\$	44,555.13
2011		22.44		4,965.59		20,027.78		48,415.53
2010		82.18		4,143.37		5,254.35		63,455.28

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2012:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current	\$6,083.62	\$1,148,887.28
Grant	82,851.36	
Animal Control Trust		6,083.62
Trust Other	52,898.19	
General Capital	<u>1,013,137.73</u>	<u>                    </u>
	<u>\$1,154,970.90</u>	<u>\$1,154,970.90</u>

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

NOTE 12: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER <u>31, 2012</u>	2013 BUDGET APPROPRIATION	BALANCE TO SUCCEEDING <u>BUDGETS</u>
Current:			
Overexpenditure of Appropriation Reserves	<u>\$8,370.02</u>	<u>\$8,370.02</u>	
Trust:			
Overexpenditure of Public Defender Trust Reserve	<u>\$1,544.73</u>	<u>\$1,544.73</u>	
Capital:			
Overexpenditure of Ordinance Appropriations	<u>\$1,022.98</u>		<u>\$1,022.98</u>

NOTE 13: 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 2012. 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 14: 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, 2012, 2011 and 2010 were \$141,153.43, \$99,995.84, and \$80,030.36 respectively, which equaled the required contributions for each year.

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CITY OF LAMBERTVILLE

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2012

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2011	A	\$ 1,861,658.83	
Increased by Receipts:			
Collector	A-5	\$ 13,414,816.33	\$
State of New Jersey-Senior Citizens and Veterans			
Deductions-Chapter 20, P.L.1971	A-8	30,584.26	
Miscellaneous Reserves	A-11	36,373.39	
Revenue Accounts Receivable	A-12	1,949,497.85	
Petty Cash	A-13	500.00	
Reserve for Grants-Unappropriated	A-15		21,214.43
Grants Receivable	A-23		30,925.00
Miscellaneous Revenue Not Anticipated	A-2	108,313.90	
2012 Appropriation Refunds	A-3	13,778.05	
Interfunds	A-6:A-26	254,805.89	23,441.25
Sale of Municipal Assets	A-27	3,723.07	
Special Emergency Note	A-30	140,000.00	
Deferred Charges	A-29	139,111.01	
		<u>16,091,503.75</u>	<u>75,580.68</u>
		\$ 17,953,162.58	\$ 75,580.68
Decreased by Disbursements:			
2012 Appropriations	A-3	\$ 4,254,678.88	\$
2011 Appropriation Reserves	A-24	68,405.39	
Miscellaneous Reserves	A-11	173,389.10	
Petty Cash	A-13	500.00	
Reserve for Grants-Unappropriated	A-15		261.03
Reserve for Grants-Appropriated	A-16		23,180.22
County Taxes	A-17	2,383,116.52	
Municipal Open Space Taxes	A-19	72,093.99	
Tax Overpayment	A-28	7,104.77	
Special Emergency Note	A-30	175,000.00	
Local District School Taxes	A-21	3,217,608.39	
Regional High School Taxes	A-22	4,676,688.41	
Fire District Taxes Payable	A-25	503,375.00	
Interfunds	A-6:A-26	476,172.78	52,139.43
		<u>16,008,133.23</u>	<u>75,580.68</u>
Balance, December 31, 2012	A	\$ <u>1,945,029.35</u>	\$ <u></u>

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	66,805.33
Increased by Receipts:			
Interest and Costs on Taxes	A-12	\$	44,471.83
Miscellaneous	A-2		2,926.42
Property Taxes Receivable	A-9		13,186,945.11
Tax Overpayments	A-28		7,897.82
Prepaid Property Taxes	A-18		78,016.03
Miscellaneous Reserves	A-11		<u>136,917.71</u>
			13,457,174.92
		\$	<u>13,523,980.25</u>
Decreased by Disbursements:			
Turnovers to Treasurer	A-4		<u>13,414,816.33</u>
Balance, December 31, 2012	A	\$	<u><u>109,163.92</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, 2011:						
Due To	A	\$ 1,367,512.24	\$ 52,904.18	\$	\$ 114,894.80	\$ 1,199,713.26
Due From	A	<u>4,590.69</u>	<u></u>	<u>4,590.69</u>	<u></u>	<u></u>
Cash Receipts	A-4	\$ 254,805.89	\$ 52,139.43	\$ 4,578.69	\$ 12,473.39	\$ 185,614.38
Transfer to Grant Fund	A-26	<u>1,249.00</u>	<u>1,249.00</u>	<u></u>	<u></u>	<u></u>
Cash Disbursements	A-4	\$ <u>476,172.78</u>	\$ <u>23,441.25</u>	\$ <u>6,071.62</u>	\$ <u>74,470.00</u>	\$ <u>372,189.91</u>
Balance, December 31, 2012:						
Due To	A	\$ 1,148,887.28	\$ 82,851.36	\$	\$ 52,898.19	\$ 1,013,137.73
Due From	A	<u><u>6,083.62</u></u>	<u><u></u></u>	<u><u>6,083.62</u></u>	<u><u></u></u>	<u><u></u></u>



CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2011 and  
December 31, 2012

A

\$ 500.00

ANALYSIS OF BALANCE

Tax Collector  
Municipal Court  
Police  
Municipal Clerk

\$ 200.00  
200.00  
50.00  
50.00

\$ 500.00

CITY OF LAMBERTVILLE

CURRENT FUND

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

	<u>REF.</u>		
Balance, December 31, 2011 (Due To)	A	\$	(2,078.28)
Increased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$	9,500.00
Veterans			25,000.00
Allowed by Collector			<u>356.85</u>
			34,856.85
		\$	<u>32,778.57</u>
Decreased by:			
Senior Citizens and Veterans Deductions:			
Received in Cash From State	A-4		<u>30,584.26</u>
Balance, December 31, 2012	A	\$	<u><u>2,194.31</u></u>

SUMMARY OF 2012 EXEMPTIONS

Senior Citizens and Veterans Exemptions			
Per Tax Billings		\$	34,500.00
Senior Citizens and Veterans Exemptions			<u>356.85</u>
Allowed by Tax Collector			
	A-9	\$	<u><u>34,856.85</u></u>

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2011	2012 LEVY	COLLECTIONS BY CASH		TRANSFERRED TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2012
			2011	2012			
2011	\$ 225,013.48	\$	\$	\$ 225,013.01	\$	\$ 0.47	\$
2012		13,325,712.46	88,007.17	12,996,788.95	3,771.97	3,661.53	233,482.84
	<u>\$ 225,013.48</u>	<u>\$ 13,325,712.46</u>	<u>\$ 88,007.17</u>	<u>\$ 13,221,801.96</u>	<u>\$ 3,771.97</u>	<u>\$ 3,662.00</u>	<u>\$ 233,482.84</u>
REF.	A		A-2:A-18	A-2	A-10		A

Collector	A-5	\$ 13,186,945.11
State of New Jersey	A-8	<u>34,856.85</u>
		<u>\$ 13,221,801.96</u>

ANALYSIS OF 2012 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax	\$ 13,319,802.28
Added and Omitted Tax (54:4-63.1 et. seq.)	<u>5,910.18</u>
	<u>\$ 13,325,712.46</u>

TAX LEVY

Lambertville Fire District	A-25	\$ 503,375.00
Local District School Tax (Abstract)	A-21	3,217,609.00
Regional District School Tax:		
Levy (Abstract)	A-22	4,676,688.41
County Tax (Abstract)	A-17	\$ 2,381,016.49
Due County for Added Taxes - (54:4-63.1 et. seq.)	A-17	<u>1,058.42</u>
Total County Tax		2,382,074.91
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 2,211,141.26
Local Library Tax (Abstract)	A-2	244,321.53
Municipal Open Space	A-19	72,093.99
Add: Additional Taxes Levied		<u>18,408.36</u>
		<u>2,545,965.14</u>
		<u>\$ 13,325,712.46</u>

"A-10"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2011	A	\$ 101,868.88
Increased by:		
Transfers From Taxes Receivable	A-9	<u>3,771.97</u>
Balance, December 31, 2012	A	\$ <u><u>105,640.85</u></u>

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF MISCELLANEOUS RESERVE

		BALANCE DECEMBER 31, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2012
Due State of New Jersey:					
Marriage/Domestic Partnership Licenses		\$ 45.00	\$	\$ 45.00	\$
State Training Fees		2,550.28	8,182.21	9,148.20	1,584.29
Hurricane Irene		6,471.04	12,707.19	12,707.19	6,471.04
Outside Liens			136,917.71	136,917.71	
Reserve for Insurance Damage			15,483.99	14,571.00	912.99
Refundable Deposits		500.00			500.00
		<u>\$ 9,566.32</u>	<u>\$ 173,291.10</u>	<u>\$ 173,389.10</u>	<u>\$ 9,468.32</u>
	<u>REF.</u>		A-4:A-5	A-4	A
Balance, December 31, 2011	A	\$ 3,095.28			
Encumbrances Payable	A-14	<u>6,471.04</u>			
		<u>\$ 9,566.32</u>			

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

		ACCRUED	COLLECTED BY		BALANCE
	REF.	IN 2012	COLLECTOR	TREASURER	DECEMBER
					31, 2012
Clerk:					
Licenses:					
Alcoholic Beverage	A-2	\$ 23,508.00	\$	\$ 23,508.00	\$
Other	A-2	21,675.00		21,675.00	
Fees and Permits	A-2	63,008.78		63,008.78	
Construction Code Official:					
Fees and Permits	A-2	136,246.91		136,246.91	
Municipal Court:					
Fines and Costs	A-2	189,479.69		175,072.62	14,407.07
Fire Safety:					
Fees and Permits	A-2	15,476.00		15,476.00	
Police:					
Fees and Permits	A-2	7,155.36		7,155.36	
Interest and Costs on Taxes	A-2	44,471.83	44,471.83		
Parking Meters	A-2	185,000.00		185,000.00	
Energy Receipts Tax	A-2	324,014.00		324,014.00	
Consolidated Municipal Property Tax Relief Act	A-2	91,056.00		91,056.00	
Hotel and Motel Occupancy Fees	A-2	98,242.64		98,242.64	
Contribution from LMSA	A-2	48,000.00		48,000.00	
Licenses-Alcoholic Beverage Additional	A-2	4,368.00		4,368.00	
Cable TV. - Gross Revenue Franchise Fee	A-2	19,369.10		19,369.10	
Reimbursement of Costs - Library	A-2	60,000.00		60,000.00	
Payment in Lieu of Taxes:					
South Hunterdon Apartments	A-2	10,505.25		10,505.25	
Econo Tech	A-2	33,296.00		33,296.00	
Community Investment Strategy	A-2	52,000.00		52,000.00	
Reserve for Open Space	A-2	56,000.00		56,000.00	
Parking Meters - Additional	A-2	137,924.86		137,924.86	
Uniform Fire Safety Act	A-2	8,579.33		8,579.33	
Reserve for Payment of Debt	A-2	370,000.00		370,000.00	
General Capital Fund Balance	A-2	9,000.00		9,000.00	
		<u>\$ 2,008,376.75</u>	<u>\$ 44,471.83</u>	<u>\$ 1,949,497.85</u>	<u>\$ 14,407.07</u>
	REF.		A-5	A-4	A

"A-13"

CITY OF LAMBERTVILLE  
CURRENT FUND  
SCHEDULE OF PETTY CASH

REF.

Increased by:			
Cash Disbursements	A-4	\$	500.00
Decreased by:			
Cash Receipts	A-4	\$	<u>500.00</u>

"A-14"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2011	A	\$	48,530.82
Increased by:			
Transferred from 2012 Appropriations	A-3		<u>19,201.96</u>
		\$	<u>67,732.78</u>
Decreased by:			
Transfer to 2011 Appropriation Reserves	A-24	\$	17,873.07
Transfer to Miscellaneous Reserves	A-11		<u>6,471.04</u>
			<u>24,344.11</u>
Balance, December 31, 2012	A	\$	<u>43,388.67</u>

CITY OF LAMBERTVILLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

	BALANCE DECEMBER 31, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2012
Alcohol Education and Rehabilitation Fund	\$ 809.02	\$ 1,726.82		\$ 809.02	\$ 1,726.82
Body Armor Replacement Fund	1,266.87	1,288.09		1,266.87	1,288.09
Over the Limit, Under Arrest	150.00			150.00	
Drunk Driving Enforcement Fund	5,436.43	5,082.56		5,436.43	5,082.56
Recycling Tonnage Grant	3,905.83	5,786.65		3,905.83	5,786.65
Clean Communities		7,330.31	261.03		7,069.28
	<u>\$ 11,568.15</u>	<u>\$ 21,214.43</u>	<u>\$ 261.03</u>	<u>\$ 11,568.15</u>	<u>\$ 20,953.40</u>
<u>REF.</u>	A	A-4	A-4	A-23	A



CITY OF LAMBERTVILLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2011	TRANSFERRED FROM 2012 BUDGET APPROPRIATION	DISBURSED	ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2012
Drunk Driving Enforcement Fund	\$ 4,772.39	\$ 5,436.43	\$ 5,560.15	\$ 665.50	\$ 3,983.17
Over the Limit, Under Arrest		150.00			150.00
Alcohol Education and Rehabilitation	2,687.45	809.02			3,496.47
Domestic Violence Grant	3,307.46				3,307.46
Clean Communities Program	7,687.03		7,475.79	211.24	
Recycling Tonnage Grant	6,046.36	3,905.83	1,170.28		8,781.91
Click It or Ticket Grant	898.50				898.50
Body Armor Replacement Fund	1,719.58	1,266.87		1,852.50	1,133.95
Health and Senior Citizens Services Grant	125.33				125.33
Stay Sober	5,000.00	4,400.00	7,725.00		1,675.00
Developer Contribution Grant	5,731.73				5,731.73
Statewide Livable Communities	40,485.26				40,485.26
Supplemental Fire		1,249.00	1,249.00		
Municipal Stormwater Regulation Program	8,174.96				8,174.96
Comcast Grant		22,500.00			22,500.00
	<u>\$ 86,636.05</u>	<u>\$ 39,717.15</u>	<u>\$ 23,180.22</u>	<u>\$ 2,729.24</u>	<u>\$ 100,443.74</u>

REF.

A

A-3

A-4

A-20

A

"A-17"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	A	\$	2,100.03
Increased by:			
2012 Levy	A-1:A-9	\$	2,381,016.49
Added and Omitted Taxes	A-1:A-9		<u>1,058.42</u>
			2,382,074.91
		\$	<u>2,384,174.94</u>
Decreased by:			
Cash Disbursements	A-4		<u>2,383,116.52</u>
Balance, December 31, 2012	A	\$	<u><u>1,058.42</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2011	A	\$	88,007.17
Increased by:			
Collection of 2013 Taxes	A-5		<u>78,016.03</u>
		\$	<u>166,023.20</u>
Decreased by:			
Applied to 2012 Taxes Receivable	A-9		<u>88,007.17</u>
Balance, December 31, 2012	A	\$	<u><u>78,016.03</u></u>

"A-19"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

REF.

Increased by:			
2012 Tax Levy	A-1:A-9	\$	72,093.99
Decreased by:			
Cash Disbursements	A-4	\$	<u>72,093.99</u>

"A-20"

SCHEDULE OF ENCUMBRANCES PAYABLE - GRANT FUND

Increased by:			
Transfer from Grants Appropriated	A-16	\$	2,729.24
Balance, December 31, 2012	A	\$	<u>2,729.24</u>

"A-21"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2011 (Prepaid)	A	\$ (1.23)
Increased by:		
2012 Levy	A-1:A-9	<u>3,217,609.00</u>
		\$ <u>3,217,607.77</u>
Decreased by:		
Cash Disbursements	A-4	<u>3,217,608.39</u>
Balance, December 31, 2012 (Prepaid)	A	\$ <u><u>(0.62)</u></u>

"A-22"

SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

Balance, December 31, 2011	A	\$ 86.12
Increased by:		
2012 Levy	A-1:A-9	<u>4,676,688.41</u>
		\$ <u>4,676,774.53</u>
Decreased by:		
Cash Disbursements	A-4	<u>4,676,688.41</u>
Balance, December 31, 2012	A	\$ <u><u>86.12</u></u>

## CITY OF LAMBERTVILLE

## GRANT FUND

## SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2011	TRANSFERRED FROM 2012 BUDGET APPROPRIATION	CASH RECEIPTS	UNAPPROPRIATED RESERVES APPLIED	BALANCE DECEMBER 31, 2012
Developer Construction Contribution	\$ 40,000.00	\$	\$	\$	\$ 40,000.00
Alcohol Education, Rehabilitation and Enforcement		809.02		809.02	
Stay Sober	5,000.00	4,400.00	8,425.00		975.00
Click It or Ticket	300.00				300.00
SHARE Grant - DCA Grant	0.02				0.02
Drunk Driving Enforcement Fund		5,436.43		5,436.43	
Over the Limit, Under Arrest		150.00		150.00	
Recycling Tonnage Grant		3,905.83		3,905.83	
Body Armor Replacement Fund		1,266.87		1,266.87	
Comcast		22,500.00	22,500.00		
	<u>\$ 45,300.02</u>	<u>\$ 38,468.15</u>	<u>\$ 30,925.00</u>	<u>\$ 11,568.15</u>	<u>\$ 41,275.02</u>
REF.	A	A-2	A-4	A-15	A

## CITY OF LAMBERTVILLE

## CURRENT FUND

## SCHEDULE OF 2011 APPROPRIATION RESERVES

APPROPRIATION	BALANCE DECEMBER 31, 2011	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDED
<u>SALARIES AND WAGES</u>					
Police	\$ 4,398.77	\$ 4,398.77	\$	\$ 4,398.77	
Municipal Clerk	0.15	0.15		0.15	
Financial Administration	0.10	0.10		0.10	
Tax Collector	0.32	0.32		0.32	
Municipal Court	226.42				
Public Works	757.38				
Zoning Board of Adjustments	0.70	0.70		0.70	
Inspection and Code		2,250.00	2,600.00		350.00
Administration of Public Assistance	0.74	0.74		0.74	
<u>OTHER EXPENSES</u>					
Municipal Clerk	360.51	570.73	467.88	102.85	
Financial Administration			100.00		100.00
Tax Assessor	1,944.00	1,944.00	1,944.00		
Tax Collector	9.63	39.63	180.00		140.37
City Attorney	2,999.64	1,766.57	1,766.57		
Municipal Prosecutor	4,000.00	4,706.24	4,706.24		
Municipal Court	58.46	602.40	602.38	0.02	
Insurance:					
Group Insurance Plan	123.36	123.36		123.36	
Police	1,845.45	4,173.62	3,765.63	407.99	
Inspection and Code Enforcement	550.00	550.00		550.00	
Public Works			826.08		826.08
Solid Waste Collection	1,160.33	11,480.74	12,400.40		919.66
Street Lighting	0.96	566.19	566.19		
Parks and Playgrounds	29.00				
Building and Grounds	26.69	1,080.21	343.33	736.88	
Administration of Public Assistance	17.97	77.37	74.06	3.31	
Historic Preservation	0.09	0.09		0.09	
Construction Official	0.85	155.37	154.52	0.85	
Supplemental Fire District Payment		1,249.00	1,249.00		
Unclassified:					
Fuel Oil		20.70	385.70		365.00
Gasoline	1,420.88	1,420.88	3,596.23		2,175.35
Telephone	525.94	702.41	1,168.40		465.99
Diesel Fuel			1,907.60		1,907.60
Electricity	42.30	2,671.11	2,671.11		
Sewerage	18.86	140.60	281.20		140.60
Natural Gas	1,974.54	894.13	894.13		
Water	173.69				
Contribution To:					
FICA/OASI/Social Security	1,676.53				
Defined Contribution Retirement Plan		252.20	252.20		
<u>EXCLUDED FROM CAPS</u>					
Maintenance of Free Public Library	24,144.17	24,523.17	25,502.54		979.37
	\$ 48,488.43	\$ 66,361.50	\$ 68,405.39	\$ 6,326.13	\$ 8,370.02
REF.	A			A-1	A-29
Reserves	A-24	\$ 48,488.43	\$		
Cash Disbursements	A-4		68,405.39		
Encumbrances Payable	A-14		17,873.07		
		\$ 66,361.50	\$ 68,405.39		

"A-25"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

REF.

Increased by:		
2012 Levy	A-1:A-9	\$ 503,375.00
Decreased by:		
Cash Disbursements	A-4	\$ <u>503,375.00</u>

"A-26"

GRANT FUND

SCHEDULE OF INTERFUNDS

		<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2011	A	\$ 52,904.18	\$ 52,904.18
Increased by:			
Cash Disbursements	A-4	52,139.43	52,139.43
Transfer from Current	A-6	1,249.00	1,249.00
		\$ <u>53,388.43</u>	\$ <u>53,388.43</u>
Decreased by:			
Cash Receipts	A-4	<u>23,441.25</u>	<u>23,441.25</u>
Balance, December 31, 2012	A	\$ <u>82,851.36</u>	\$ <u>82,851.36</u>

"A-27"

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2011	A	\$ 8.75
Increased by:		
Cash Receipts	A-4	<u>3,723.07</u>
Balance, December 31, 2012	A	\$ <u><u>3,731.82</u></u>

"A-28"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2011	A	\$ 3,305.00
Increased by:		
Cash Receipts	A-5	<u>7,897.82</u>
		\$ <u><u>11,202.82</u></u>
Decreased by:		
Cash Disbursements	A-4	<u>7,104.77</u>
Balance, December 31, 2012	A	\$ <u><u>4,098.05</u></u>



CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2011	ADDED IN 2012	DECREASED BY: BUDGET APPROPRIATION	CASH RECEIPTS	BALANCE DECEMBER 31, 2012
Emergency Authorization (40A:4-46)	\$ 16,866.00	\$	\$ 16,866.00	\$	\$
Special Emergency Authorization	173,888.76		34,777.75	139,111.01	
Overexpenditure of Appropriation	19,864.19		19,864.19		
Overexpenditure of Appropriation Reserves	<u>2,649.32</u>	<u>8,370.02</u>	<u>2,649.32</u>		<u>8,370.02</u>
	<u>\$ 213,268.27</u>	<u>\$ 8,370.02</u>	<u>\$ 74,157.26</u>	<u>\$ 139,111.01</u>	<u>\$ 8,370.02</u>
<u>REF.</u>	A	A-24	A-3	A-4	A

CITY OF LAMBERTVILLE

CURRENT FUND

SCHEDULE OF SPECIAL EMERGENCY NOTES

Balance, December 31, 2011	A	\$ 175,000.00
Increased by:		
Cash Receipts	A-4	140,000.00
		<u>\$ 315,000.00</u>
Decreased by:		
Cash Disbursements	A-4	175,000.00
		<u>175,000.00</u>
Balance, December 31, 2012	A	<u><u>\$ 140,000.00</u></u>

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2011	B	\$ <u>10,330.59</u>	\$ <u>1,286,117.12</u>
Increased by:			
Reserve for Miscellaneous Trust Deposits	B-14	\$	\$ 162,630.31
Other Federal Programs	B-7		1,174.97
Due Current Fund	B-8:B-16	54.53	75,807.02
Dog License Fees	B-11	7,379.60	
Cat License Fees	B-11	925.00	
Due State of New Jersey	B-9	557.40	
UDAG Loan Receivable	B-12		28.57
Reserve for CDBG Rehabilitation Loan - Brewery	B-4		483.06
Reserve for State Unemployment Insurance	B-5		5,426.37
Reserve for CDBG Rehabilitation Loan	B-10		94,667.30
Municipal Open Space Tax	B-3		73,103.04
Reserve for Payroll Agency	B-15		2,244,730.11
		\$ <u>8,916.53</u>	\$ <u>2,658,050.75</u>
		\$ <u>19,247.12</u>	\$ <u>3,944,167.87</u>
Decreased by:			
Reserve for Miscellaneous Trust Deposits	B-14	\$	\$ 656,546.90
Other Federal Program Funds	B-7		25,751.48
Expenditures Under R.S. 4:19-15.11	B-11	2,185.61	
Due State of New Jersey	B-9	561.00	
Reserve for CDBG Rehabilitation Loan	B-10		70,580.00
Due Current Fund	B-8:B-16	4,578.69	13,810.41
Reserve for Payroll Agency	B-15		2,246,441.26
Municipal Open Space Tax	B-3		73,289.24
Reserve for State Unemployment Insurance	B-5		9,286.77
		\$ <u>7,325.30</u>	\$ <u>3,095,706.06</u>
Balance, December 31, 2012	B	\$ <u><u>11,921.82</u></u>	\$ <u><u>848,461.81</u></u>

"B-3"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TAX

	<u>REF.</u>	
Balance, December 31, 2011	B	\$ 363,067.39
Increased by:		
Cash Receipts	B-2	73,103.04
		<u>\$ 436,170.43</u>
Decreased by:		
Cash Disbursements	B-2	73,289.24
		<u>73,289.24</u>
Balance, December 31, 2012	B	<u><u>\$ 362,881.19</u></u>

"B-4"

SCHEDULE OF RESERVE FOR CDBG REHABILITATION  
LOAN REPAYMENT - BREWERY

Balance, December 31, 2011	B	\$ 95,822.51
Increased by:		
Cash Receipts	B-2	483.06
		<u>483.06</u>
Balance, December 31, 2012	B	<u><u>\$ 96,305.57</u></u>

"B-5"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>	
Balance, December 31, 2011	B	\$ 48,415.53
Increased by:		
Cash Receipts	B-2	5,426.37
		\$ <u>53,841.90</u>
Decreased by:		
Cash Disbursements	B-2	9,286.77
Balance, December 31, 2012	B	\$ <u><u>44,555.13</u></u>

"B-6"

SCHEDULE OF RESERVE FOR COMMUNITY  
DEVELOPMENT BLOCK GRANT PROGRAMS

		BALANCE DECEMBER 31, 2011 AND DECEMBER <u>31, 2012</u>
Small Cities Program:		
1982 Program		\$ 271.00
1983 Program		2,835.65
1984 Program		<u>385.17</u>
		\$ <u><u>3,491.82</u></u>
	<u>REF.</u>	B

"B-7"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR OTHER FEDERAL PROGRAMS

	<u>REF.</u>	
Balance, December 31, 2011	B	\$ 28,774.99
Increased by:		
Cash Receipts	B-2	<u>1,174.97</u>
		\$ <u>29,949.96</u>
Decreased by:		
Cash Disbursements	B-2	<u>25,751.48</u>
Balance, December 31, 2012	B	\$ <u><u>4,198.48</u></u>

"B-8"

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2011 (Due To)	B	\$ 114,894.80
Increased by:		
Cash Disbursements	B-2	<u>13,810.41</u>
		\$ <u>128,705.21</u>
Decreased by:		
Cash Receipts	B-2	<u>75,807.02</u>
Balance, December 31, 2012	B	\$ <u><u>52,898.19</u></u>

"B-9"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - ANIMAL CONTROL

	<u>REF.</u>	
Balance, December 31, 2011	B	\$ 2.40
Increased by:		
Cash Receipts	B-2	557.40
		\$ <u>559.80</u>
Decreased by:		
Cash Disbursements	B-2	<u>561.00</u>
Balance, December 31, 2012	B	\$ <u><u>(1.20)</u></u>

"B-10"

SCHEDULE OF RESERVE FOR CDBG REHABILITATION  
LOAN REPAYMENT

Balance, December 31, 2011	B	\$ 98,520.13
Increased by:		
Cash Receipts	B-2	94,667.30
		\$ <u>193,187.43</u>
Decreased by:		
Cash Disbursements	B-2	<u>70,580.00</u>
Balance, December 31, 2012	B	\$ <u><u>122,607.43</u></u>

"B-11"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2011	B	\$	5,737.50
Increased by:			
Dog License Fees Collected in 2012	B-2	\$	7,379.60
Cat License Fees	B-2		<u>925.00</u>
			8,304.60
		\$	<u>14,042.10</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	B-2	\$	2,185.61
Statutory Excess Due Current Fund	B-16		<u>6,017.09</u>
			<u>8,202.70</u>
Balance, December 31, 2012	B	\$	<u><u>5,839.40</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2010	\$ 2,878.50
2011	<u>2,960.90</u>
	\$ <u><u>5,839.40</u></u>



"B-12"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR UDAG LOAN REPAYMENT

	<u>REF.</u>	
Balance, December 31, 2011	B	\$ 6,196.44
Increased by:		
Cash Receipts	B-2	<u>28.57</u>
Balance, December 31, 2012	B	\$ <u><u>6,225.01</u></u>

"B-13"

SCHEDULE OF OVEREXPENDITURE OF TRUST RESERVES

Balance, December 31, 2011	B	\$ 1,544.73
Balance, December 31, 2012	B	\$ <u><u>1,544.73</u></u>

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	BALANCE DECEMBER 31, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2012
Police Donations	\$ 2,954.75	\$ 1,000.00	\$ 420.00	\$ 3,534.75
Performance Deposits	42,645.83			42,645.83
Performance Deposits - Contractors	580,929.91	126,789.43	568,686.53	139,032.81
Recreation	13,896.14	3,340.00	10,125.97	7,110.17
Parking Offense Adjudication Act	8,192.92	1,773.50	258.00	9,708.42
Marriage/Civil Unions	10,418.84	1,600.00	7,652.81	4,366.03
Recycling	33.20			33.20
Office of Emergency Management Donations	275.53	200.00		475.53
Miscellaneous	15,903.01		393.25	15,509.76
Public Defender Fees		6,831.00	4,994.92	1,836.08
Police Outside Overtime	7,135.94	13,879.33	10,069.80	10,945.47
Antique Meter Sleeves	95.00			95.00
Halloween	1,473.19	1,055.00	1,541.83	986.36
Tax Sale Premiums	18,820.00		18,500.00	320.00
TV Station	22,500.00		22,500.00	
Memorial Garden	9,072.67	6,162.05	11,403.79	3,830.93
Tree Planting Donations	4,350.00			4,350.00
	<u>\$ 738,696.93</u>	<u>\$ 162,630.31</u>	<u>\$ 656,546.90</u>	<u>\$ 244,780.34</u>
<u>REF.</u>		B-2	B-2	B
Balance, December 31, 2011	B \$ 704,029.87			
Encumbrances Payable	B <u>34,667.06</u>			
	<u>\$ 738,696.93</u>			

"B-15"

CITY OF LAMBERTVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL AGENCY

	<u>REF.</u>	
Balance, December 31, 2011	B	\$ 19,570.80
Increased by:		
Cash Receipts	B-2	2,244,730.11
		<u>\$ 2,264,300.91</u>
Decreased by:		
Cash Disbursements	B-2	<u>2,246,441.26</u>
Balance, December 31, 2012	B	<u>\$ 17,859.65</u>

"B-16"

SCHEDULE OF DUE CURRENT FUND  
ANIMAL CONTROL TRUST FUND

Balance, December 31, 2011	B	\$ (4,590.69)
Increased by:		
Cash Receipts	B-2	\$ 54.53
Statutory Excess	B-11	<u>6,017.09</u>
		<u>6,071.62</u>
		<u>\$ (10,662.31)</u>
Decreased by:		
Cash Disbursements	B-2	<u>4,578.69</u>
Balance, December 31, 2012	B	<u>\$ (6,083.62)</u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2011	C	\$	704,828.44
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-4	\$	17,500.00
Deferred Charges Unfunded-State Aid and Contributions			630,015.91
Proceeds From Sale of Notes	C-7		5,917,830.00
Due Current Fund	C-9		372,636.08
Reserve for COAH Deposits	C-10		313.11
Refund of Improvement Authorizations	C-5		1,169.47
Reserve for Debt Service	C-8		258,443.55
Premium on Sale of Note	C-1		25,150.78
			<u>7,223,058.90</u>
		\$	<u>7,927,887.34</u>
Decreased by Disbursements:			
Contracts Payable	C-14	\$	916,068.42
Due Current Fund	C-9		186,060.55
Bond Anticipation Notes	C-7		6,279,090.93
Capital Surplus	C-1		9,000.00
Overexpenditure of Ord. 2012-01	C		1,022.98
Reserve to Pay Debt	C-8		370,000.00
			<u>7,761,242.88</u>
Balance, December 31, 2012	C:C-3	\$	<u><u>166,644.46</u></u>

"C-3"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER <u>31, 2012</u>
Capital Improvement Fund	\$ 20,725.72
Reserve for COAH	19,437.57
State Aid Receivable	(108,500.00)
Capital Surplus	25,523.91
Contracts Payable	579,921.84
Improvement Authorizations Funded Set Forth on "C-5"	210,216.91
Due Current Fund	(1,013,137.73)
Overexpenditure of Ordinance 2012-01	(1,022.98)
Reserve to Pay Debt Service	582,184.71
Improvements Expended Set Forth on "C-6"	(1,135,706.19)
Unexpended Proceeds of Bond Anticipation Notes Issued	870,536.14
Cash on Hand to Pay Notes	<u>116,464.56</u>
	<u>\$ 166,644.46</u>
<u>REF.</u>	C

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2011	C	\$ 17,525.72
Increased by:		
2012 Budget Appropriation	C-2	17,500.00
		\$ <u>35,025.72</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-5	<u>14,300.00</u>
Balance, December 31, 2012	C	\$ <u><u>20,725.72</u></u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE, DECEMBER 31, 2011		2012 AUTHORIZATIONS	PAID OR CHARGED	BALANCE, DECEMBER 31, 2012	
		DATE	AMOUNT	FUNDED	UNFUNDED			FUNDED	UNFUNDED
2001-01	Housing Rehabilitation - Delaware Township	02/20/01	\$ 100,000.00	\$ 24,977.00	\$	\$	\$	\$ 24,977.00	\$
2001-03	Housing Rehabilitation - Franklin Township	02/20/01	240,000.00	14,639.00				14,639.00	
2001-26	Housing Rehabilitation - DCA Grant #00-3507-99	07/16/01	300,000.00	6,695.00				6,695.00	
2003-20	Acquisition and Rehabilitation - Acme Site	12/15/03	550,000.00		20,712.39		2,564.03		18,148.36
2006-04	Drainage Improvements - Music Mountain	03/20/06	940,000.00	34,601.03				34,601.03	
2006-20/	Road Improvements to Mount Hope and Ferry Street	12/20/06	318,000.00				181.03		
2008-19	Road Improvements to Mount Hope Supplemental to Ord. 2006-20	10/20/08	50,000.00	13,012.62			41,630.74	12,831.59	
2006-27	Road Improvements to Various Streets	12/20/06	750,000.00		98,294.77				56,664.03
2007-15/2007-20	Improvements to Ely Field	11/19/07	127,800.00						
		08/20/07	4,022.32	642.93			181.03	461.90	
2007-04	Purchase of Equipment	02/20/07	76,500.00	4,302.84			181.03	4,121.81	
2007-06	Improvements to Various Streets	03/19/07	500,000.00		426,335.65		39,840.93		386,494.72
2008-01/	Acquisition of Garbage Truck/	02/19/08	230,000.00						
2008-06	Repair of Existing Truck	04/21/08		14,214.94			181.03	14,033.91	
2008-03/	Improvements to Kline Court	03/17/08	70,000.00						
2008-14	Improvement to Kline Court - Supplemental to Ord. 2008-03	08/05/08	10,000.00		6,310.74		181.03		6,129.71
2008-09	City Hall Structural Improvements - Supplemental to Ord. 2005-01	06/09/08	400,000.00						
2008-20	Implementation of Bicycle/Pedestrian Safety Improvements						(18,168.14)		18,168.14
2008-25	City Hall Structural Improvements - Supplemental to Ord. 2005-01/2008-09	12/29/08	55,000.00		8,107.51		181.03		7,926.48
2008-13	Installation of Traffic Control Device on Swan Street	08/05/08	247,000.00		45,933.35		181.03		45,752.32
2008-17	Reconstruction of Quarry Street	09/15/08	600,000.00		114,014.81		1,390.53	11,390.19	101,234.09
2008-21	Installation of Rec. Equip. - Connaught Hill Pocket Park	10/20/08	150,000.00	31,599.95			181.03	31,418.92	
2008-24	Improvement to Blair Tract	12/29/08	380,000.00		103,192.55		181.03		103,011.52
2009-06	Purchase of a Dump Truck	04/20/09	175,000.00	38,438.66			181.03	38,257.63	
2009-15	Improvements for South Franklin Traffic Calming	08/17/09	104,800.00	9,356.40			181.03	9,175.37	
2009-21	City Hall Structural Improvements (supplemental)	11/23/09	185,000.00	7,174.15			506.03	6,668.12	
2010-01	Improvements to North Union Street	01/28/10	405,000.00		67,869.81		631.93		67,237.88
2010-06	Reconstruction of McCready's Alley	02/18/10	115,000.00		5,611.68				5,611.68
2010-19	Purchase of a Refurbished Garbage Truck	07/22/10	62,000.00		3,100.00		181.03		2,918.97
2010-21	Reconstruction of Perry Street	07/22/10	365,000.00		37,342.91		181.03		37,161.88
2010-22	Backflooding Feasibility Study	08/16/10	27,000.00		222.02		8.00		214.02
2010-24	Various Improvements	08/23/10	120,000.00		37,039.99		20,216.81		16,823.18
2010-27	Engineering Services	10/19/10	15,000.00		471.21				471.21
2010-29	Flood Mitigation Measures	12/28/10	200,000.00		175,078.40		160,498.88		14,579.52
2011-03	Purchase Public Works Vehicles and Equipment	04/20/11	130,000.00		36,049.40		181.03		35,868.37
2011-04	North Union Street - Phase II	04/20/11	400,000.00		35,405.75		6,110.64		29,295.11
2011-05	Engineering Service - South Franklin Street	04/20/11	15,000.00		2,061.61				2,061.61
2011-06	Parking Meters Upgrade	05/18/11	60,000.00		2,992.77		2,992.77		
2011-13	Purchase Police SUV	07/20/11	45,000.00		6,187.46		6,187.46		
2011-22	Parking Meters Upgrade - Additional Funding	10/20/11	10,000.00		3,040.00		2,209.63		830.37
2012-01	Renovations to Cavallo Park	02/21/12	6,000.00			6,000.00	6,000.00		
2012-07	Acquisition of Vehicles	03/19/12	107,000.00			107,000.00	104,634.67		2,365.33
2012-10	Various Capital Improvements	05/21/12	63,000.00			63,000.00	25,300.43		37,699.57
2012-12	Various Capital Improvements	10/15/12	795,000.00			795,000.00	691,524.75		103,475.25
2012-19	Acquisition of Office and Computer Equipment	11/19/12	20,000.00			20,000.00	54.56		19,000.00
				\$ 199,654.52	\$ 1,235,374.78	\$ 991,000.00	\$ 1,096,669.07	\$ 210,216.91	\$ 1,119,143.32

REF.

C

C

C

C-C-6

Capital Improvement Fund

C-4

\$ 14,300.00

Deferred Charges to Future Taxation-Unfunded

976,700.00

\$ 991,000.00

Contracts Payable Issued

C-14

\$ 1,097,838.54

Less: Refunds

C-2

1,169.47

\$ 1,096,669.07

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2012	ANALYSIS OF BALANCE		
			BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
1997-21	Purchase of Trash Truck	\$ 4,513.28	\$	\$ 4,513.28	\$
2002-03	Bike Pedestrian Safety Program	149,220.00		149,220.00	
2003-20	Acquisition and Rehabilitation of Former Acme Site	47,501.00		29,352.64	18,148.36
2005-01	Structural Improvement City Hall	34,333.95	34,333.95		
2006-24	Acquisition of Property for Open Space Preservation	539,252.49	539,252.49		
2006-27	Road Improvements- North Union, North Franklin, Lambert Lane	671,052.00	671,052.00		
2007-05	Road Improvements to George Street	122,492.50	122,492.50		
2007-06	Improvements to Various Streets	500,000.00	500,000.00		
2008-03	Improvements to Kline Court	70,000.00	70,000.00		
2008-09	City Hall Structural Improvements - Supplemental to Ord. 2005-01	402,423.00	402,423.00		
2008-13	Installation of Traffic Control Device on Swan Street	215,421.00	215,421.00		
2008-17	Reconstruction of Quarry Street	101,234.09	69,655.00		31,579.09
2008-20	Implementation of Bicycle/Pedestrian Safety Improvements	700,000.00	700,000.00		
2008-22	Highland Avenue	56,979.50	56,979.50		
2008-24	Improvement to Blair Tract	366,896.00	366,896.00		
2010-01	Improvements to North Union Street	405,000.00	405,000.00		
2010-06	Reconstruction of McCready's Alley	115,000.00	115,000.00		
2010-07	Reconstruction of Delavan Street	415,000.00	415,000.00		
2010-19	Purchase of a Refurbished Garbage Truck	58,900.00	58,900.00		
2010-21	Reconstruction of Perry Street	365,000.00	365,000.00		
2010-22	Backflooding Feasibility Study	25,650.00	25,650.00		
2010-24	Various Improvements	114,000.00	114,000.00		
2010-27	Engineering Services	14,250.00		13,778.79	471.21
2010-29	Flood Mitigation Measures	190,000.00	190,000.00		
2011-03	Purchase Public Works Vehicle and Equipment	123,500.00		87,631.63	35,868.37
2011-04	North Union Street - Phase II	268,750.00	268,750.00		
2011-05	Engineering Service - South Franklin Street	14,250.00	14,250.00		
2011-06	Parking Meters Upgrade	57,000.00	57,000.00		
2011-13	Purchase Police SUV	42,750.00		42,750.00	
2011-22	Parking Meters Upgrade - Additional Funding	9,500.00	9,500.00		
2011-23	Back flooding Feasibility	9,110.00	9,110.00		
2012-01	Renovations to Cavallo Park	5,700.00	5,700.00		
2012-07	Acquisition of Vehicles	101,900.00		99,534.67	2,365.33
2012-10	Various Capital Improvements	59,850.00		22,150.43	37,699.57
2012-12	Various Capital Improvements	790,250.00		686,774.75	103,475.25
2012-19	Acquisition of Office and Computer Equipment	19,000.00			19,000.00
		<u>\$ 7,185,678.81</u>	<u>\$ 5,801,365.44</u>	<u>\$ 1,135,706.19</u>	<u>\$ 248,607.18</u>
	REF. C			C-3	
	Bond Anticipation Notes	C-7	\$ 5,917,830.00		
	Cash on Hand to Pay Notes	C-3	116,464.56		
			<u>\$ 5,801,365.44</u>		
	Improvement Authorizations-Unfunded	C-5		\$	1,119,143.32
	Less: Bond Anticipation Note Proceeds				
	Unexpended Ordinances:				
	Various	C-3			870,536.14
					<u>\$ 248,607.18</u>



CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2011	INCREASED	DECREASED	BALANCE DECEMBER 31, 2012
2002-03	Bike Pedestrian Safety Program	04/24/02	05/04/11	05/04/12	2.250%	\$ 12,890.00	\$	\$ 12,890.00	\$
2005-01	Improvements to City Hall	08/19/05	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	80,026.00	57,162.00	80,026.00	57,162.00
2005-23	Acquisition of Public Works Vehicle	08/17/06	05/04/11	05/04/12	2.250%	0.50		0.50	
2006-10	Exterior Repairs to Library	08/17/06	05/04/11	05/04/12	2.250%	0.50		0.50	
2006-24	Acquisition of Open Space	06/14/07	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	574,500.00	556,778.00	574,500.00	556,778.00
2006-27	Road Improvements to Various Streets	10/12/07	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	750,000.00	710,526.00	750,000.00	710,526.00
2007-06	Road Improvements to Various Streets	05/04/10	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	500,000.00	500,000.00	500,000.00	500,000.00
2007-21	Road Improvements to George Street	05/04/10	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	126,800.50	126,800.50	126,800.50	126,800.50
2008-03	Road improvements to Kline Court	02/19/08	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	70,000.00	70,000.00	70,000.00	70,000.00
2008-08	Road Improvements to Jefferson Street	05/04/10	05/04/11	05/04/12	2.250%	317,245.00		317,245.00	
2008-09/2008-25	City Hall Structural Improvements	11/17/08	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	438,400.00	402,423.00	438,400.00	402,423.00
2008-13	Install Traffic Device on Swan Street	08/05/08	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	247,000.00	247,000.00	247,000.00	247,000.00
2008-17	Reconstruction of Quarry Street	09/15/08	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	600,000.00	69,655.00	600,000.00	69,655.00
2008-20	Implementation of Bicycle/Ped Safety Imp	05/04/10	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	700,000.00	700,000.00	700,000.00	700,000.00

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2011	INCREASED	DECREASED	BALANCE DECEMBER 31, 2012
2008-22	Highland Avenue Reconstruction	11/17/08	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	\$ 75,137.50	\$ 56,979.50	\$ 75,137.50	\$ 56,979.50
2008-24	Improvement to Blair Tract	12/29/08	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	380,000.00	366,896.00	380,000.00	366,896.00
2010-01	Improvements to North Union Street	05/04/10	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	405,000.00	405,000.00	405,000.00	405,000.00
2010-06	Reconstruction of McCready's Alley	05/04/10	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	115,000.00	115,000.00	115,000.00	115,000.00
2010-07	Reconstruction of Delavan Street	05/04/10	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	415,000.00	415,000.00	415,000.00	415,000.00
2010-22	Black Flooding Feasibility	05/04/11	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	25,650.00	25,650.00	25,650.00	25,650.00
2010-19	Purchase Refurbished Garbage Truck	05/04/11	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	58,900.00	58,900.00	58,900.00	58,900.00
2010-21	Perry Street Road Reconstruction Project	05/04/11	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	365,000.00	365,000.00	365,000.00	365,000.00
2010-29	Flood Mitigation Measures	05/04/11	05/04/11 05/03/12	05/04/12 05/03/13	2.250% 1.500%	190,000.00	190,000.00	190,000.00	190,000.00
2011-04	North Union Street - Phase II	05/03/12	05/03/12	05/03/13	1.500%		268,750.00		268,750.00
2011-05	Engineering Service - South Franklin Street	05/03/12	05/03/12	05/03/13	1.500%		15,000.00		15,000.00
2011-06	Parking Meters Upgrade	05/03/12	05/03/12	05/03/13	1.500%		57,000.00		57,000.00
2010-24/2011-07	Various Improvements	05/03/12	05/03/12	05/03/13	1.500%		114,000.00		114,000.00
2011-13	Purchase Police SUV	05/03/12	05/03/12	05/03/13	1.500%		9,500.00		9,500.00
2011-22	Parking Meters Upgrade - Additional Funding	05/03/12	05/03/12	05/03/13	1.500%		9,110.00		9,110.00
2012-01	Renovations to Cavallo Park	05/03/12	05/03/12	05/03/13	1.500%		5,700.00		5,700.00
						\$ 6,446,550.00	\$ 5,917,830.00	\$ 6,446,550.00	\$ 5,917,830.00
						REF. C	C-2		C-C-6

Issued for Cash	C-2	\$ 6,279,090.93
Paid by Budget Appropriation		167,459.07
		<u>\$ 6,446,550.00</u>

"C-8"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE TO PAY DEBT

	<u>REF.</u>		
Balance, December 31, 2011	C	\$	1,035,295.16
Increased by:			
Cash Receipts	C-2		258,443.55
		\$	<u>1,293,738.71</u>
Decreased by:			
Cash Disbursements	C-2	\$	370,000.00
Applied to Deferred Charges - Unfunded			<u>341,554.00</u>
			<u>711,554.00</u>
Balance, December 31, 2012	C	\$	<u><u>582,184.71</u></u>

"C-9"

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2011	C	\$	1,199,713.26
Increased by:			
Cash Disbursements	C-2		186,060.55
		\$	<u>1,385,773.81</u>
Decreased by:			
Cash Receipts	C-2		<u>372,636.08</u>
Balance, December 31, 2012	C	\$	<u><u>1,013,137.73</u></u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR COAH DEPOSITS

	<u>REF.</u>	<u>TOTAL</u>	<u>WEST AMWELL TOWNSHIP</u>	<u>DELAWARE TOWNSHIP</u>	<u>FRANKLIN TOWNSHIP</u>	<u>ALEXANDRIA TOWNSHIP</u>	<u>UNION TOWNSHIP</u>	<u>LEBANON TOWNSHIP</u>	<u>HOLLAND TOWNSHIP</u>	<u>RESIDUAL INTEREST</u>	<u>RARITAN TOWNSHIP</u>
Balance, December 31, 2011	C	\$ 19,124.46	\$ 2,468.25	\$ 7,984.67	\$ 4,685.00	\$ 1,224.77	\$ 57.08	\$ 199.66	\$ 23.52	\$ 1,468.18	\$ 1,013.33
Increased by:											
Interest Earned	C-2	313.11		166.16	79.87					67.08	
Balance, December 31, 2012	C	\$ <u>19,437.57</u>	\$ <u>2,468.25</u>	\$ <u>8,150.83</u>	\$ <u>4,764.87</u>	\$ <u>1,224.77</u>	\$ <u>57.08</u>	\$ <u>199.66</u>	\$ <u>23.52</u>	\$ <u>1,535.26</u>	\$ <u>1,013.33</u>

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2012</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Improvement	5/15/03	\$ 2,425,000.00	08/15/13	\$ 90,000.00	3.00%	\$	\$	\$
			08/15/14	100,000.00	3.00%			
			08/15/15	145,000.00	3.25%			
			08/15/16	155,000.00	3.50%			
			08/15/17	165,000.00	3.50%			
			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%			
			08/15/24	200,000.00	4.00%			
						2,095,000.00	85,000.00	2,010,000.00
General Improvement	3/01/10	3,335,000.00	03/01/13-14	175,000.00	2.00%			
			03/01/15-16	200,000.00	3.00%			
			03/01/17	235,000.00	4.00%			
			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%			
			03/01/24	300,000.00	3.80%			
						3,185,000.00	150,000.00	3,035,000.00
						\$ 5,280,000.00	\$ 235,000.00	\$ 5,045,000.00
					<u>REF.</u>	C	C-13	C

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

REF.

Balance, December 31, 2011	C	\$ 108,500.00
Balance, December 31, 2012	C	\$ <u>108,500.00</u>

"C-13"

CITY OF LAMBERTVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2011	C	\$ 5,280,000.00
Decreased by:		
Serial Bonds Paid by Budget	C-11	<u>235,000.00</u>
Balance, December 31, 2012	C	<u>\$ 5,045,000.00</u>

"C-14"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2011	C	\$ 398,151.72
Increased by:		
Charges to Improvement Authorizations	C-5	<u>1,097,838.54</u>
		\$ <u>1,495,990.26</u>
Decreased by:		
Cash Disbursements	C-2	<u>916,068.42</u>
Balance, December 31, 2012	C	<u>\$ 579,921.84</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, 2012</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
2008-17	Reconstruction of Quarry Street	31,579.09
2010-27	Engineering Services	14,250.00
2011-03	Purchase Public Works Vehicles and Equipment	123,500.00
2011-13	Purchase Police SUV	42,750.00
2012-07	Acquisition of Vehicles	101,900.00
2012-10	Various Capital Improvements	59,850.00
2012-12	Various Capital Improvements	790,250.00
2012-19	Acquisition of Office and Computer Equipment	19,000.00
		<u>\$ 1,384,313.37</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, 2011	E	\$ <u>73,189.50</u>	\$ <u>73,189.50</u>
Increased by:			
State Aid		\$ 217,100.00	\$ 217,100.00
Refunds		2,387.40	2,387.40
Prior Year Voided Checks		7,934.54	7,934.54
Supplemental Security Income		30,672.40	30,672.40
Interest Earned		201.07	201.07
	E-4	\$ <u>258,295.41</u>	\$ <u>258,295.41</u>
Decreased by:			
2012 Assistance	E-5	\$ <u>196,150.34</u>	\$ <u>196,150.34</u>
Balance, December 31, 2012	E	\$ <u><u>135,334.57</u></u>	\$ <u><u>135,334.57</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, 2012	E-1	\$	135,334.57
Increased by:			
Cash Receipts			<u>9,372.75</u>
		\$	<u>144,707.32</u>
Decreased by Disbursements:			
2013 Assistance			<u>61,202.64</u>
Balance, May 31, 2013		\$	<u><u>83,504.68</u></u>

<u>RECONCILIATION - MAY 31, 2013</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	\$ 89,008.71	\$ 89,008.71
Less:		
Outstanding Checks	<u>5,504.03</u>	<u>5,504.03</u>
Balance, May 31, 2013	\$ <u><u>83,504.68</u></u>	\$ <u><u>83,504.68</u></u>

CITY OF LAMBERTVILLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND  
RECONCILIATION AS OF DECEMBER 31, 2012

	<u>REF.</u>		
Balance, December 31, 2011	E-1	\$	73,189.50
Increased by Receipts:			
State Aid		\$	217,100.00
Refunds			2,387.40
Prior Year Voided Checks			7,934.54
Supplemental Security Income			30,672.40
Interest Earned			201.07
	E-4		<u>258,295.41</u>
		\$	<u>331,484.91</u>
Decreased by Disbursements:			
2012 Assistance	E-5		<u>196,150.34</u>
Balance, December 31, 2012	E-1	\$	<u><u>135,334.57</u></u>

<u>RECONCILIATION - DECEMBER 31, 2012</u>	<u>P.A.T.F. II ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit per Statement of: The Bank of Princeton Account #1800000265	\$ 140,820.86	\$ 140,820.86
Less:		
Outstanding Checks	<u>5,486.29</u>	<u>5,486.29</u>
Balance, December 31, 2012	\$ <u><u>135,334.57</u></u>	\$ <u><u>135,334.57</u></u>

"E-4"

CITY OF LAMBERTVILLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE REVENUES  
YEAR ENDED DECEMBER 31, 2012

	<u>P.A.T.F. II</u>	<u>FUND TOTAL</u>
State Aid Payments	\$ 217,100.00	\$ 217,100.00
Refunds	2,387.40	2,387.40
Prior Year Voided Checks	7,934.54	7,934.54
Supplemental Security Income:		
State/Municipal Refund	30,672.40	30,672.40
Interest Earned	<u>201.07</u>	<u>201.07</u>
<u>TOTAL REVENUES</u>	<u>\$ 258,295.41</u>	<u>\$ 258,295.41</u>

REF.

E-1

"E-5"

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

	<u>P.A.T.F. II</u>	<u>FUND TOTAL</u>
Payments for Current Year Assistance (Reported):		
Maintenance Payments	\$ 32,400.50	\$ 32,400.50
Other:		
Work Related	69.29	69.29
Emergency Assistance	24,261.44	24,261.44
Transportation	1,675.50	1,675.50
Temporary Rental Assistance	<u>137,500.10</u>	<u>137,500.10</u>
<u>Total Payments Reported</u>	<u>\$ 195,906.83</u>	<u>\$ 195,906.83</u>
Assistance Under/(Over)-reported	<u>243.51</u>	<u>243.51</u>
<u>TOTAL EXPENDITURES (P.A.T.F.)</u>	<u>\$ 196,150.34</u>	<u>\$ 196,150.34</u>

REF.

E-1

PART II

REPORTS 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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS  
REPORTED UNDER GOVERNMENT AUDITING STANDARDS



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2012, 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, 2013. 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.

## SUPLEE, CLOONEY & COMPANY

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 of Lambertville'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. We considered the deficiencies described in the accompanying schedule of findings to be material weaknesses and are listed as #12-1 and #12-2.

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. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

### ***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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item # 12-1. We also noted immaterial instance of noncompliance which are discussed in Part III, General Comments and Recommendation Section of this report.

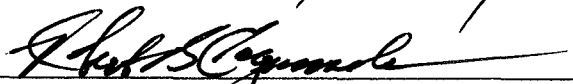
### ***City's Response to Findings***

The City of Lambertville's response to the findings identified in our audit will be described in the City's Correction Plan on file in the City Clerk's Office. We did not audit the City's response and, accordingly, we express no opinion on it.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City 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. 50

July 23, 2013

CITY OF LAMBERTVILLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2012

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2012 FUNDS RECEIVED	2012 EXPENDITURES	CUMULATIVE
		FROM	TO				EXPENDITURES DECEMBER 31, 2012
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
PASS THROUGH STATE OF NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS							
Small Cities Community Development Block Grant Program	14.228	02/01/2000	01/31/2003	\$ 300,000.00	\$ _____	\$ _____	\$ 293,305.00
GRAND TOTAL					\$ _____	\$ _____	\$ 293,305.00



## CITY OF LAMBERTVILLE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS  
YEAR ENDED DECEMBER 31, 2012

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2012 FUNDS RECEIVED	2012 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2012
		FROM	TO				
<u>Department of Environmental Protection</u>							
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	1/1/2010	12/31/2010	\$ 7,638.22	\$	\$ 235.06	\$ 7,638.22
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	1/1/2011	12/31/2011	7,451.97		7,451.97	7,451.97
Clean Communities Program	4900-765-042-4900-004-VCMC-6020		Unappropriated	7,330.31	7,330.31	261.03	261.03
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020		Continuous	2,835.91		1,038.45	1,170.28
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020		Continuous	3,078.62			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020		Continuous	2,205.42		131.83	2,073.59
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020		Continuous	3,905.83			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020		Unappropriated	5,786.65	5,786.65		
Statewide Livable Communities Grant	LC05-096	06/01/05	05/31/06	50,000.00	-		9,514.74
Municipal Stormwater Regulation Program				5,000.00			
Municipal Stormwater Regulation Program	04-100-042-4580-118	03/01/04	02/28/07	5,000.00			1,825.04
					\$ 13,116.96	\$ 9,118.34	\$ 29,934.87
<u>Department of Law and Public Safety</u>							
Drunk Driving Enforcement Fund	6400-100-076-6400-YYY		Continuous	5,047.34	\$	\$ 4,772.39	\$ 5,047.34
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY		Continuous	10,994.04			10,994.04
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY		Continuous	5,436.43		1,453.26	1,453.26
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY		Unappropriated	5,082.56	5,082.56		
Over the Limit, Under Arrest	1160-100-066-1160-057-YHTS-6010		Unappropriated	4,750.00			4,600.00
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020		Continuous	1,067.42			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020		Continuous	1,457.92			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020		Continuous	2,593.50			2,431.39
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020		Continuous	809.02			
Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100-6020		Unappropriated	1,726.82	1,726.82		
Click it or Ticket	1160-100-066-1160-113-YHTS-6020	1/1/0/2009	12/31/2009	4,000.00			3,700.00
Click it or Ticket	1160-100-066-1160-113-YHTS-6020	05/01/2005	06/30/2007	3,994.03			3,395.53
Stay Sober or Get Pulled Over				9,400.00	8,425.00	7,725.00	7,725.00
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120		Unappropriated	1,288.09	1,288.09		
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120		Continuous	1,266.87		132.92	132.92
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120		Continuous	982.90		675.55	982.90
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120		Continuous	1,044.03		1,044.03	1,044.03
					\$ 16,522.47	\$ 15,803.15	\$ 41,506.41
<u>Department of Transportation</u>							
Cottage Hill and Music Mountain	6320-480-078-6320-AJB-TCAP-6010		Continuous	760,000.00	\$	\$	\$ 749,871.36
North Union Street Phase II	6320-480-078-6320-AKN-TCAP-6010		Continuous	131,250.00	131,250.00	131,250.00	131,250.00
Connaught Hill Phase I and II	6300-480-078-6300-BUN-TCAP-7310		Continuous	400,000.00			397,392.00
					\$ 131,250.00	\$ 131,250.00	\$ 1,278,513.36
<u>Department of Human Services</u>							
Public Assistance-State Share 100%	7550-100-054-7550-121-LLLL-6020	1/1/2012	12/31/2012	192,916.27	\$ 217,100.00	\$ 196,150.34	\$ 192,916.27
<u>Department of Community Affairs</u>							
Police Domestic Violence Training Reimbursement Grants	2006-100-022-8030-803-PT-6130	07/01/05	12/31/06	3,840.00	\$	\$	\$ 1,364.82
Police Domestic Violence Training Reimbursement Grants	N/A		Continuous	100.00			
Police Domestic Violence Training Reimbursement Grants	N/A	1/1/2008	12/31/2008	732.28			
Health & Senior Citizens Services Grant		1/1/2010	12/31/2010	2,500.00			2,374.67
					\$ -	\$ -	\$ 3,739.49
<u>GRAND TOTAL</u>					\$ 377,989.43	\$ 352,321.83	\$ 1,546,610.40

CITY OF LAMBERTVILLE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2012

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial awards present the activity of all federal and state financial award programs of the City of Lambertville, County of Hunterdon, New Jersey. All federal and state awards received directly from federal or state agencies, as well as federal financial awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the City's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the City's regulatory basis financial statements. These amounts are reported in either the Current Fund, Grant Fund, General Capital Fund, Trust Other Fund or Public Assistance Trust Fund.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS- REGULATORY BASIS (CONTINUED)

Revenues:

	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ 29,639.43	\$ 22,500.00	\$ 52,139.43
General Capital Fund	131,250.00		131,250.00
Public Assistance Trust Fund	<u>217,100.00</u>	<u></u>	<u>217,100.00</u>
	<u>\$ 377,989.43</u>	<u>\$ 22,500.00</u>	<u>\$ 400,489.43</u>

Expenditures:

	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ 24,921.49	\$ 1,249.00	\$ 26,170.49
General Capital Fund	131,250.00		131,250.00
Public Assistance Trust Fund	<u>196,150.34</u>	<u></u>	<u>196,150.34</u>
	<u>\$ 352,321.83</u>	<u>\$ 1,249.00</u>	<u>\$ 353,570.83</u>

NOTE 5. OTHER

Matching contributions expended by the City in accordance with terms of the various grants are not reported in the accompanying schedule.

CITY OF LAMBERTVILLE  
HUNTERDON COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS REPORTED UNDER GOVERNMENT AUDITING STANDARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

**Compliance**

**#12-1**

The City has not maintained an adequate encumbrance accounting system in accordance with the Division of Local Government Services Technical Accounting Directive No. 85-1.

We noted that numerous purchase orders are processed as confirming orders. This occurs when goods have been received or services have been rendered prior to the issuance of a purchase order. In effect, the controls that minimize the possibility of overexpenditures and unauthorized purchases are not in operation.

We recommend that the encumbrance accounting system be completely maintained for all funds.

**Internal Control**

**#12-2**

Funds were committed in excess of amounts appropriated for 2011 appropriation reserves and capital improvement authorization 2012-01. In accordance with N.J.S.A. 40A:4-57, no expenditures of funds for any purpose can be made for which no appropriation is provided or in excess of the amount appropriated for such purpose. As a result of the City committing funds in excess of amounts appropriated, a deferred charge in the amount of \$10,937.73 will have to be raised in the 2013 budget.

We recommend that sufficient appropriation balances be available prior to the commitment or expenditure of funds.

PART III

CITY OF LAMBERTVILLE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

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

	YEAR 2012		YEAR 2011	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 225,000.00	1.43%	\$ 142,400.00	0.92%
Miscellaneous - From Other Than Local				
Property Tax Levies	2,150,004.89	13.71%	1,900,673.49	12.33%
Collection of Delinquent Taxes and				
Tax Title Liens	225,013.01	1.43%	237,191.25	1.54%
Collection of Current Tax Levy	13,084,796.12	83.42%	13,136,095.92	85.21%
<u>Total Income</u>	<u>\$ 15,684,814.02</u>	<u>100.00%</u>	<u>\$ 15,416,360.66</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures	\$ 4,484,540.96	29.24%	\$ 4,418,324.53	28.85%
County Taxes	2,382,074.91	15.53%	2,401,942.48	15.69%
Local and Regional School Taxes	7,894,297.41	51.47%	7,922,293.39	51.74%
Fire District Tax	503,375.00	3.28%	491,219.00	3.21%
Municipal Open Space Taxes	72,093.99	0.47%	72,382.91	0.47%
Other Expenditures	1,492.93	0.01%	6,535.53	0.05%
<u>Total Expenditures</u>	<u>\$ 15,337,875.20</u>	<u>100.00%</u>	<u>\$ 15,312,697.84</u>	<u>100.00%</u>
Excess in Revenue	\$ 346,938.82		\$ 103,662.82	
Adjustments to Income Before Fund Balance				
Expenditures Included Above Which are by Statute				
Deferred Charges to the Budget of the Succeeding Year			210,618.95	
Statutory Excess to Fund Balance	\$ 346,938.82		\$ 314,281.77	
Fund Balance, January 1	404,020.31		232,138.54	
	<u>\$ 750,959.13</u>		<u>\$ 546,420.31</u>	
Less: Utilization as Anticipated Revenue	225,000.00		142,400.00	
Fund Balance, December 31	<u>\$ 525,959.13</u>		<u>\$ 404,020.31</u>	

### COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	<u>\$1.849</u>	<u>\$1.854</u>	<u>\$1.766</u>
Apportionments of Tax Rate:			
Municipal	0.307	0.306	0.242
Municipal Library	0.033	0.034	
Municipal Open Space	0.010	0.010	0.010
County	0.300	0.302	0.311
County Open Space	0.031	0.032	0.0323
Local School	0.447	0.422	0.4058
Regional School	0.650	0.679	0.698
Fire District Tax	<u>0.071</u>	<u>0.069</u>	<u>0.067</u>

### ASSESSED VALUATIONS

2012	<u>\$720,435,870.00</u>	
2011	<u>\$720,456,385.00</u>	
2010		<u>\$723,084,513.00</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>
2012	\$13,325,712.46	\$13,084,796.12	98.19%
2011	\$13,368,923.32	\$13,136,095.92	98.25%
2010	\$12,772,349.16	\$12,524,221.24	98.05%

### 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>
2012	\$105,640.85	\$233,482.84	\$339,123.69	2.54%
2011	\$101,868.88	\$225,013.48	\$326,882.36	2.45%
2010	\$98,084.80	\$237,191.25	\$335,276.05	2.63%

### COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2012	\$525,959.13	\$210,000.00
	2011	\$404,020.31	\$225,000.00
	2010	\$232,138.54	\$142,400.00
	2009	\$258,915.76	\$232,024.00
	2008	\$422,778.06	\$275,000.00

### EQUALIZED VALUATIONS – REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2012	\$736,775,735.00
2011	\$731,517,308.00
2010	\$750,346,362.00



## 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	Councilwoman		
Wardell Sanders	Councilman		
Elaine Warner	Councilwoman		
Cynthia Ege	City Clerk and Registrar of Vital Statistics	\$1,000,000.00	M.E.L. J.I.F.
Diane Buono	Chief Financial Officer to 7/31/12	\$1,000,000.00	M.E.L. J.I.F.
Christie Ehret	Chief Financial Officer from 8/1/12	\$1,000,000.00	M.E.L. J.I.F.
Bonnie J. Eick	Tax Collector	\$1,000,000.00	M.E.L. J.I.F.
Ronald Pittore	Magistrate	\$1,000,000.00	M.E.L. J.I.F.
Barbara Halper	Municipal Court Administrator	\$1,000,000.00	M.E.L. J.I.F.
Patricia Wozniak	Deputy 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, 2012, 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:

Purchase of Used Garbage Truck  
Replacement of Lights at Ely Field  
Ely Creek Flood Gates  
South Franklin Street Drainage Project

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

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" were awarded during 2012 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, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"WHEREAS, taxes are payable in quarterly installments on February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup> and November 1<sup>st</sup> 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 (10<sup>th</sup>) 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 2012.

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 17, 2012 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>
2012	14
2011	14
2010	14

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 2013 Taxes	25
Payments of 2012 Taxes	25
Delinquent Taxes	15

## 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 City did not maintain a complete encumbrance accounting system in accordance with the Division of Local Government Services Technical Accounting Directive #85-1. We noted that several purchase orders are processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order. In effect, the controls that minimize the possibility of overexpenditures and unauthorized purchases are not in operation.

Funds were committed in excess of balances in the 2011 Current Fund Appropriation Reserves and the Capital Improvement Authorization 2012-01. In accordance with N.J.S.A. 40A:4-57, no expenditures of funds for any purpose can be made for which no appropriation is provided or in excess of the amount appropriated for such purpose. As a result of the City committing funds in excess of amounts appropriated, deferred charges in the total amount of \$10,937.73 will have to be raised in the 2013 budget.

## OTHER COMMENTS (CONTINUED)

### Treasurer (Continued)

The Miscellaneous Trust Reserve was not analyzed.

Our audit revealed that various grant and capital receivables have remained inactive for the past several years.

## OTHER DEPARTMENTS

N.J.S.A. 40A:5-15 requires that all funds be deposited or remitted to the Treasurer within 48 hours of receipt. The following departments did not comply with the statute:

Police Department

## RECOMMENDATIONS

- \*That an encumbrance accounting system be completely maintained for all funds.
- \*That sufficient appropriation balances be available prior to the commitment or expenditure of funds.
- \*That the balances in the Miscellaneous Trust Reserve be analyzed.
- \*That grant balances which are inactive be reviewed and either utilized or properly liquidated by cancellation.
- \*That all departmental receipts be deposited or remitted to the Treasurer within 48 hours per N.J.S.A. 40A:5-15.

\*Unresolved 2011 Audit Recommendations



