

Annual Financial Report

of the

**Lambertville Municipal
Utilities Authority**

For the Years Ended June 30, 2024 and 2023

Prepared By

Lambertville Municipal Utilities Authority

Finance Department

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Lambertville Municipal Utilities Authority
Lambertville, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the Lambertville Municipal Utilities Authority, which comprise the statements of net position as of and for the years ended June 30, 2024 and 2023, and the related statements of revenues, expenses and changes in net position, cash flows and net position for the years then ended, and the related notes to the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lambertville Municipal Utilities Authority, as of June 30, 2024 and 2023, and the changes in its net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lambertville Municipal Utilities Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lambertville Municipal Utilities Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lambertville Municipal Utilities Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lambertville Municipal Utilities Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and the schedules related to accounting and reporting for pensions in Schedule R-1 through R-3 identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lambertville Municipal Utilities Authority's basic financial statements. The supplemental data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial statements and other schedules are fairly stated, in all material respects, in relation to the basic 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 March 24, 2025 on our consideration of the Lambertville Municipal Utilities Authority'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 Lambertville Municipal Utilities Authority's internal control over financial reporting and compliance.

March 24, 2025





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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 BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners
Lambertville Municipal Utilities Authority
Lambertville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Lambertville Municipal Utilities Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Lambertville Municipal Utilities Authority' financial statements, and have issued our report thereon dated March 24, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lambertville Municipal Utilities Authority's control over financial reporting (internal control) as a basis for determining 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 Lambertville Municipal Utilities Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lambertville Municipal Utilities Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

SUPLEE, CLOONEY & COMPANY LLC

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lambertville Municipal Utilities Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, there were instances of noncompliance which are discussed in the General Comments and Recommendations section of the audit report.

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

March 24, 2025

Handwritten signature in black ink, appearing to read "Suplee Clooney + Company".

MANAGEMENT DISCUSSION AND ANALYSIS

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
(UNAUDITED)

In this section of the annual report, management of the Lambertville Municipal Utilities Authority (the “Authority”) presents a narrative discussion and analysis of the Authority’s financial activities for the years ended June 30, 2024 and 2023. This section of the report should be read in conjunction with the Authority’s audited financial statements and supplementary information for the years ended June 30, 2024 and 2023. The Authority’s audited financial statements are presented in conformity with generally accepted accounting principles.

Audit Assurance

The unmodified opinion of our independent auditors, Suplee, Clooney & Company LLC, is included in this report.

Financial Highlights

Discussion of Condensed Statement of Net Position

Unrestricted assets at June 30, 2024 and 2023, consisting of Cash and Cash Equivalents and Accounts Receivable totals \$822 thousand and \$838 thousand, respectively. A decrease is realized in Cash and Cash Equivalents and an increase is realized in Accounts Receivable.

Net Capital Assets decreased \$75 thousand due to capital additions of \$646 offset with a depreciation of \$721 thousand.

Cash and Cash Equivalents decreased \$404 thousand in total. The increase is largely due to cash provided by operating activities of \$725 thousand. These increases are offset with acquisitions of capital assets of \$646 thousand and principal payments on outstanding bonds of \$400 thousand.

Discussion of Condensed Statement of Revenue, Expenses, and Changes in Net Position

Operating revenues of \$2.39 million increased \$10 thousand or 1.0% largely due to an increase in User Charges. User Charges and Service Agreement revenues represent 98% of the operating revenues.

Total operating expenses before depreciation for the year ended June 30, 2024 increased \$38 thousand from the year ended June 30, 2023.

Total Operating Revenues were above budget by \$187 thousand with an increase in User Charges.

Total Operating Expenses were \$60 thousand greater than the budget. Expenses that make up the budget expenses are detailed in the report.

For the year ended June 30, 2024, the resulting Operating Loss amounts to \$97 thousand compared to the Operating Loss of \$71 thousand for the year ended June 30, 2023. A portion of the operating loss for June 30, 2024 is attributable to depreciation expense.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
(UNAUDITED)

Overview of Annual Financial Report

Management’s Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information. The MD&A represents management’s examination and analysis of the Authority’s financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Authority’s budget, and bond resolutions and other management tools were used for this analysis.

The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes to Net Position; a Statement of Cash Flows; and notes to the financial statements.

The Statement of Net Position presents the financial position of the Authority on a full accrual historical cost basis. This statement presents information on all of the Authority’s assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position is one indicator of whether the financial position of the Authority is improving or deteriorating.

While the Statement of Net Position provides information about the nature and amount of resources and obligations at year-end, the Statement of Revenues, Expenses and Changes to Net Position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The Government Accounting Standards Board (GASB) Statement 68 required state and local governmental entities to disclose their unfunded pension liabilities. The Authority participates in the pension plan sponsored by the State of New Jersey, which has a much publicized large unfunded liability. Although the Authority is not responsible for making pension payments to employees when they retire, GASB 68 dictates that the pro-rata share represented by Authority employees participating in PERS (Public Employee Retirement System) be reported in the audited financial statements to promote better financial clarity. Understandably, the net pension liability of \$1,055,750 shown within non-current liabilities is a significant number at June 30, 2024

The Notes to the Financial Statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority’s accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Financial Analysis

The following comparative condensed financial statements and other selected information serve as key financial data and indicators for management, monitoring and planning.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
(UNAUDITED)

Condensed Financial Statements

Condensed Statements of Net Position

| | June 30, | | |
|--|---------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| <u>Assets</u> | | | |
| Unrestricted Assets: | | | |
| Cash and Cash Equivalents | \$ 221,617 | \$ 363,193 | \$ 313,186 |
| Accounts Receivable | 600,473 | 475,320 | 361,996 |
| Total Unrestricted Assets | \$ 822,090 | \$ 838,513 | \$ 675,182 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | \$ 1,161,360 | \$ 1,423,823 | \$ 1,283,610 |
| Capital Assets, at Cost | \$ 27,935,805 | 27,289,412 | 27,055,460 |
| Accumulated Depreciation | (19,989,240) | (19,268,401) | (18,554,124) |
| Net Capital Assets | 7,946,565 | 8,021,011 | 8,501,336 |
| Deferred Outflow of Resources: | | | |
| Pension Related | 161,109 | 225,920 | 85,755 |
| Total Assets | \$ 10,091,124 | \$ 10,509,267 | \$ 10,545,883 |
| <u>Liabilities</u> | | | |
| Liabilities Payable from Unrestricted Assets: | | | |
| Accounts Payable and Accrued Expenses | \$ 144,859 | \$ 173,220 | \$ 171,474 |
| Accrued Sick Pay | 58,466 | 53,620 | 30,707 |
| Total Liabilities Payable from Unrestricted Assets | \$ 203,325 | \$ 226,840 | \$ 202,181 |
| Liabilities Payable from Restricted Assets: | | | |
| Accounts Payable | \$ - | \$ - | \$ - |
| Total Liabilities Payable from Restricted Assets | \$ - | \$ - | \$ - |
| Bonds Payable | 2,874,117 | 3,240,967 | 3,637,749 |
| NJIB Interim Financing | 1,055,750 | 1,122,164 | 856,798 |
| Net Pension Liability | (363,841) | (461,081) | (838,367) |
| Total Liabilities | \$ 4,133,192 | \$ 4,589,971 | \$ 4,696,728 |
| Deferred Inflows of Resources: | | | |
| Pension Related | 87,965 | 176,511 | 540,325 |
| <u>Net Position</u> | | | |
| Net Investment in Capital Assets | \$ 5,072,448 | \$ 4,780,044 | \$ 4,863,587 |
| Restricted Reserves | 1,161,360 | 1,423,822 | 1,283,610 |
| Unrestricted (Deficit) | (363,841) | (461,081) | (838,367) |
| Total Net Position | \$ 5,869,967 | \$ 5,742,785 | \$ 5,308,830 |
| Total Liabilities, Deferred Inflows of Resources and Net Position | \$ 10,091,124 | \$ 10,509,267 | \$ 10,545,883 |

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
(UNAUDITED)

Condensed Statement of Revenue, Expenses, and Changes in Net Position

| | June 30, <u>2024</u> | June 30, <u>2023</u> | June 30, <u>2022</u> |
|--|----------------------------|----------------------------|----------------------------|
| Operating Revenues | \$ 2,391,719 | \$ 2,382,424 | \$ 2,326,463 |
| Operating Expenses: | | | |
| Costs of Providing Services | 892,023 | 818,471 | 696,873 |
| General and Administrative | <u>876,322</u> | <u>920,736</u> | <u>804,051</u> |
| Total Operating Expenses Before Depreciation | \$ 1,768,345 | \$ 1,739,207 | \$ 1,500,924 |
| Depreciation | <u>720,842</u> | <u>714,276</u> | <u>709,854</u> |
| Total operating expenses | \$ <u>2,489,187</u> | \$ <u>2,453,483</u> | \$ <u>2,210,778</u> |
| Operating Income (Loss) | \$ (97,468) | \$ (71,059) | \$ 115,685 |
| Non-operating Revenues (Expenses) | <u>224,650</u> | <u>505,014</u> | <u>335,409</u> |
| Net Income (Loss) | \$ 127,182 | \$ 433,955 | \$ 451,094 |
| Net Position, Beginning of Year | \$ <u>5,742,785</u> | \$ <u>5,308,830</u> | \$ <u>4,857,736</u> |
| Net Position, End of Year | \$ <u><u>5,869,967</u></u> | \$ <u><u>5,742,785</u></u> | \$ <u><u>5,308,830</u></u> |

Flow Data (Gallons)

| <u>Year</u> | <u>Total Flow</u> | <u>Bucks County Authority Flow</u> | <u>Borough of Stockton Flow</u> | <u>Lambertville Flow</u> |
|-------------|-----------------------|--|-------------------------------------|------------------------------|
| 2023-2024 | 362,055,000 | 163,689,000 | 29,411,000 | 168,955,000 |
| 2022-2023 | 329,005,872 | 147,029,000 | 17,111,714 | 164,865,158 |
| 2021-2022 | 317,193,100 | 154,212,500 | 33,747,512 | 129,233,088 |
| 2020-2021 | 354,012,435 | 153,521,000 | 21,624,440 | 178,866,995 |
| 2019-2020 | 327,155,896 | 143,912,896 | 18,445,688 | 164,797,312 |
| 2018-2019 | 388,257,428 | 157,068,000 | 36,895,784 | 194,293,644 |
| 2017-2018 | 399,378,000 | 161,175,000 | 25,581,846 | 212,621,154 |
| 2016-2017 | 349,193,000 | 160,485,000 | 20,361,058 | 168,346,942 |
| 2015-2016 | 333,837,000 | 153,040,000 | 15,283,390 | 165,513,610 |
| 2014-2015 | 355,873,400 | 167,556,000 | 18,894,063 | 169,423,337 |
| 2013-2014 | 376,152,000 | 169,022,000 | 24,096,290 | 183,033,710 |
| 2012-2013 | 352,956,160 | 163,026,638 | 16,679,576 | 173,249,946 |
| 2011-2012 | 390,068,300 | 168,588,590 | 23,472,445 | 198,007,265 |
| 2010-2011 | 327,854,832 | 163,921,978 | 19,958,360 | 143,974,494 |
| 2009-2010 | 332,478,000 | 146,929,573 | 28,856,247 | 156,692,180 |

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
(UNAUDITED)

Bonds Payable

The Authority issues bonds to finance its major projects and improvements. In the year ended June 30, 2024, the Authority obtained permanent financing from the NJ I-Bank. A summary of the Bonds Payable and NJIB Financing activity for the year is as follows:

| | |
|----------------------------|--------------------|
| Bonds Payable at 6/30/2023 | \$3,240,967 |
| Adjustments | 0 |
| Scheduled Bond Retirements | <u>(366,850)</u> |
| Bonds Payable at 6/30/2024 | <u>\$2,874,117</u> |

AUTHORITY OVERVIEW

General

The Lambertville Municipal Utilities Authority was created for the acquisition of real property, rights of way and easements, and in connection therewith to construct, operate and maintain a sewerage treatment plant and collection system to serve the City of Lambertville. The Authority was organized under the Sewerage Authorities Law of 1946, as amended and supplemented, of the State of New Jersey and pursuant to an ordinance of the City of Lambertville adopted by its governing body on May 10, 1954.

The Authority has entered into contracts with the Bucks County Water and Sewer Authority and the Borough of Stockton to provide service outside the City of Lambertville. These Customer Agreements provide for the treatment and the disposal of sewage originating from the collection system of each party, constructed and owned by them, and provides for the costs of such treatment and disposal as well as operating and billing procedures.

The Authority charges and collects fees for the use of its facilities from the individual users in the City of Lambertville and from Bucks County Water and Sewer Authority, and the Borough of Stockton. Customers of the Authority are billed quarterly for services provided. Revenues for services provided but not yet billed are accrued for in the financial statement presentation.

The powers of the Authority are exercised by a Board of five members and two alternates who are appointed to five-year terms by the Mayor of the City of Lambertville.

The Authority had 8 employees as of June 30, 2024.

The original collection system was constructed in 1955 and is comprised primarily of vitrified clay pipe and cast iron pipe in diameters of 2”, 4”, 6”, 8”, 10”, 12” and 15”. The total length of pipe in Lambertville sewerage system is approximately 13 miles. The rated design capacity of the Authority’s wastewater treatment plant is 1.5 MGD with peak flow of 3.0 MGD. The Authority prepares an annual capital budget with a five-year planning cycle.

Contacting the Authority’s Management

Any questions about the Authority’s report or if additional information is needed, please contact the Executive Director of the Lambertville Municipal Utilities Authority, P.O. Box 300, Lambertville, New Jersey 08530.

BASIC FINANCIAL STATEMENTS

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|--|----------------------|----------------------|
| <u>ASSETS</u> | | |
| Unrestricted Assets: | | |
| Cash and Cash Equivalents | \$ 221,617 | \$ 363,193 |
| Accounts Receivable | <u>600,473</u> | <u>475,320</u> |
| <u>Total Unrestricted Assets</u> | <u>\$ 822,090</u> | <u>\$ 838,513</u> |
| Restricted Assets: | | |
| Cash and Cash Equivalents: | | |
| Debt Service Account | \$ 377,066 | \$ 441,253 |
| Debt Service Reserve Account | 335,160 | 423,106 |
| Renewal and Replacement Account | 100,000 | 100,000 |
| Improvement Reserve Account | <u>349,134</u> | <u>459,464</u> |
| <u>Total Restricted Assets</u> | <u>\$ 1,161,360</u> | <u>\$ 1,423,823</u> |
| Property, Plant and Equipment, at Cost | \$ 27,935,805 | \$ 27,289,412 |
| Less: Accumulated Depreciation | <u>(19,989,240)</u> | <u>(19,268,401)</u> |
| <u>Net Property, Plant and Equipment</u> | <u>\$ 7,946,565</u> | <u>\$ 8,021,011</u> |
| Deferred Outflow of Resources: | | |
| Pension Related | <u>161,109</u> | <u>225,920</u> |
| <u>TOTAL ASSETS</u> | <u>\$ 10,091,124</u> | <u>\$ 10,509,267</u> |

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

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|--|-----------------------------|-----------------------------|
| <u>LIABILITIES AND NET POSITION</u> | | |
| Current Liabilities Payable From Unrestricted Assets: | | |
| Accounts Payable and Accrued Expenses | \$ 131,981 | \$ 167,149 |
| Accrued Sick Pay | 58,466 | 53,620 |
| Payroll Liabilities | <u>12,878</u> | <u>6,071</u> |
| Total Current Liabilities Payable From Unrestricted Assets | \$ <u>203,325</u> | \$ <u>226,840</u> |
| Current Liabilities Payable From Restricted Assets: | | |
| Accounts Payable | \$ | \$ - |
| Current Portion of Bonds Payable | 282,675 | 366,850 |
| Total Current Liabilities Payable From Restricted Assets | \$ <u>282,675</u> | \$ <u>366,850</u> |
| Noncurrent Liabilities: | | |
| Long-Term Portion of Bonds Payable | \$ 2,591,442 | \$ 2,874,117 |
| Net Pension Liability | <u>1,055,750</u> | <u>1,122,164</u> |
| Total Noncurrent Liabilities | \$ <u>3,647,192</u> | \$ <u>3,996,281</u> |
| <u>Total Liabilities</u> | \$ <u>4,133,192</u> | \$ <u>4,589,971</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | |
| Pension Related | <u>87,965</u> | <u>176,511</u> |
| <u>Total Deferred Inflows of Resources</u> | \$ <u>87,965</u> | \$ <u>176,511</u> |
| Net Position: | | |
| Net Investment in Capital Assets | \$ 5,072,448 | \$ 4,780,044 |
| Restricted Reserves for: | | |
| Current Debt Service | 377,066 | 441,253 |
| Debt Service Reserve | 335,160 | 423,106 |
| Renewal and Replacement | 100,000 | 100,000 |
| Improvement Reserve | 349,134 | 459,463 |
| Unrestricted (Deficit) | <u>(363,841)</u> | <u>(461,081)</u> |
| <u>Total Net Position</u> | \$ <u>5,869,967</u> | \$ <u>5,742,785</u> |
| <u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u> | \$ <u><u>10,091,124</u></u> | \$ <u><u>10,509,267</u></u> |

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

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| <u>Operating Revenues:</u> | | |
| User Charges | \$ 2,351,407 | \$ 2,292,893 |
| Connection Fees | 14,465 | 48,517 |
| Interest on User's Accounts Receivable | 17,309 | 15,344 |
| Miscellaneous receipts | <u>8,538</u> | <u>25,670</u> |
| Total Operating Revenues | \$ <u>2,391,719</u> | \$ <u>2,382,424</u> |
| <u>Operating Expenses:</u> | | |
| Costs of Providing Services | \$ 892,023 | \$ 818,471 |
| General and Administrative | 876,322 | 920,736 |
| Depreciation | <u>720,842</u> | <u>714,276</u> |
| Total Operating Expenses | \$ <u>2,489,187</u> | \$ <u>2,453,483</u> |
| Operating Profit (Loss) | \$ (97,468) | \$ (71,059) |
| <u>Non-operating Revenues (Expenses):</u> | | |
| Grant/Insurance Income | \$ 133,281 | \$ 233,430 |
| Interest Income | 51,634 | 39,465 |
| Interest Expense | (46,482) | (117,110) |
| Pension Adjustment | (6,072) | 144,844 |
| Other Income and Expense, Net | <u>92,289</u> | <u>204,385</u> |
| Net Profit | \$ 127,182 | \$ 433,955 |
| Net Position, Beginning of Year | <u>5,742,785</u> | <u>5,308,830</u> |
| Net Position, End of Year | <u>\$ 5,869,967</u> | <u>\$ 5,742,785</u> |

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

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITYSTATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|---|----------------------------|----------------------------|
| Cash Flows from Operating Activities: | | |
| Receipts for User Charges | \$ 2,226,254 | \$ 2,212,291 |
| Receipts for Connection Fees | 14,465 | 48,517 |
| Receipts for Interest on User Charges | 17,309 | 15,344 |
| Payments to Suppliers | (1,171,244) | (1,019,020) |
| Payments to Employees | <u>(612,078)</u> | <u>(607,645)</u> |
| Net Cash Provided by Operating Activities | \$ <u>474,706</u> | \$ <u>649,487</u> |
| Cash Flows from Investing Activities: | | |
| Purchase of Fixed Assets | \$ (646,393) | \$ (233,952) |
| Interest Received | 51,634 | 39,465 |
| Other Expenses | (76,320) | (76,320) |
| Other Income | <u>133,281</u> | <u>233,430</u> |
| Net Cash Provided (Used) in Investing Activities | \$ <u>(537,798)</u> | \$ <u>(37,377)</u> |
| Cash Flows from Financing Activities: | | |
| Payments on Long-Term Debt | \$ (399,572) | \$ (429,504) |
| Interest Paid on Bonds | (46,482) | (117,110) |
| Other | 105,107 | 124,724 |
| Net Cash Provided (Used) in Financing Activities | \$ <u>(340,947)</u> | \$ <u>(421,890)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ (404,039) | \$ 190,220 |
| Cash and Cash Equivalents, Beginning of Year | <u>1,787,016</u> | <u>1,596,796</u> |
| Cash and Cash Equivalents, End of Year | \$ <u><u>1,382,977</u></u> | \$ <u><u>1,787,016</u></u> |
| Cash Flows from Operating Activities: | | |
| Operating Income (Loss) | \$ (97,468) | \$ (71,059) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | |
| Depreciation | 720,842 | 714,276 |
| (Increase)/Decrease in Accounts Receivable | (125,153) | (80,602) |
| Increase/(Decrease) in Accounts Payable | (35,168) | 64,481 |
| Increase/(Decrease) in Accrued Sick Pay | 4,846 | 22,913 |
| Increase/(Decrease) in Payroll Liabilities | <u>6,807</u> | <u>(522)</u> |
| Net Cash Provided by Operating Activities | \$ <u><u>474,706</u></u> | \$ <u><u>649,487</u></u> |
| Supplemental Disclosures of Cash Flow Information: | | |
| Cash Paid for Interest | \$ <u><u>46,482</u></u> | \$ <u><u>117,110</u></u> |

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

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(1) ORGANIZATION

The Lambertville Municipal Utilities Authority (the "Authority") was created for the acquisition of real property, rights of way and easements, and in connection therewith to construct, operate and maintain a sewerage treatment plant and collection system to serve the City of Lambertville. The Authority was organized under the Sewerage Authorities Law of 1946, as amended and supplemented, of the State of New Jersey and pursuant to an ordinance of the City of Lambertville adopted by its governing body on May 10, 1954. In April 2009, the Authority changed its name from the Lambertville Sewerage Authority to the Lambertville Municipal Utilities Authority.

The Authority has entered into contracts with the Bucks County Water and Sewer Authority and the Borough of Stockton (the "Customer Agreements") to provide service outside the City of Lambertville. The Customer Agreements provide for the treatment and the disposal of sewage originating from the collection system of each party, constructed and owned by them, and provides for the costs of such treatment and disposal as well as operating and billing procedures.

The Authority charges and collects fees for the use of its facilities from the individual users in the City of Lambertville and from Bucks County Water and Sewer Authority, and in the Borough of Stockton. Customers of the Authority are billed quarterly for services provided. Revenues for services provided but not yet billed are accrued for in the financial statement presentation.

The powers of the Authority are exercised by a Board of five members, who are appointed to five year terms by the Mayor of the City of Lambertville.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the GASB's accounting policies are described below.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The financial statements of the Authority have been prepared on the accrual basis and in accordance with generally accepted accounting principles applicable to enterprise funds of state and local governments. An Enterprise Fund is used to account for operations: (i) that are financed primarily through user charges, or (ii) where the governing body has decided that determination of net income is appropriate.

The accounting and financial reporting applied by the Authority is determined by its measurement focus. The financial statements are reported using the economic measurement focus and the accrual basis of accounting. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included in the Statements of Net Position. Net Position (totals assets and deferred outflows net of total liabilities and deferred inflows) are segregated into invested in capital assets, restricted and unrestricted components.

Accounting and Financial Reporting for Pensions

The Government Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate the unfunded net pension liability of the Public Employees Retirement System (PERS) of the participating employers as of December 31, 2024. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

Under GAAP, Authorities are required to recognize the pension liability in the Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Liabilities area of the balance sheet.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority has only one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies in this category, deferred amounts related to pension.

Reporting Entity

The Authority's financial statements include the operations of the sewer system and wastewater treatment plant for which the Board of Commissioners of the Authority exercises financial accountability. Board members are appointed to five-year terms by the municipality. The Authority is a component unit of the City of Lambertville. There are no additional entities required to be included in the reporting entity and the Authority is not included in any other reporting entity.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation - Fund Accounting

In accordance with the Authority's 1982 and 1988 Bond Resolutions as amended in 1996, the Authority has established the following funds to account for the deposit of all revenues received by the Authority:

| <u>FUND</u> | <u>AMOUNT</u> | <u>USE FOR WHICH RESTRICTED</u> |
|--|--|---|
| Revenue/ Operating | All Revenues received by the Authority | Authorized operating expenses and transfers to the various accounts described below |
| Debt Service (Current) | Amount needed to pay matured principal and interest plus principal and interest | Debt obligations including Principal and Interest |
| Debt Service Reserve (Future Debt Service) | Amount equal to 10% of the Bond proceeds to increase the balance in the Debt Service Reserve (as defined in the bond resolution) | Maintain minimum required levels |
| Renewal and Replacement | Amount needed to increase the balance to equal the \$100,000 renewal and replacement requirement | Capital asset costs associated with the system |
| General | To the extent that any funds are available | Unrestricted use |

All Funds are held by the Trustee with disbursements authorized upon requisition of the Authority.

In addition to the foregoing, the Authority established the following Restricted Accounts:

1. Customer Deposits for monies required from customers to assure payment or performance.
2. Investments designated for future plant improvement and replacement.
3. Investments designated for special sewer and plant projects.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purposes of the statement of cash flow, the Authority considers cash in banks, deposits and short-term investments with original maturities of three months or less as cash and cash equivalents.

Property, Plant and Equipment

Property, plant and equipment is stated at cost which includes direct construction costs and other expenditures related to construction.

Depreciation is determined on a straight-line basis, for all plant and equipment. Depreciation is provided for over the following estimated useful lives:

| | |
|----------------------------|---------------|
| Buildings and Improvements | 20 - 75 years |
| Pumping Station | 20 years |
| Sewer Mains | 75 years |
| Machinery and Equipment | 10 - 20 years |
| Vehicles | 5 - 10 years |
| Other Projects | 10 years |

Details of property, plant and equipment as of June 30, 2024 and 2023 are as follows:

| | <u>2024</u> | <u>2023</u> |
|----------------------------|---------------------|---------------------|
| Land | \$ 18,044 | \$ 18,044 |
| Buildings and Improvements | 13,236,254 | 13,236,254 |
| Pumping Station | 3,402,614 | 3,402,614 |
| Sewer Mains | 1,326,045 | 1,283,365 |
| Machinery and Equipment | 6,175,342 | 6,175,342 |
| Vehicles | 546,820 | 378,638 |
| Office Equipment | 107,412 | 106,390 |
| Construction in Progress | <u>3,123,274</u> | <u>2,628,045</u> |
| | \$27,935,805 | \$27,289,412 |
| Accumulated Depreciation | <u>19,989,240</u> | <u>19,268,401</u> |
| | <u>\$ 7,946,565</u> | <u>\$ 8,021,011</u> |

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

The Authority considers all accounts receivables to be fully collectible; no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Net Position

Equity is classified as net position and displayed in three components:

- 1) Invested in Capital Assets - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted - when constraints placed on net position are either a) externally imposed by creditors (such as the bond resolution), grantors, or laws or regulations of other governments or b) imposed by law.
- 3) Unrestricted - any other net position that does not meet the definition of "restricted" or "invested in capital assets."

Inventory

Inventory of spare parts and supplies is recorded as an expense when purchased and accordingly, is not included in the statements of net position.

Compensated Absences

Authority employees earn certain sick leave time that can accumulate. In the event of retirement or layoff, employees are eligible for the reimbursement of accumulated sick leave on a percentage basis not to exceed \$10,000. Accumulated unpaid sick leave is accrued when incurred. Accumulated unpaid sick leave at June 30, 2024 and 2023 is \$58,466 and \$53,620, respectively.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

No provision for income taxes has been made as the Authority is exempt from Federal and State income taxes.

Risk Management

In September 1991, the Authority joined the New Jersey Utility Authorities Joint Insurance Fund (JIF). The Authority pays an annual premium to JIF for its worker's compensation, employer liability, public employees' dishonesty liability, public officials liability, general liability, property damage, and motor vehicle insurance coverage. The Trust Agreement of the JIF provides that JIF will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits for each type of insurance coverage.

(3) BUDGETARY PROCEDURES

The Authority follows these procedures in establishing the Operating Fund budget:

The annual budget for each fiscal year of the Authority is introduced by resolution passed by not less than a majority of the governing body. Copies are submitted to the Director of the Division of Local Government Services Director prior to the beginning of the Authority's fiscal year for approval prior to its adoption.

The budget must comply with the terms and provisions of any security agreements, and is to be in such form and detail as to items of revenue, expenses and other contents as required by law or by rules and regulations of the Local Finance Board.

No authority budget can be finally adopted until the Director has approved the budget.

Public hearings are conducted to obtain citizen comments on the proposed budget.

Operating expense appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

The level at which expenditures cannot exceed the budget is at the total budget level.

The budget may be increased after adoption when an item of revenue has been made available after the adoption date.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(4) CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are summarized as follows:

| | <u>Unrestricted</u> | <u>Restricted</u> |
|---------------------------|---------------------|--------------------|
| June 30, 2024: | | |
| Cash and Cash Equivalents | <u>\$221,617</u> | <u>\$1,161,360</u> |
| June 30, 2023: | | |
| Cash and Cash Equivalents | <u>\$363,193</u> | <u>\$1,423,823</u> |

The cash on deposit of the Authority is partially insured by the Federal Deposit Insurance Corporation in the amount of \$250,000 in each bank depository. Balances above the federal depository insurance amount are insured by the State of New Jersey Governmental Unit Deposit Protection Act (GUDPA). The Authority does not have a policy for either credit risk or custodial credit risk. However, it is the Authority's policy only to invest with banks that are approved by the board. The Authority does not have a policy to limit interest rate risk.

(5) INVESTMENTS

The Authority's investment policy principally permits the investing of funds in the following types of investments:

Bonds, debentures, notes or other evidences of indebtedness issued by any agency or instrumentality of the United States or by any corporation chartered by the United States to the extent that such obligations are guaranteed by the United States or by another such agency and Defeasance Securities.

Negotiable or nonnegotiable certificates of deposit issued by any bank, trust company, or national banking associations which certificates of deposits shall be continuously secured by obligations described in the first paragraph above.

Deposits in the NJ Cash Management Fund and other deposits defined in the Authority's Bond Resolution.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(6) PROPERTY PLANT AND EQUIPMENT

Property, Plant and Equipment is summarized as follows:

| | <u>Balance</u> <u>June 30, 2023</u> | <u>Increase</u> | <u>Balance</u> <u>June 30, 2024</u> |
|--------------------------|--|---------------------|--|
| Land | \$ 18,044 | | \$ 18,044 |
| Buildings & Improvements | 13,236,254 | | 13,236,254 |
| Pumping Station | 3,402,614 | | 3,402,614 |
| Sewer Mains | 1,283,365 | 42,680 | 1,326,045 |
| Machinery & Equipment | 6,175,342 | 168,182 | 6,343,524 |
| Vehicles | 378,638 | | 378,638 |
| Office Equipment | 167,110 | 1,022 | 168,132 |
| Construction in Progress | <u>2,628,045</u> | <u>434,509</u> | <u>3,062,554</u> |
| Total Fixed Assets | \$27,289,412 | \$646,393 | \$27,935,805 |
| Accumulated Depreciation | <u>19,268,401</u> | <u>(720,842)</u> | <u>19,989,240</u> |
| | <u>\$ 8,021,011</u> | <u>\$ (74,446))</u> | <u>\$ 7,946,565</u> |

(7) LONG-TERM DEBT

New Jersey Infrastructure Bank (NJIB)

Total obligations payable to the NJIB at June 30, 2024 and 2023 amounted to \$2,874,117 and \$3,208,245 respectively. A summary of the NJIB obligations follow:

- A. In March 2010, the Authority issued NJIB Series 2010A obligations. Principal and interest payments due on these obligations commenced August 1, 2011. The annual interest rate on the outstanding trust loan principal amount of \$705,000 approximates 4% over the remaining term. No interest is due on the remaining fund loan principal amount of \$512,881. This debt matures in 2029.
- B. In September 2010, the Authority issued NJIB Series 2010B obligations. Principal and interest payments due on these obligations commenced September 1, 2011. The annual interest rate on the outstanding trust loan principal amount of \$78,000 of such obligations amounts to 5.0% over the remaining term. No interest is due on the remaining fund loan principal amount of \$38,240. This debt matures in 2030.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(7) LONG-TERM DEBT (CONTINUED)

New Jersey Infrastructure Bank (NJIB) (Continued)

C. In May 2022, for purposes of permanent financing, the Authority issued \$1,609,162 NJIB Series 2021A obligations due in 2041. These obligations represent the permanent financing for improvements to the Authority's Treatment Plant and Collection System projects. The annual interest rate on the outstanding principal amount of \$745,000 approximates 2.0% to 5.0% over the remaining term. No interest is due on the remaining principal amount of \$794,996.

A summary of long-term debt follows:

| | <u>2024</u> | <u>2023</u> |
|-------------------------|--------------------|--------------------|
| Series 2002A | \$ -0- | \$ -0- |
| Series 2003A | -0- | 89,175 |
| Series 2010A | 1,217,881 | 1,408,390 |
| Series 2010B | 116,240 | 134,240 |
| Series 2021A | <u>1,539,996</u> | <u>1,609,163</u> |
| | \$2,874,117 | \$3,240,968 |
| Less Current Maturities | <u>282,675</u> | <u>366,850</u> |
| Total Long-Term Debt | <u>\$2,591,442</u> | <u>\$2,874,117</u> |

The principal payment requirements for the next six years are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|--------------------|
| 2024 | \$282,675 |
| 2025 | 282,685 |
| 2026 | 292,676 |
| 2027 | 297,675 |
| 2028 | 304,915 |
| Thereafter | <u>1,413,491</u> |
| | <u>\$2,874,117</u> |

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(8) AMOUNTS REQUIRED BY BOND RESOLUTION

The following cash and investment accounts are required by the bond resolution:

| | <u>2024</u> | <u>2023</u> |
|-----------------------------------|----------------|----------------|
| Debt Service | \$377,066 | \$441,253 |
| Cash and Cash Equivalents on Hand | <u>377,066</u> | <u>441,253</u> |
| Excess | <u>\$ -0-</u> | <u>\$ -0-</u> |
| | | |
| Renewal and Replacement | \$100,000 | \$100,000 |
| Cash and Cash Equivalents on Hand | <u>100,000</u> | <u>100,000</u> |
| Excess | <u>\$ -0-</u> | <u>\$ -0-</u> |
| | | |
| Debt Service Reserve | \$335,160 | \$423,106 |
| Cash and Cash Equivalents on Hand | <u>335,160</u> | <u>423,106</u> |
| Excess | <u>\$ -0-</u> | <u>\$ -0-</u> |

(9) NET POSITION

The components of net position are as follows:

| | <u>2024</u> | <u>2023</u> |
|--|------------------------|------------------------|
| Net Position: | | |
| Capital Assets, Net of Related Liabilities | \$5,072,448 | \$4,812,766 |
| Restricted: | | |
| Current Debt Service | 377,066 | 441,253 |
| Debt Service Reserve | 335,160 | 423,106 |
| Renewal and Replacement | 100,000 | 100,000 |
| Improvement Reserve | <u>349,134</u> | <u>459,463</u> |
| Total Restricted | <u>\$1,161,360</u> | <u>\$1,423,823</u> |
| | | |
| Unrestricted: | | |
| Operations | 618,765 | 579,951 |
| Net Pension Liability | <u>(982,606)</u> | <u>(1,073,755)</u> |
| Total Unrestricted (Deficit) | <u>\$ (363,841)</u> | <u>\$(493,803)</u> |
| | <u>\$5,869,967</u> | <u>\$5,742,785</u> |

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(10) PENSION PLAN

All required full-time employees of the Authority are covered by the Public Employees' Retirement System which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or online at www.state.nj.ustreasury/pensions.

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

The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials and part-time employees, effective July 1, 2007. Part-time employees that earn an annual salary of at least \$5,000 and work less than 35 hours per week are eligible to enroll in the New Jersey Defined Contribution Plan (DCRP). The DCRP is offered through the Prudential Retirement Insurance and Annuity Company. Employees contribute 5.5% of salary and the Authority contributes 3% of salary, for a total contribution of 8.5%. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the PERS system.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(10) PENSION PLAN (CONTINUED)

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS was changed. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30-year period and paid in level dollars. Beginning with the July 1, 2020 actuarial valuation (July 1, 2020 for PFRS), the UAAL will be amortized over a closed 30-year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20-year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for PERS.

Employers are required to contribute at an actuarially determined rate for PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(10) PENSION PLAN (CONTINUED)

Contribution Requirements:

Three Year Trend Information for PERS

| <u>Year Ended June 30</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|-------------------------------|--|--|-----------------------------------|
| 2021 | \$82,909 | 100% | \$82,909 |
| 2020 | 67,655 | 100% | 67,655 |
| 2019 | 67,318 | 100% | 67,318 |

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions” which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) of the participating local units as of December 31, 2022. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$1,055,750 for the Authority’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Authority’s proportion was 0.0072888899 percent, which was a decrease of 0.0001469094 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the State recognized an actuarially determined pension expense of \$10,916 for the Authority’s proportionate share of the total pension expense. The pension expense recognized in the Authority’s financial statements based on the April 1, 2024 billing was \$97,418.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$ 10,094 | \$ 4,316 |
| Changes of assumptions | 2,319 | 63,983 |
| Net difference between projected and actual earnings on pension plan investments | 4,862 | - |
| Changes in proportion and differences between Authority contributions and proportionate share of contributions | 46,416 | 19,666 |
| Authority contributions subsequent to the measurement date | 97,418 | |
| | <u>\$ 161,109</u> | <u>\$ 87,965</u> |

The \$97,418 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date (i.e. for the year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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

| <u>Year Ended June 30,</u> | <u>Amount</u> |
|--------------------------------|-------------------|
| 2024 | (\$50,390) |
| 2025 | (\$25,762) |
| 2026 | \$48,827 |
| 2027 | (\$2,431) |
| 2028 | \$5,482 |
| | <u>(\$24,274)</u> |

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION -GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. These actuarial valuations used the following assumptions:

| | |
|---------------------------|------------------|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | 2.75-6.55% |
| | Based on |
| | Years of Service |
| Investment Rate of Return | 7.00% |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION -GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2023 asset are summarized in the following table:

| Assets Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------------------|-------------------|--|
| US Equity | 28.00% | 8.98% |
| Non-U.S. Developed Market Equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging Market Equity | 5.50% | 11.13% |
| Private Equity | 13.00% | 12.50% |
| Real Estate | 8.00% | 8.58% |
| Real Assets | 3.00% | 8.40% |
| High Yield | 4.50% | 6.97% |
| Private Credit | 8.00% | 9.20% |
| Investment Grade Credit | 7.00% | 5.19% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasury's | 4.00% | 3.31% |
| Risk Mitigation Strategies | 3.00% | 6.21% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the Authority's proportionate share of net pension liability to changes in the discount rate

The following presents the Authority's proportionate share of the net pension liability of the participating employers as of June 30, 2023 respectively, calculated using the discount rate as disclosed above as well as what the Authority's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

| | June 30, 2023 | | |
|---|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Authority's proportionate share of the pension liability | \$1,374,362 | \$1,055,750 | \$784,569 |

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the Authority under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Authority does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Authority related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Authority as of December 31, 2023 and December 31, 2022 was .0073165636 and 0.0122193739% respectively, The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2023 and June 30, 2022 was \$3,292 and \$3,865 respectively

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(11) ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS) (Continued)

Pension plan fiduciary net position

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

(12) LEASES

The Authority leases the land on which the treatment plant is located from the State of New Jersey. The original lease dated July 1, 1954 was amended August 26, 1980 for a term of 60 years. No rent is paid on this lease.

A separate agreement with the NJ Water Supply Authority allows Lambertville Municipal Utilities Authority to use a right-of-way for a sewer line. Rent of \$48 is paid annually under this agreement.

(13) SUBSEQUENT EVENTS

The Authority has evaluated subsequent events occurring after the financial statement date through March 24, 2025, which is the date the financial statements were available to be issued. Based on this evaluation, the Authority has determined that no subsequent events have occurred which require disclosure in the financial statements.

(14) COMMITMENTS AND CONTINGENCIES

In the ordinary conduct of its business, the Authority may be a party to litigation. At June 30, 2024, in the opinion of management based upon consultation with legal counsel, there were no matters pending or threatened which would have a material adverse effect on the financial position of the Authority.

SUPPLEMENTARY INFORMATION

SCHEDULE "R-1"

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

| Measurement Date Ending June 30, | Authority's Proportion Share of the Net Pension Liability (Asset) | Authority's Proportionate Share of the Net Pension Liability (Asset) | Authority's Covered-Employee Payroll | Authority's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll | Plan Fiduciary Net Position as a percentage of the total Pension Liability |
|----------------------------------|---|--|--------------------------------------|--|--|
| 2014 | 0.6054569800% | 1,133,581 | 452,106.00 | 250.73% | 52.08% |
| 2015 | 0.0062556718% | 1,404,273 | 471,354.00 | 297.92% | 47.92% |
| 2016 | 0.0065796871% | 1,948,715 | 462,435.00 | 421.40% | 40.13% |
| 2017 | 0.0068208618% | 1,587,788 | 494,260.00 | 321.25% | 48.10% |
| 2018 | 0.0067678300% | 1,332,551 | 500,877.00 | 266.04% | 53.60% |
| 2019 | 0.6955343100% | 1,253,246 | 530,028.00 | 236.45% | 56.27% |
| 2020 | 0.7048314000% | 1,149,396 | 594,973.00 | 193.18% | 58.32% |
| 2021 | 0.0072325016% | 856,798 | 537,648.00 | 159.36% | 70.33% |
| 2022 | 0.0074357993% | 1,122,164 | 595,570.00 | 188.42% | 62.91% |
| 2023 | 0.0072888899% | 1,055,750 | 584,888.00 | 180.50% | 65.23% |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

| Fiscal Year Ending June 30. | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contributions | Contribution Deficiency (Excess) | Authority's Covered- Employee Payroll | Contributions as a Percentage of Covered- Employee Payroll |
|-----------------------------------|---|---|--|--|--|
| 2014 | \$ 49,913 | \$ 49,913 | \$ -0- | 428,378.00 | 11.65% |
| 2015 | 53,782 | 53,782 | -0- | 452,106.00 | 11.90% |
| 2016 | 58,453 | 58,453 | -0- | 471,354.00 | 12.40% |
| 2017 | 63,953 | 63,953 | -0- | 462,435.00 | 13.83% |
| 2018 | 67,318 | 67,318 | -0- | 500,877.00 | 13.44% |
| 2019 | 67,655 | 67,655 | -0- | 530,028.00 | 12.76% |
| 2020 | 77,105 | 77,105 | -0- | 594,973.00 | 12.96% |
| 2021 | 82,909 | 82,909 | -0- | 537,648.00 | 15.42% |
| 2022 | 51,073 | 51,073 | -0- | 595,570.00 | 8.58% |
| 2023 | 93,769 | 93,769 | -0- | 584,888.00 | 16.03% |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)
NOTE TO RSI III
FOR THE YEAR ENDED JUNE 30, 2024

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

SCHEDULE OF OPERATING REVENUES
AND COSTS FUNDED BY OPERATING
REVENUES COMPARED TO BUDGET
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

| | 2024 <u>BUDGET</u> | 2024 <u>ACTUAL</u> | 2023 <u>ACTUAL</u> |
|--|-----------------------|-----------------------|-----------------------|
| Revenues: | | | |
| Net Position Utilized-Surplus | \$ 76,230 | | |
| User Charges and Fees - Lambertville | 1,416,591 | \$ 1,465,447 | \$ 1,451,626 |
| Service Agreements | 805,051 | 885,960 | 841,267 |
| Delinquent Penalties | 12,556 | 17,309 | 15,344 |
| Interest Income | 1,000 | 51,634 | 39,465 |
| Miscellaneous Income | 5,125 | 14,061 | |
| Connection Fees | <u>20,669</u> | <u>14,465</u> | <u>48,517</u> |
| Total Revenues | \$ <u>2,337,222</u> | \$ <u>2,448,876</u> | \$ <u>2,396,219</u> |
| Expenses: | | | |
| Costs of Providing Services: | | | |
| Labor | \$ 333,245 | \$ 338,760 | \$ 339,754 |
| Chemicals: | | | |
| Chlorine | 13,000 | 21,359 | 8,810 |
| Dechlor | 12,000 | 23,665 | 8,126 |
| Polymer | 26,000 | 22,305 | 22,778 |
| Digester and Other | 23,000 | 55,480 | 20,928 |
| Carbon Change | 7,500 | - | - |
| Lab | 1,500 | 2,642 | 3,426 |
| Electricity | 150,000 | 131,711 | 126,964 |
| Heating Oil | 8,000 | 8,188 | 7,762 |
| Water | 3,500 | 2,225 | 2,415 |
| Maintenance: | | | |
| Trucks | 10,020 | 8,594 | 8,187 |
| Plant | 20,000 | 35,282 | 35,854 |
| Pumping Station | 5,000 | 300 | 902 |
| Sewer System | 3,000 | 967 | 940 |
| Equipment Replacement and Repair | 20,000 | 69,604 | 27,293 |
| Service Contracts | 14,000 | 21,079 | 26,290 |
| Outside Lab Work | 39,000 | 37,567 | 41,569 |
| Protective Clothing and Uniforms | 20,000 | 17,445 | 18,709 |
| Plant Office Expenses | 2,000 | 1,650 | 366 |
| Plant Telephone | 6,700 | 8,319 | 6,708 |
| Land Rental | 300 | | |
| Sludge Removal | <u>100,000</u> | <u>84,881</u> | <u>110,690</u> |
| Total Costs of Providing Services | \$ <u>817,765</u> | \$ <u>892,023</u> | \$ <u>818,471</u> |
| General and Administrative Expenses: | | | |
| Salaries and Wages | \$ 279,580 | \$ 278,164 | \$ 290,804 |
| Payroll Taxes | 51,800 | 52,211 | 53,069 |
| Employee Benefits | 339,000 | 326,370 | 313,942 |
| Authority Member Fees | 6,400 | 4,800 | 6,400 |
| General Insurance | 75,000 | 81,908 | 66,634 |
| Professional Services | 44,500 | 26,956 | 39,648 |
| Engineering Services | 4,000 | 191 | - |
| Auditing and Accounting | 30,000 | 35,265 | 27,932 |
| Office Supplies and Expenses | 3,500 | 3,963 | 4,197 |
| Postage | 8,000 | 5,548 | 8,019 |
| Telephone | 5,500 | 4,410 | 3,452 |
| Contributions to Civic Organizations | 2,000 | - | 1,575 |
| Dues, Subscriptions and Training | 8,000 | 7,398 | 4,792 |
| Permits | 24,000 | 23,056 | 22,264 |
| Computer Expenses | 27,000 | 24,569 | 25,990 |
| Other | <u>5,480</u> | <u>1,513</u> | <u>52,018</u> |
| Total General and Administrative Expenses | \$ <u>913,760</u> | \$ <u>876,322</u> | \$ <u>920,736</u> |
| Other Costs Funded by Revenues: | | | |
| Interest Expense | \$ 61,256 | \$ 46,482 | \$ 117,110 |
| Bond Principal Payments | 361,850 | 399,572 | 429,504 |
| Municipal Appropriation | <u>76,230</u> | <u>76,320</u> | <u>76,320</u> |
| Total Other Costs | \$ <u>499,336</u> | \$ <u>522,374</u> | \$ <u>622,934</u> |
| TOTAL COSTS FUNDED BY OPERATING REVENUES | \$ <u>2,230,861</u> | <u>2,290,719</u> | \$ <u>2,362,141</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER COSTS | 37 \$ <u>106,361</u> | \$ <u>158,157</u> | \$ <u>34,078</u> |

SCHEDULE 2

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

SCHEDULE OF BONDS PAYABLE - JUNE 30, 2024

NJ ENVIRONMENTAL INFRASTRUCTURE TRUST
SERIES 2010A
MATURITY DATE, AUGUST 1

| <u>YEAR OF MATURITY</u> | <u>TOTAL</u> | <u>TRUST LOAN</u> | | <u>FUND LOAN PRINCIPAL</u> |
|-----------------------------|----------------------------|--------------------------|--------------------------|--------------------------------|
| | | <u>INTEREST RATE</u> | <u>PRINCIPAL</u> | |
| 2024 | \$ 195,508 | 4.00% | \$ 105,000 | \$ 90,508 |
| 2025 | 200,509 | 4.00% | 110,000 | 90,509 |
| 2026 | 205,508 | 3.50% | 115,000 | 90,508 |
| 2027 | 210,509 | 4.00% | 120,000 | 90,509 |
| 2028 | 215,508 | 4.00% | 125,000 | 90,508 |
| 2029 | <u>190,339</u> | 4.00% | <u>130,000</u> | <u>60,339</u> |
| | \$ <u><u>1,217,881</u></u> | | \$ <u><u>705,000</u></u> | \$ <u><u>512,881</u></u> |

Payments on NJ Environmental Infrastructure Trust 2010A - February 1 and August 1

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

SCHEDULE OF BONDS PAYABLE - JUNE 30, 2024

NJ ENVIRONMENTAL INFRASTRUCTURE TRUST
 SERIES 2010B
MATURITY DATE, AUGUST 1

| <u>YEAR OF MATURITY</u> | <u>TOTAL</u> | <u>TRUST LOAN</u> | | <u>FUND LOAN PRINCIPAL</u> |
|-------------------------|-------------------|----------------------|------------------|----------------------------|
| | | <u>INTEREST RATE</u> | <u>PRINCIPAL</u> | |
| 2024 | 18,000 | 5.00% | 9,000 | 9,000 |
| 2025 | 18,000 | 5.00% | 9,000 | 9,000 |
| 2026 | 18,000 | 5.00% | 9,000 | 9,000 |
| 2027 | 18,000 | 5.00% | 9,000 | 9,000 |
| 2028 | 10,240 | 5.00% | 8,000 | 2,240 |
| 2029 | 8,000 | 5.00% | 8,000 | - |
| 2030 | 13,000 | 5.00% | 13,000 | - |
| 2031 | 13,000 | 5.00% | 13,000 | - |
| | <u>\$ 116,240</u> | | <u>\$ 78,000</u> | <u>\$ 38,240</u> |

Payments on NJ Environmental Infrastructure Trust 2010B - February 1 and August 1

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

SCHEDULE OF BONDS PAYABLE - JUNE 30, 2024

NJ ENVIRONMENTAL INFRASTRUCTURE TRUST
 SERIES 2021 A-2 MUA 09
MATURITY DATE, AUGUST 1

| <u>YEAR OF MATURITY</u> | <u>TOTAL</u> | <u>TRUST LOAN</u> | | <u>FUND LOAN PRINCIPAL</u> |
|-------------------------|---------------------|----------------------|-------------------|----------------------------|
| | | <u>INTEREST RATE</u> | <u>PRINCIPAL</u> | |
| 2024 | 54,128 | 5.00% | 20,000 | 34,128 |
| 2025 | 59,128 | 5.00% | 25,000 | 34,128 |
| 2026 | 59,128 | 5.00% | 25,000 | 34,128 |
| 2027 | 59,128 | 5.00% | 25,000 | 34,128 |
| 2028 | 59,128 | 5.00% | 25,000 | 34,128 |
| 2029 | 64,128 | 5.00% | 30,000 | 34,128 |
| 2030 | 64,128 | 5.00% | 30,000 | 34,128 |
| 2031 | 64,128 | 5.00% | 30,000 | 34,128 |
| 2032 | 64,128 | 4.00% | 30,000 | 34,128 |
| 2033 | 69,128 | 3.00% | 35,000 | 34,128 |
| 2034 | 69,128 | 3.00% | 35,000 | 34,128 |
| 2035 | 69,128 | 3.00% | 35,000 | 34,128 |
| 2036 | 69,128 | 3.00% | 35,000 | 34,128 |
| 2037 | 69,128 | 3.00% | 35,000 | 34,128 |
| 2038 | 74,128 | 3.00% | 40,000 | 34,128 |
| 2039 | 74,128 | 3.00% | 40,000 | 34,128 |
| 2040 | 74,128 | 2.00% | 40,000 | 34,128 |
| 2041 | 74,128 | 2.00% | 40,000 | 34,128 |
| | <u>\$ 1,189,298</u> | | <u>\$ 575,000</u> | <u>\$ 614,298</u> |

SCHEDULE 5

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

SCHEDULE OF BONDS PAYABLE - JUNE 30, 2024

NJ ENVIRONMENTAL INFRASTRUCTURE TRUST
SERIES 2021 A-2 MUA 10
MATURITY DATE, AUGUST 1

| <u>YEAR OF MATURITY</u> | <u>TOTAL</u> | <u>TRUST LOAN</u> | | <u>FUND LOAN PRINCIPAL</u> |
|-----------------------------|-------------------|--------------------------|-------------------|--------------------------------|
| | | <u>INTEREST RATE</u> | <u>PRINCIPAL</u> | |
| 2024 | 15,039 | 5.00% | 5,000 | 10,039 |
| 2025 | 15,039 | 5.00% | 5,000 | 10,039 |
| 2026 | 15,039 | 5.00% | 5,000 | 10,039 |
| 2027 | 20,039 | 5.00% | 10,000 | 10,039 |
| 2028 | 20,039 | 5.00% | 10,000 | 10,039 |
| 2029 | 20,039 | 5.00% | 10,000 | 10,039 |
| 2030 | 20,039 | 5.00% | 10,000 | 10,039 |
| 2031 | 20,039 | 5.00% | 10,000 | 10,039 |
| 2032 | 20,039 | 4.00% | 10,000 | 10,039 |
| 2033 | 20,039 | 3.00% | 10,000 | 10,039 |
| 2034 | 20,039 | 3.00% | 10,000 | 10,039 |
| 2035 | 20,039 | 3.00% | 10,000 | 10,039 |
| 2036 | 20,039 | 3.00% | 10,000 | 10,039 |
| 2037 | 20,039 | 3.00% | 10,000 | 10,039 |
| 2038 | 20,039 | 3.00% | 10,000 | 10,039 |
| 2039 | 20,039 | 3.00% | 10,000 | 10,039 |
| 2040 | 20,039 | 2.00% | 10,000 | 10,039 |
| 2041 | <u>25,035</u> | 2.00% | <u>15,000</u> | <u>10,035</u> |
| | <u>\$ 350,698</u> | | <u>\$ 170,000</u> | <u>\$ 180,698</u> |

SCHEDULE 6

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | A.L.N. | GRANT PERIOD | | Award Amount | Fiscal Year | |
|--|--------|--------------|-----------|-----------------|-------------|-----------------------|
| | | FROM | TO | | Receipts | Total Expenditures |
| U.S. Department of Homeland Security: Passed-Through: State of New Jersey Federal Emergency Management Agency | | 7/1/2023 | 6/30/2024 | \$ 133,281 | \$ 133,281 | \$ 133,281 |

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

NOTE 1: GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the Authority. The Authority is defined in the Notes to the Authority's basic financial statements. All federal financial awards received directly from federal agencies, as well as federal financial awards passed through other governmental agencies, is included on the Schedule of Expenditures of Federal Awards.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Authority's basic financial statements.

NOTE 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

NOTE 5: OTHER

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

NOTE 6: LOANS

The Authority had year-end loan balances of \$-0- for Reimbursement Loans, Loan Advances and Revolving Loans.

LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY

JUNE 30, 2024

GENERAL COMMENTS AND RECOMMENDATIONS

That the Authority maintain a general ledger on a current basis and that it be reconciled on a regular basis.

That the Authority reconcile its bank accounts monthly.

That the Authority reconcile its payroll tax and miscellaneous withholding monthly.

