

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
AUDIT REPORT FOR THE YEAR ENDED  
DECEMBER 31, 2015**



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COUNTY OF MONMOUTH, NEW JERSEY  
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**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Lake Como  
County of Monmouth  
Lake Como, New Jersey 07719

### Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Lake Como, County of Monmouth, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices 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 misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As discussed in Note 1 to the financial statements, the Borough of Lake Como prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 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 Township of Lake Como, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

#### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Lake Como, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

#### **Emphasis of Matter**

#### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Borough of Lake Como adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

## Other Matters

### Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2016, on our consideration of the Borough of Lake Como'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 the 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 Borough of Lake Como's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**



Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

Freehold, New Jersey  
August 30, 2016

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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***

Honorable Mayor and Members  
of the Borough Council  
Borough of Lake Como  
County of Monmouth  
Lake Como, New Jersey 07719

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Lake Como (herein referred to as “the Municipality”), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated August 30, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting 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, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Municipality’s internal 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 Municipality’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Comments & Recommendations we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Comments & Recommendations to be material weaknesses as Finding No. 2015-002 and 2015-003.

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 consider the deficiencies described in the accompanying Comments & Recommendations to be significant deficiencies as Finding No. 2015-001 and 2015-005.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Municipality'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* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding No's. 2015-002, 2015-004, 2015-005, and 2015-006.

### **Response to Findings**

Borough of Lake Como's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. Borough of Lake Como's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**



Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

August 30, 2016  
Freehold, New Jersey

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**BASIC FINANCIAL STATEMENTS**

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**BOROUGH OF LAKE COMO  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

	REFERENCE	2015	2014
<b>ASSETS</b>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 932,261.47	\$ 837,607.25
Change Fund	A-5	275.00	275.00
Total		932,536.47	837,882.25
Other Receivable:			
Due from State of NJ - Senior Citizens' and Veterans Dedutions	A-6	3,575.56	5,005.68
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-7	117,006.73	181,483.30
Revenue Accounts Receivable	A-8	10,763.47	8,968.21
Due from Animal Control Trust Fund	A-9	-	3,425.55
Due from Water/Sewer Utility Capital Fund	A-10	-	45,774.00
Due from Water/Sewer Operating Fund	A-11	-	50,561.45
Total Receivables & Other Assets With Full Reserves		127,770.20	290,212.51
Deferred Charges:			
Special Emergency - Authorization	A-12	91,680.00	193,986.32
Emergency Authorization	A-13	32,000.00	100,906.50
Overexpenditure of Appropriation	A-13	-	8,028.12
Deficit in Operations	A-13	-	32,795.46
		123,680.00	335,716.40
Total Regular Funds		1,187,562.23	1,468,816.84
Federal & State Grants:			
Due From Current Fund	A-28	63,244.60	60,672.33
State Grants Receivable	A-29	1,879.36	1,879.36
Total State Grants		65,123.96	62,551.69
Total Assets		\$ 1,252,686.19	\$ 1,531,368.53

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

**BOROUGH OF LAKE COMO  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

	REFERENCE	<u>2015</u>	<u>2014</u>
<b>LIABILITIES RESERVES &amp; FUND BALANCE</b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 99,331.64	\$ 46,125.12
Encumbrances Payable	A-3	5,269.36	12,972.23
Accounts Payable	A-15	19,112.37	19,112.37
Prepaid Taxes	A-16	26,871.76	30,159.26
County Taxes Payable	A-18	2,401.86	2,554.52
Due To:			
Federal and State Grant Fund	A	63,244.60	60,672.33
Trust - Other Fund	B	34,239.00	46,289.42
General Capital Fund	A-19	179,871.85	232,813.29
Payroll Fund	A-20	8,724.12	11,534.10
State of New Jersey:			
UCC Fees	A-21	2,129.44	1,860.44
Marriage License Fees	A-22	-	75.00
Reserve for:			
Tree Replacement	A-23	5,200.00	5,200.00
Tax Title Lien Premiums	A-24	50,754.36	84,195.20
Revaluation	A-25	33,260.00	93,979.75
Insurance Reimbursement	A-26	23,374.85	102,674.85
Special Emergency Note Payable	A	-	193,986.32
Subtotal Regular Fund		<u>553,785.21</u>	<u>944,204.20</u>
Reserve for Receivables & Other Assets	A	127,770.20	290,212.51
Fund Balance	A-1	<u>506,006.82</u>	<u>234,400.13</u>
Total Regular Fund		<u>1,187,562.23</u>	<u>1,468,816.84</u>
Federal and State Grant Fund:		<u>1,187,562.23</u>	<u>1,468,816.84</u>
Encumbrances Payable	A-30	853.84	853.84
Reserve for State Grants:			
Appropriated	A-30	32,007.08	28,065.50
Unappropriated	A-31	<u>32,263.04</u>	<u>33,632.35</u>
Total State & Federal Grants		<u>65,123.96</u>	<u>62,551.69</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 1,252,686.19</u>	<u>\$ 1,531,368.53</u>

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

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 51,000.00	\$ 315,127.61
Miscellaneous Revenue Anticipated	1,464,477.42	912,035.68
Receipts From Delinquent Taxes	181,482.79	103,931.25
Receipts From Current Taxes	6,669,851.57	6,417,654.24
Non-Budget Revenues	7,701.62	43,696.04
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	27,201.29	17,499.35
Cancelled Checks	-	349.96
Interfunds Returned	-	8,847.25
	<hr/>	<hr/>
Total Revenue	8,401,714.69	7,819,141.38
Expenditures:		
Budget Appropriations	3,989,353.55	3,903,265.19
Local District School Taxes Payable	3,022,000.00	3,022,000.00
County Taxes Payable	1,097,352.59	1,147,514.77
Added/Omitted Taxes Payable	2,401.86	2,554.52
Grants Cancelled in Capital Fund	-	-
Prior Year FEMA Reserve	-	-
Interfunds Advanced	-	-
Refund of Prior Year Revenue	-	-
SC & Vet Disallowed	-	136.98
	<hr/>	<hr/>
Total Expenditures	8,111,108.00	8,075,471.46
Excess/(Deficit) in Revenue	290,606.69	(256,330.08)
Adjustments To Income Before Surplus:		
Expenditures Included Above Which Are By Statute Deferred Charges To Budget of Succeeding Year	32,000.00	256,330.08
	<hr/>	<hr/>
Statutory Excess To Fund Balance	322,606.69	0.00
Fund Balance, January 1,	234,400.13	549,527.74
	<hr/>	<hr/>
Decreased By:	557,006.82	549,527.74
Utilized as Anticipated Revenue	51,000.00	315,127.61
	<hr/>	<hr/>
Fund Balance, December 31,	\$ 506,006.82	\$ 234,400.13
	<hr/> <hr/>	<hr/> <hr/>

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

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015**

	Anticipated <u>Revenue</u>	Realized	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 51,000.00	\$ 51,000.00	\$ -
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	20,400.00	20,160.00	(240.00)
Other	9,500.00	18,241.00	8,741.00
Fees and Permits	33,000.00	41,170.00	8,170.00
Fines and Costs:			
Municipal Court	265,000.00	391,596.89	126,596.89
Interest and Costs on Taxes	25,000.00	38,420.31	13,420.31
Interest on Investments and Deposits	3,100.00	2,681.78	(418.22)
Utility Fund Operating Surplus	185,714.00	185,714.00	-
Ceremony Fees	900.00	425.00	(475.00)
Franchise Fees	30,000.00	32,986.23	2,986.23
State Aid Without Offsetting Appropriations:			
Consolidated Municipal Property Tax Relief Aid	94,755.00	94,755.00	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	241,363.00	241,363.00	-
UCC: Fees and Permits	45,000.00	51,090.00	6,090.00
National Geomatica GIS System	13,000.00	12,082.00	(918.00)
State Revenues Offset with Appropriations:			
Recycling Tonnage Grant	2,598.07	2,598.07	-
Body Armor	1,343.51	1,343.51	-
Cops in Shops	6,000.00	6,000.00	-
Clean Communities Program	4,000.00	4,000.00	-
Special Items of Revenue:			
Special Emergency (FEMA)	154,312.38	154,089.63	(222.75)
Due from Water/Sewer Utility Capital Fund	45,774.00	45,774.00	-
Due from Water/Sewer Utility Operating Fund	50,561.45	50,561.45	-
Due from Animal Control Trust Fund	3,425.55	3,425.55	-
Reserve for Insurance Reimbursements	66,000.00	66,000.00	-
<b>Total Miscellaneous Revenues</b>	<b>1,300,746.96</b>	<b>1,464,477.42</b>	<b>163,730.46</b>
<b>Receipts From Delinquent Taxes</b>	<b>180,000.00</b>	<b>181,482.79</b>	<b>1,482.79</b>
<b>Amount to be Raised by Taxes for Support of Municipal Budget</b>	<b>2,651,193.04</b>	<b>2,768,765.27</b>	<b>117,572.23</b>
<b>Budget Totals</b>	<b>4,182,940.00</b>	<b>4,465,725.48</b>	<b>282,785.48</b>
<b>Non-Budget Revenues</b>	<b>-</b>	<b>7,701.62</b>	<b>7,701.62</b>
<b>Total General Revenues</b>	<b>\$ 4,182,940.00</b>	<b>\$ 4,473,427.10</b>	<b>\$ 290,487.10</b>

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

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015**

Analysis of Realized Revenues

Allocation of Current Tax Collections:		
Revenue From Collections		\$ 6,669,851.57
Less:		
Local District School Taxes	\$ 3,022,000.00	
County Taxes	1,097,352.59	
Added/Omitted Taxes	<u>2,401.86</u>	
		<u>4,121,754.45</u>
Balance for Support of Municipal Budget Appropriations		2,548,097.12
Add: Reserve for Uncollected Taxes		<u>220,668.15</u>
Balance for Support of Municipal Budget		<u>\$ 2,768,765.27</u>
Receipts From Delinquent Taxes		<u>\$ 181,482.79</u>
 <u>Miscellaneous Revenue Not Anticipated</u>		
Senior Citizens' and Veterans' Administrative Fees		266.16
Miscellaneous Other		<u>7,435.46</u>
		<u>\$ 7,701.62</u>

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

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015**

	Appropriated		Expended			Over- expenditure
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbrances	Cancelled	
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 49,000.00	\$ 49,000.00	\$ 49,000.00	\$ -	\$ -	-
Other Expenses:						
Stationery, Printing and Advertising	4,000.00	4,000.00	1,985.19	-	2,014.81	-
Miscellaneous Other Expenses	2,000.00	2,000.00	1,918.72	-	81.28	-
Mayor and Council:						
Salaries and Wages	14,500.00	14,500.00	14,500.00	-	-	-
Salaries and Wages - Ceremony Fees	1,000.00	1,000.00	375.00	-	625.00	-
Other Expenses	1,000.00	1,000.00	906.99	-	93.01	-
Municipal Clerk:						
Salaries and Wages	53,500.00	53,500.00	49,144.70	-	4,355.30	-
Other Expenses	1,000.00	1,000.00	944.98	-	55.02	-
Elections	400.00	400.00	371.84	-	28.16	-
Financial Administration (Treasury):						
Salaries and Wages	120,000.00	118,869.51	117,496.81	-	1,372.70	-
Other Expenses	10,000.00	10,000.00	8,231.26	140.99	1,627.75	-
Audit Services:						
Other Expenses	40,000.00	40,000.00	40,000.00	-	-	-
Revenue Administration (Tax Collection):						
Salaries and Wages	63,500.00	62,500.00	62,014.88	-	485.12	-
Other Expenses	7,700.00	7,700.00	7,632.12	-	67.88	-
Tax Search Officer:						
Salaries and Wages	6,800.00	6,800.00	6,800.00	-	-	-

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

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015**

	Appropriated		Paid or Charged	Expended		Cancelled	Reserved	Over-expenditure
	Adopted Budget	Budget After Modification		Encumbrances				
Tax Sale:								
Other Expenses	360.00	217.16	217.16	-	-	-	-	-
Tax Assessment Administration:								
Salaries and Wages	12,300.00	12,300.00	12,054.12	-	245.88	-	-	-
Other Expenses	5,000.00	5,700.00	5,699.56	-	0.44	-	-	-
Assessment and Municipal Imp. Searcher:								
Salaries and Wages	4,000.00	4,000.00	4,000.00	-	-	-	-	-
Legal Services (Legal Department):								
Fees	12,000.00	47,000.00	44,042.53	-	2,957.47	-	-	-
Borough Attorney	22,000.00	20,000.00	19,709.28	-	290.72	-	-	-
Municipal Court:								
Salaries and Wages	35,000.00	34,000.00	33,895.16	-	104.84	-	-	-
Other Expenses	3,000.00	3,000.00	2,991.00	-	9.00	-	-	-
Engineering Services:								
Other Expenses	40,000.00	20,000.00	14,266.00	-	5,734.00	-	-	-
LAND USE ADMINISTRATION								
Planning Board:								
Salaries and Wages	6,000.00	6,000.00	3,360.00	-	2,640.00	-	-	-
Other Expenses	7,000.00	7,000.00	3,542.95	-	3,457.05	-	-	-
CODE ENFORCEMENT AND ADMINISTRATION								
Building Inspector:								
Salaries and Wages	9,800.00	9,800.00	9,457.70	-	342.30	-	-	-
Plumbing Inspector:								
Salaries and Wages	7,800.00	7,800.00	7,654.27	-	145.73	-	-	-
Fire Protection Inspection:								
Salaries and Wages	7,800.00	7,800.00	7,800.00	-	-	-	-	-
Electrical Inspector:								
Salaries and Wages	7,800.00	7,800.00	7,314.75	-	485.25	-	-	-

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

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015**

	Appropriated		Expended			Over- expenditure
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbrances	Reserved	
Construction Code Official:						
Salaries and Wages	48,500.00	45,000.00	44,902.33	-	97.67	-
Other Expenses	2,500.00	2,500.00	2,474.60	-	25.40	-
Zoning Official	4,780.00	4,780.00	4,681.82	-	98.18	-
Zoning Officer - Application Fees	2,400.00	2,400.00	1,350.00	-	1,050.00	-
INSURANCE						
Surety Bonds Premiums:						
Other Expenses	9,536.01	9,536.01	9,536.01	-	-	-
General Liability	51,032.05	38,545.05	38,545.05	-	-	-
Workers Compensation	84,539.37	84,539.37	84,539.37	-	-	-
Employee Group Health	318,398.47	313,945.70	313,945.70	-	-	-
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	1,179,330.00	1,211,330.00	1,210,266.46	855.00	208.54	-
Other Expenses	90,000.00	94,000.00	89,643.69	-	4,356.31	-
Office of Emergency Management:						
Other Expenses	450.00	-	-	-	-	-
Aid To Volunteer Ambulance Companies:						
Contribution	20,000.00	20,000.00	-	-	20,000.00	-
Other Expenses	1,000.00	1,000.00	175.55	-	824.45	-
Public Defender:						
Salaries and Wages	3,000.00	3,000.00	2,754.00	-	246.00	-
Fire Department:						
Salaries and Wages	1,400.00	-	-	-	-	-
Other Expenses:						
Fire Alarm System	1,300.00	396.00	396.00	-	-	-
Miscellaneous	20,000.00	16,000.00	14,633.75	766.74	599.51	-

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

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015**

	Appropriated		Expended			Over- expenditure
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbrances	Cancelled	
Municipal Prosecutor:						
Salaries and Wages	19,302.16	19,302.16	18,923.58	-	378.58	-
<b>PUBLIC WORKS</b>						
Streets and Road Maintenance:						
Salaries and Wages	94,000.00	94,000.00	94,000.00	-	-	-
Other Expenses	28,000.00	32,375.00	29,029.08	351.74	2,994.18	-
Solid Waste Collection:						
Other Expenses	60,000.00	60,000.00	58,566.31	91.70	1,341.99	-
Recycling:						
Salaries and Wages	85,000.00	85,000.00	85,000.00	-	-	-
Other Expenses	26,000.00	26,000.00	25,392.90	-	607.10	-
Building and Grounds:						
Other Expenses	50,000.00	53,625.00	49,386.64	331.55	3,906.81	-
<b>HEALTH AND HUMAN SERVICES</b>						
Public Health Services:						
Salaries and Wages	3,600.00	3,600.00	3,600.00	-	-	-
Environmental Health Services:						
Other Expenses	400.00	-	-	-	-	-
<b>PARK AND RECREATION</b>						
Advancement of Youth Activities:						
Other Expenses	3,000.00	1,500.00	1,500.00	-	-	-

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

BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015

	Appropriated		Expended				Over- expenditure
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbrances	Reserved	Cancelled	
OTHER OPERATING FUNCTIONS							
Celebration of Public Events:							
Other Expenses	2,500.00	1,483.84	1,095.98	-	387.86	-	-
UTILITY EXPENSE AND BULK PURCHASES							
Street Lighting	25,000.00	23,000.00	21,226.97	-	1,773.03	-	-
Telephone (excluding equipment acquisition)	19,000.00	17,600.00	15,001.93	-	2,598.07	-	-
LANDFILL/SOLID WASTE DISPOSAL COSTS							
Landfill/Solid Waste Disposal Costs	60,000.00	60,000.00	51,599.63	2,291.64	6,108.73	-	-
Reserve for Accumulated Sick and Vacation	1,000.00	1,000.00	-	-	1,000.00	-	-
Reserve for Snow Removal	5,000.00	5,000.00	4,750.00	-	250.00	-	-
Total Operations - Within "CAPS"	2,874,228.06	2,895,144.80	2,814,244.32	4,829.36	76,071.12	-	-
Contingent	1,000.00	1,000.00	1,000.00	-	-	-	-
Total Operations Including Contingent - Within "CAPS"	2,875,228.06	2,896,144.80	2,815,244.32	4,829.36	76,071.12	-	-
Detail:							
Salaries and Wages	1,859,712.16	1,881,681.67	1,868,704.86	855.00	12,121.81	-	-
Other Expenses (Including Contingent)	1,015,515.90	1,014,463.13	946,539.46	3,974.36	63,949.31	-	-

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

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015**

	Appropriated		Expended			Over- expenditure
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbrances	Reserved	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
Emergency Authorizations	3,317.00	3,317.00	3,316.50	-	-	0.50
Deficit in Operations	36,012.93	36,012.93	32,795.46	-	-	3,217.47
Expenditure without an Appropriation	8,028.12	8,028.12	8,028.12	-	-	-
<b>STATUTORY EXPENDITURES</b>						
Contribution To:						
Public Employees' Retirement System	76,888.00	76,888.00	76,888.00	-	-	-
Consolidated Police and Fireman's Pension Fund	4,570.44	4,570.44	4,570.44	-	-	-
Social Security System (O.A.S.I.)	115,000.00	126,000.00	119,550.16	-	6,449.84	-
Police and Firemen's Retirement System of NJ	242,629.00	242,712.26	242,712.26	-	-	-
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>486,445.49</b>	<b>497,528.75</b>	<b>487,860.94</b>	<b>-</b>	<b>6,449.84</b>	<b>3,217.97</b>
<b>Total General Appropriations for Municipal Purposes - Within "CAPS"</b>	<b>3,361,673.55</b>	<b>3,393,673.55</b>	<b>3,303,105.26</b>	<b>4,829.36</b>	<b>82,520.96</b>	<b>3,217.97</b>
National Geomatica - GIS System	13,000.00	13,000.00	8,090.00	440.00	4,470.00	-
Declared State of Emergency - Snow Removal	6,000.00	6,000.00	2,400.00	-	3,600.00	-
Recycling Tax	2,740.68	2,740.68	-	-	2,740.68	-
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>21,740.68</b>	<b>21,740.68</b>	<b>10,490.00</b>	<b>440.00</b>	<b>10,810.68</b>	<b>-</b>
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:</b>						
Police Dispatch: Interlocal	57,222.00	57,222.00	57,222.00	-	-	-
Belmar: Construction Code Enforcement Interlocal	10,030.28	10,030.28	10,030.28	-	-	-
Belmar: Distribution of Brine	6,000.00	6,000.00	-	-	6,000.00	-
Belmar: Municipal Court Interlocal	84,577.44	84,577.44	84,577.44	-	-	-

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

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015**

	Appropriated		Expended			Over- expenditure
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbrances Reserved	Cancelled	
Total Interlocal Municipal Service Agreement PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	157,829.72	157,829.72	151,829.72	-	6,000.00	-
Body Armor	1,343.51	1,343.51	1,343.51	-	-	-
Cops in Shops	6,000.00	6,000.00	6,000.00	-	-	-
Recycling Tonnage Grant	2,598.07	2,598.07	2,598.07	-	-	-
Clean Communities:	4,000.00	4,000.00	4,000.00	-	-	-
Total Public and Private Programs Offset By Revenues	13,941.58	13,941.58	13,941.58	-	-	-
Total Operations - Excluded From "CAPS"	193,511.98	193,511.98	176,261.30	440.00	16,810.68	-
Detail:						
Salaries and Wages	4,000.00	4,000.00	10,000.00	-	-	-
Other Expenses	189,511.98	189,511.98	166,261.30	440.00	16,810.68	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	-	-	-
Shared Services DPW Equipment - Belmar	10,000.00	10,000.00	10,000.00	-	-	-
Total Capital Improvements - Excluded from "CAPS"	35,000.00	35,000.00	35,000.00	-	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	40,000.00	40,000.00	40,000.00	-	-	-
Interest on Notes	-	-	-	-	-	-
Interest on Bonds	3,520.00	3,520.00	3,520.00	-	-	-
Capital Lease Obligations Approved Prior To 7/1/2007:						
Principal	28,400.00	28,400.00	28,400.00	-	-	-
Interest	1,420.00	1,420.00	1,419.68	-	0.32	-
Capital Lease Obligations Approved After To 7/1/2007:						
Principal	70,000.00	70,000.00	70,000.00	-	-	-
Interest	26,850.00	26,850.00	26,849.99	-	0.01	-
Administration Fees Lease Programs	2,000.00	2,000.00	300.00	-	1,700.00	-

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

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015**

	Appropriated		Expended				Over- expenditure
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbrances	Reserved	Cancelled	
Total Municipal Debt Service - Excluded From "CAPS"	172,190.00	172,190.00	170,489.67	-	-	1,700.33	-
DEFERRED CHARGES - EXCLUDED FROM "CAPS"							
Emergency Authorizations	97,590.00	97,590.00	97,590.00	-	-	-	-
Special Emergency Authorizations -							
5 Years (N.J.S. 40A:4-55)	22,920.00	22,920.00	22,920.00	-	-	-	-
3 Years (N.J.S. 40A:4-55.1 & 40A:4-55.13)	79,386.32	79,386.32	79,386.32	-	-	-	-
Total Deferred Charges - Municipal Excluded from "CAPS"	199,896.32	199,896.32	199,896.32	-	-	-	-
Total General Appropriations - Excluded from "CAPS"	600,598.30	600,598.30	581,647.29	440.00	16,810.68	1,700.33	-
Subtotal General Appropriations	3,962,271.85	3,994,271.85	3,884,752.55	5,269.36	99,331.64	4,918.30	-
Reserves for Uncollected Taxes	220,668.15	220,668.15	220,668.15	-	-	-	-
Total General Appropriations	\$ 4,182,940.00	\$ 4,214,940.00	\$ 4,105,420.70	\$ 5,269.36	\$ 99,331.64	\$ 4,918.30	\$ -
Original Budget	\$ 4,182,940.00						
Emergency Authorizations		32,000.00					
		<u>\$ 4,214,940.00</u>					
Reserve for Uncollected Taxes		\$ 220,668.15					
Reserve for Grants Appropriated		13,941.58					
Deferred Charges		221,116.40					
Reserve for Revaluation		22,920.00					
Due General Capital Fund		25,000.00					
Cash Disbursed		<u>3,601,774.57</u>					
		<u>\$ 4,105,420.70</u>					

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

**BOROUGH OF LAKE COMO  
TRUST FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
<b>Animal Control Fund:</b>			
Cash	B-1	\$ 1,173.88	\$ 4,059.03
Due from State of New Jersey	B-3	2.00	\$ -
<b>Total</b>		<u>1,175.88</u>	<u>4,059.03</u>
<b>Trust - Other Fund:</b>			
Cash	B-1	64,189.54	42,283.60
Due From Current Fund	B-5	34,239.00	46,289.42
<b>Total</b>		<u>98,428.54</u>	<u>88,573.02</u>
<b>Total Assets</b>		<u>\$ 99,604.42</u>	<u>\$ 92,632.05</u>
 <b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
<b>Animal Control Fund:</b>			
Reserve for Animal Control Fund Expenditures	B-2	\$ 1,175.88	\$ 631.88
Due to State of New Jersey	B-3	-	1.60
Due to Current Fund	B-4	-	3,425.55
<b>Total</b>		<u>1,175.88</u>	<u>4,059.03</u>
<b>Trust - Other Funds:</b>			
Reserve for:			
Unemployment Insurance	B-6	7.10	7.10
Off-Duty Employment	B-6	25,145.67	2,342.42
Law Enforcement	B-6	3,024.79	3,017.13
Municipal Court - P.O.A.A	B-6	189.07	611.07
Developers Escrow Fund - Planning Board	B-6	21,275.82	33,326.24
Tourism Account	B-6	2,949.24	4,491.31
Engineering Escrow Fees	B-6	1,269.25	1,269.25
Street Openings	B-6	13,272.00	13,272.00
Uniform Fire Account Fund	B-6	750.00	750.00
Fire Prevention Bureau	B-6	3,319.14	2,432.65
Public Defender	B-6	6,269.91	6,150.35
Ripley Lane Development Escrow	B-6	20,956.55	20,903.50
<b>Total</b>		<u>98,428.54</u>	<u>88,573.02</u>
<b>Total</b>		<u>\$ 99,604.42</u>	<u>\$ 92,632.05</u>

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

**BOROUGH OF LAKE COMO**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Cash	C-2,C-3	\$ 1,259.40	\$ 1,259.40
Green Acres Loan Trust Fund Receivable	C-4	14,786.61	14,786.61
Due From:			
Current Fund	C-5	179,871.85	232,813.29
New Jersey D.O.T	C-6	382,917.43	382,917.43
Community Development Block Grant	C-7	5,885.70	5,885.70
Deferred Charges to Future Taxation:			
Funded	C-8	595,000.00	705,000.00
Unfunded	C-9	136,511.42	136,511.42
 Total Assets		 \$ 1,316,232.41	 \$ 1,479,173.85
 LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-10	\$ 595,000.00	\$ 705,000.00
Due To Water/Sewer Utility Capital Fund	C-11	21,521.32	21,521.32
Improvement Authorizations:			
Funded	C-12	522,516.72	600,458.16
Unfunded	C-12	107,007.42	107,007.42
Capital Improvement Fund	C-13	61,380.00	36,380.00
Fund Balance	C-1	8,806.95	8,806.95
 Total Liabilities, Reserves & Fund Balance		 \$ 1,316,232.41	 \$ 1,479,173.85

There were bonds and notes authorized but not issued on December 31, 2015 & 2014 in the amount of \$30,272.00. (Exh C-14)

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 8,806.95

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

**BOROUGH OF LAKE COMO  
WATER-SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

	REFERENCE	<u>2015</u>	<u>2014</u>
ASSETS			
Operating Fund:			
Cash	D-4	\$ 217,896.18	\$ 1,621,104.03
Investments	D-4	-	193,986.32
Cash - Change Fund	D-5	<u>75.00</u>	<u>75.00</u>
Total		<u>217,971.18</u>	<u>1,815,165.35</u>
Due From Water/Sewer Capital Fund	D-16	<u>305,103.29</u>	<u>-</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-7	<u>69,420.32</u>	<u>82,683.30</u>
Deferred Charges:			
Over-expenditure of Appropriation	D-3	<u>-</u>	<u>8,943.75</u>
Total Deferred Charges		<u>-</u>	<u>8,943.75</u>
Total Operating Fund		<u>592,494.79</u>	<u>1,906,792.40</u>
Capital Fund:			
Due From:			
General Capital Fund	D-8	21,521.32	21,521.32
Water/Sewer Utility Operating Fund	D-9	-	1,370,917.55
Fixed Capital	D-10	369,293.28	369,293.28
Fixed Capital Authorized and Uncompleted	D-11	<u>3,240,848.50</u>	<u>2,813,223.50</u>
Total Capital Fund		<u>3,631,663.10</u>	<u>4,574,955.65</u>
Total Operating & Capital Fund		<u>\$ 4,224,157.89</u>	<u>\$ 6,481,748.05</u>

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

**BOROUGH OF LAKE COMO  
WATER-SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

	REFERENCE	<u>2015</u>	<u>2014</u>
<b>LIABILITIES RESERVES &amp; FUND BALANCE</b>			
<b>Operating Fund:</b>			
<b>Liabilities:</b>			
Appropriation Reserves	D-3	\$ 50,932.88	\$ 13,083.45
Enumbrances Payable	D-3	485.03	11,087.63
Prepaid Rents	D-13	99,450.77	96,418.99
Accrued Interest on Notes	D-14	8,175.78	8,943.75
<b>Due To:</b>			
Current Fund	D-15	-	50,561.45
Water/Sewer Utility Capital Fund	D-16	-	1,370,917.55
Accounts Payable	D-17	<u>29,652.93</u>	<u>29,652.93</u>
Subtotal		<u>188,697.39</u>	<u>1,580,665.75</u>
Reserve for Receivables	D	69,420.32	82,683.30
Fund Balance	D-1	<u>334,377.08</u>	<u>243,443.35</u>
Total Operating Fund		<u>592,494.79</u>	<u>1,906,792.40</u>
<b>Capital Fund:</b>			
Bond Anticipation Notes	D-18	2,812,500.00	2,812,500.00
<b>Improvement Authorizations:</b>			
Funded	D-19	723.50	723.50
Unfunded	D-19	95,603.94	1,298,225.78
Reserve for Amortization	D-20	369,293.28	369,293.28
Reserve To Pay Bond Anticipation Notes	D-21	3,893.87	3,893.87
Due to Water/Sewer Utility Operating Fund	D-9	305,103.29	-
Due to Current Fund	D-22	-	45,774.00
Capital Improvement Fund	D-23	43,821.72	43,821.72
Deferred Reserve for Amortization	D-24	<u>723.50</u>	<u>723.50</u>
Total Capital Fund		<u>3,631,663.10</u>	<u>4,574,955.65</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 4,224,157.89</u>	<u>\$ 6,481,748.05</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$427,625 and on December 31, 2014 of \$-0-.

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

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**WATER/SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 211,185.75	\$ 95,000.00
Water/Sewer Utility Rents	1,279,795.25	993,597.18
Miscellaneous	10,618.19	11,210.91
Non-Budget Revenue	-	-
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	5,317.07	3,936.73
Cancel Accounts Payable	-	-
Interfunds Liquidated	-	4,233.66
	<hr/>	<hr/>
Total Revenues	<u>1,506,916.26</u>	<u>1,107,978.48</u>
Expenditures:		
Operating:		
Salaries and Wages	192,500.00	170,847.65
Other Expenses	78,000.00	59,036.07
Other Expenses - South Monmouth		
Regional Sewerage Authority	465,157.00	500,315.35
Purchase of Water	233,000.00	234,000.00
Debt Service	19,482.00	8,943.75
Deferred Charges	8,943.75	-
Statutory Expenditures	22,000.00	20,800.93
Surplus (General Budget)	185,714.00	-
	<hr/>	<hr/>
Total Expenditures	<u>1,204,796.75</u>	<u>993,943.75</u>
Excess in Revenue	302,119.51	114,034.73
Adjustments To Income Before Surplus:		
Expenditures Included Above Which Are By		
Statute Deferred Charges To Budget of		
Succeeding Year	-	8,943.75
	<hr/>	<hr/>
Statutory Excess in Revenue	302,119.51	122,978.48
Fund Balance, January 1,	<u>243,443.32</u>	<u>215,464.84</u>
	545,562.83	338,443.32
Decreased By:		
Utilized as Anticipated Revenue	<u>211,185.75</u>	<u>95,000.00</u>
Fund Balance, December 31,	<u><u>\$ 334,377.08</u></u>	<u><u>\$ 243,443.32</u></u>

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

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015**

	Anticipated <u>Revenue</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 211,185.75	\$ 211,185.75	\$ -
Water/Sewer Utility Rents	986,379.00	1,279,795.25	293,416.25
Miscellaneous	8,000.00	10,618.19	2,618.19
	<u>\$ 1,205,564.75</u>	<u>\$ 1,501,599.19</u>	<u>\$ 296,034.44</u>

Analysis of Miscellaneous Revenue

Interest on Investments	\$ 2,298.43
Interest and Costs on Rents	<u>8,319.76</u>
	<u>\$ 10,618.19</u>

Analysis of Water/Sewer Utility Rents

Cash	\$ 1,183,285.51
Overpayments Applied	90.75
Prepays Applied	<u>96,418.99</u>
	<u>\$ 1,279,795.25</u>

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

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:						
Salaries and Wages	\$ 195,500.00	\$ 192,500.00	\$ 189,289.68	\$ -	\$ 3,210.32	\$ -
Other Expenses	72,000.00	78,000.00	75,906.27	485.03	1,608.70	-
Other Expenses - South Monmouth Regional Sewerage Authority	465,157.00	465,157.00	431,443.89	-	33,713.11	-
Purchase of Water	236,000.00	233,000.00	220,599.25	-	12,400.75	-
<b>Total Operating</b>	<b>968,657.00</b>	<b>968,657.00</b>	<b>917,239.09</b>	<b>485.03</b>	<b>50,932.88</b>	<b>-</b>
Debt Service						
Interest on Notes	20,250.00	20,250.00	19,482.00	-	-	768.00
<b>Total Debt Service:</b>	<b>20,250.00</b>	<b>20,250.00</b>	<b>19,482.00</b>	<b>-</b>	<b>-</b>	<b>768.00</b>
Deferred Charges						
Overexpenditure of Appropriations	8,943.75	8,943.75	8,943.75	-	-	-
<b>Total Deferred Charges:</b>	<b>8,943.75</b>	<b>8,943.75</b>	<b>8,943.75</b>	<b>-</b>	<b>-</b>	<b>-</b>
Statutory Expenditures:						
Contribution To:						
Social Security System (O.A.S.I.)	22,000.00	22,000.00	22,000.00	-	-	-
<b>Total Statutory Expenditures</b>	<b>22,000.00</b>	<b>22,000.00</b>	<b>22,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus (General Budget)	185,714.00	185,714.00	185,714.00	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,205,564.75</b>	<b>\$ 1,205,564.75</b>	<b>\$ 1,153,378.84</b>	<b>\$ 485.03</b>	<b>\$ 50,932.88</b>	<b>\$ 768.00</b>

<u>Analysis of Paid or Charged</u>	
Cash Disbursed	\$ 1,145,203.09
Deferred Charges	8,943.75
Accrued Interest on Notes	(768.00)
	<u>\$ 1,153,378.84</u>

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

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	Balance December 31, <u>2015</u>	Balance December 31, <u>2014</u>
General Fixed Assets:			
Land and Improvements	E-1	\$ 688,180.00	\$ 688,180.00
Buildings	E-1	937,600.00	937,600.00
Machinery and Equipment	E-1	<u>2,057,199.45</u>	<u>1,944,992.02</u>
Total General Fixed Assets		<u>\$ 3,682,979.45</u>	<u>\$ 3,570,772.02</u>
Investment in General Fixed Assets	E	<u>\$ 3,682,979.45</u>	<u>\$ 3,570,772.02</u>

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

**BOROUGH OF LAKE COMO  
PAYROLL FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	<u>2015</u>	<u>2014</u>
Cash	F	\$ 63,689.49	\$ 56,152.50
Due From Current Fund	A	<u>8,724.12</u>	<u>11,534.10</u>
Total Assets		<u>\$ 72,413.61</u>	<u>\$ 67,686.60</u>
 LIABILITIES, RESERVES, AND FUND BALANCE			
Payroll Deductions Payable	F	<u>\$ 72,413.61</u>	<u>\$ 67,686.60</u>
Total Liabilities		<u>\$ 72,413.61</u>	<u>\$ 67,686.60</u>

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

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**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

The Borough of Lake Como, County of Monmouth, New Jersey ("Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit. Included within the financial statements are taxes levied, collected and turned over to School Boards. Complete financial statements of the above entities can be obtained by contacting their Treasurer.

**Component Units**

The Borough of Lake Como had no component units as defined by Governmental Accounting Standards Board Statement No.14, as amended by GASB Statements No. 39 and 61.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Borough of Lake Como contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Lake Como accounts for its financial transactions through the use of separate funds, which are described as follows:

**Current Fund** – The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

**Trust Fund** – The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

**Utility Operating and Capital Funds** – The Utility Fund accounts for water/sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the water/sewer utility to the general public be financed through user fees. Operations relating to the acquisition of water/sewer capital facilities are recorded in the Water/Sewer Utility Capital Fund.

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**General Fixed Asset Account Group** – The Fixed Asset Account Group accounts for all assets used in government operations.

**Payroll Fund** – The Payroll Fund is used to account for the payroll activity of all the funds and the disbursements of payroll withholdings to the various agencies.

**Budgets and Budgetary Accounting** - The Borough of Lake Como must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10<sup>th</sup> of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**Cash, Cash Equivalents and Investments** - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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

*N.J.S.A.17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

The cash management plan adopted by the Borough of Lake Como requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

**Inventories and Supplies** - The cost 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 of assets, liabilities, reserves and fund balance.

**General Fixed Assets** – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Foreclosed property** – Foreclosed Property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Deferred Charges** – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Fund Balance** – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

**Revenues** – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough’s budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough’s Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

**Property Tax Revenues** – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough’s annual budget, but also the amounts required in support of the budgets of the County of Monmouth, Lake Como School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Lake Como School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district July 1 to June 30.

**County Taxes** – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**Reserve for Uncollected Taxes** – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Borough’s annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Expenditures** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Appropriation Reserves** – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled 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.

**Long-Term Debt** - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Post-employment Benefits** – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis.

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

For the year ended December 31, 2015, the Borough implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statements requires the Borough to disclose its portion of the collective net pension’s asset and liability of the New Jersey Public Employees’ Retirement System (PERS) and the New Jersey Police Firemen’s Retirement System (PFRS).

**Subsequent Events** - The Borough of Lake Como has evaluated subsequent events occurring after December 31, 2015 through the date of August 30, 2016, which is the date the financial statements were available to be issued.

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 2. Cash and Cash Equivalents**

The Borough is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2015 and reported at fair value are as follows:

Type	Carrying Value
<b>Deposits</b>	
Demand Deposits	<u>\$ 1,280,469.96</u>
Total Deposits	<u><u>\$ 1,280,469.96</u></u>
<b>The Borough's Cash and Cash Equivalents are Reported as Follows:</b>	
Current Fund	\$ 932,261.47
Trust Other Fund	64,189.54
Animal Control Fund	1,173.88
Capital Fund	1,259.40
Water/Sewer Utility Fund	217,896.18
Payroll Fund	<u>63,689.49</u>
Total Cash and Cash Equivalents	<u><u>\$ 1,280,469.96</u></u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2015, the Borough's bank balance of \$1,292,691.34 was insured or collateralized as follows:

Insured	\$ 893,288.54
Uninsured and uncollateralized	144,372.25
New Jersey Cash Management Fund	5,030.55
Collateralized in the Municipal's Name Under GUDPA	<u>250,000.00</u>
Total	<u><u>\$ 1,292,691.34</u></u>

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 3. Property Taxes**

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

	2015	2014	2013
Total Tax Rate	<u>\$ 1.825</u>	<u>\$ 1.700</u>	<u>\$ 1.669</u>
Apportionment of Tax Rate:			
Municipal	0.715	0.623	0.589
County	0.295	0.296	0.303
Local School	0.815	0.781	0.777

**Net Valuation Taxable**

2015	<u>\$ 371,082,600.00</u>		
2014		<u>\$ 387,201,400.00</u>	
2013			<u>\$ 388,790,000.00</u>

**Comparison of Tax Levies and Collection Currently**

Year	Tax Levy	Cash Collections	Percentage Of Collection
2015	\$ 6,786,858.30	\$ 6,669,851.57	98.27%
2014	6,599,692.93	6,417,654.24	97.24%
TY 2013	3,389,592.00	3,254,564.00	96.02%
2013	6,371,051.00	6,232,774.00	97.83%

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2015	\$ -	\$ 117,006.73	\$ 117,006.73	1.72%
2014	-	181,482.79	181,482.79	2.75%
TY 2013	-	105,110.00	105,110.00	3.10%
2013	-	138,278.00	138,278.00	2.17%

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note: 5: Water-Sewer Utility Service Charges**

The following is a three-year comparison of water-sewer utility charges (rents) for the current and previous two years.

YEAR ENDED DECEMBER 31	BEGINNING RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2015	\$ 82,683.30	\$ 1,266,532.27	\$ 1,349,215.57	\$ 1,279,795.25	94.85%
2014	372,650.83	703,571.95	1,076,222.78	993,539.48	92.32%
TY 2013	60,962.82	889,491.87	950,454.69	480,159.10	50.52%

**Note: 6: Property Acquired By Tax Title Lien Liquidation**

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2015.

**Note 7. Fund Balances Appropriated**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Year	Balance December 31,	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
<b>Current Fund</b>			
2015	506,006.82	***	***
2014	234,443.35	51,000.00	21.75%
TY 2013	549,527.74	315,128.00	57.35%
2013	373,806.00	204,350.00	54.67%
2012	579,878.00	360,000.00	62.08%
<b>Water/Sewer Utility Fund</b>			
2015	334,377.08	***	***
2014	243,264.55	211,185.75	86.81%
TY 2013	215,464.87	95,000.00	44.09%
2013	68,927.00	-	0.00%
2012	41,963.00	20,000.00	47.66%

\*\*\* 2016 Budget not adopted as of this date.

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 8. Interfund Receivables and Payables**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2015:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$ -	\$ 286,079.57
State & Federal Grant Fund	63,244.60	-
Trust Other Fund	34,239.00	-
General Capital Fund	179,871.85	21,521.32
Water / Sewer Operating Fund	305,103.29	-
Water / Sewer Capital Fund	21,521.32	305,103.29
Payroll Fund	8,724.12	-
	<hr/>	<hr/>
Total	<u>\$ 612,704.18</u>	<u>\$ 612,704.18</u>

The purpose of these interfunds was short-term borrowings.

The summary of interfund transfers follows:

FUND	TRANSFERS IN	TRANSFERS OUT
Current Fund	\$ 288,283.27	\$ 123,292.70
State & Federal Grant Fund	12,572.27	10,000.00
Trust Fund	9,267.11	21,317.53
Animal Control Fund	-	3,425.55
General Capital Fund	25,000.00	77,941.44
Water / Sewer Operating Fund	-	1,726,582.29
Water / Sewer Capital Fund	1,676,020.84	45,774.00
Payroll Fund	76,453.32	79,263.30
	<hr/>	<hr/>
	<u>\$ 2,087,596.81</u>	<u>\$ 2,087,596.81</u>

**Note 9. Pension Obligations**

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$80,890.00 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

**Net Pension Liability and Pension Expense** - At December 31, 2015, the Borough's proportionate share of the PERS net pension liability is valued to be \$2,112,075.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .00941%, which was an increase of .00061% from its proportion measured as of June 30, 2014.

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

Collective Balances at December 31, 2015 & December 31, 2014		
	12/31/2015	12/31/2014
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	2,112,075.00	1,647,852.00
Township's Portion of the Plan's Total Net Pension Liability	0.00941%	0.00880%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$160,144.00.

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> (3.90%)	<u>Discount</u> (4.90%)	<u>Increase</u> (5.90%)
Borough's proportionate share of the net pension liability	\$ 2,625,050.80	\$ 2,112,075.00	\$ 1,681,999.80

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 9. Pension Obligations (continued):**

**A. 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 PERS financial statements.

**B. Police and Firemen's Retirement System (PFRS)**

**Plan Description** – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PFRS amounted to \$256,145.00 for 2015.

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen's Retirement System (PFRS) (continued):**

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

**Special Funding Situation** – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

**Net Pension Liability and Pension Expense** - At December 31, 2015, the Borough's proportionate share of the PFRS net pension liability is valued to be \$5,248,789.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .03151%, which was an increase of .00167% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 & December 31, 2014		
	12/31/15	12/31/14
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	5,248,789.00	3,753,729.00
Township's Portion of the Plan's Total Net Pension Liability	0.03151%	0.02984%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$549,271.00.

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen's Retirement System (PFRS) (continued):**

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$460,301.00 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .03151%, which was an increase of .00167% from its proportion measured as of June 30, 2014, which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 5,248,789.00
State's Proportionate Share of the Net Pension Liability Associated with the Township	460,301.00
Total Net Pension Liability	\$ 5,709,090.00

For the year ended December 31, 2015, the Borough's total allocated pension expense was \$606,687.00.

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen's Retirement System (PFRS) (continued):**

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS) (continued):**

**Sensitivity of the Borough’s proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Borough’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Borough's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 7,526,393.11	\$ 5,709,090.00	\$ 4,227,241.68

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial statements.

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

**Note 10. Post-Employment Retirement Benefits**

The SHBP, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits 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, 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. On February 24, 1981, the Borough authorized participation in the SHBP’s post-retirement benefit program through resolution number 78-2-24-81. Eligibility to participate in the SHBP’s post-retirement benefit program begins after 25 years of credited service with the Borough. 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 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, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 10. Post-Employment Retirement Benefits (continued):**

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. Plan members or beneficiaries receiving benefits do not make any contributions.

The Borough's contributions to SHBP for the year ended December 31, 2015 was \$0.00, which equaled the required contributions for the year. There were approximately 0 retired participants eligible at December 31, 2015.

**Note 11. Capital Debt**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the Borough at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 11. Capital Debt (continued):**

	<u>Year 2015</u>	<u>Year 2014</u>	<u>TY 2013</u>
<b>Issued</b>			
General Bonds, Loans and Notes	\$ 595,000.00	\$ 705,000.00	\$ 1,539,000.00
Water-Sewer Utility Bonds, Loans and Notes	2,812,500.00	2,812,500.00	-
	<hr/>		
Total Debt Issued	3,407,500.00	3,517,500.00	1,539,000.00
	<hr/>		
<b>Authorized But Not Issued:</b>			
General Bonds and Notes	30,272.00	30,272.00	30,272.00
Water-Sewer Utility Bonds and Notes	427,625.00	-	-
	<hr/>		
Total Authorized But Not Issued	457,897.00	30,272.00	30,272.00
	<hr/>		
Total Gross Debt	<u>\$ 3,865,397.00</u>	<u>\$ 3,547,772.00</u>	<u>\$ 1,569,272.00</u>
	<hr/>		
Deductions:			
Self-Liquidating Debt	\$ (3,240,125.00)	\$ (2,812,500.00)	\$ -
Funds Temporarily Held to Play Bonds and Notes	-	-	(734,000.00)
	<hr/>		
Total Deductions	<u>(3,240,125.00)</u>	<u>(2,812,500.00)</u>	<u>(734,000.00)</u>
	<hr/>		
Net Debt Issued	<u>\$ 625,272.00</u>	<u>\$ 735,272.00</u>	<u>\$ 835,272.00</u>

**Summary of Statutory Debt Condition – Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 0.167%:

	Gross Debt	Deductions	Net Debt
Water & Sewer Utility	\$ 3,240,125.00	\$ 3,240,125.00	\$ -
General Debt	625,272.00	-	625,272.00
	<hr/>		
Total	<u>\$ 3,865,397.00</u>	<u>\$ 3,240,125.00</u>	<u>\$ 625,272.00</u>

Net Debt \$625,272.00 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$374,117,814.00 equals .167%.

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 11. Capital Debt (continued):**

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

3½ % of Equalized Valuation Basis (Municipal)	\$	13,094,123.49
Net Debt		625,272.00
 Remaining Borrowing Power	 \$	 12,468,851.49

**Calculation of Self-Liquidating Purpose - Water-Sewer Utility per N.J.S.40A:2-45**

Cash Receipts From Fees, Rents & Other Charges		\$ 1,290,413.44
Deductions:		
Operating & Maintenance Costs	\$	948,182.84
Debt Service		19,482.00      967,664.84
 Excess Revenue - Self Liquidating	 \$	 322,748.60

**A. Serial Bonds Payable**

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Bonded Debt Issued and Outstanding:

<u>GENERAL DEBT</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 110,000.00	\$ 26,510.00
2017	75,000.00	21,950.00
2018	75,000.00	18,950.00
2019	80,000.00	15,950.00
2020	80,000.00	12,750.00
2021-2022	175,000.00	13,250.00
 Total	\$ 595,000.00	\$ 109,360.00

**B. Loans Payable**

On December 31, 2015, the Borough had the no General Capital and Water-Sewer loans payable outstanding.

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 11. Capital Debt (continued):**

**C. Bond Anticipation Notes**

On December 31, 2015, the Borough had the following outstanding bond anticipation notes:

<b>Water-Sewer Utility Fund</b>			Balance
<u>Improvement Description</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>December 31, 2015</u>
Various Water Sewer Improvements	1/21/2016	0.65%	\$ 2,812,500.00
			<u>\$ 2,812,500.00</u>

**D. Bonds and Notes Authorized But Not Issued**

As of December 31, 2015, the Borough had \$30,272.00 General Capital bonds and notes authorized but not issued and \$427,625 in Water-Sewer Utility bonds and notes authorized but not issued.

**E. Lease/Purchase Agreements**

The Borough has entered into lease/purchase agreements with the Monmouth County Improvement Authority for various equipment. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. During the year ended December 31, 2015, final lease payment was made.

During the fiscal year ended December 31, 2015 the following changes occurred in capital debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
<b>General Capital Fund:</b>					
General Serial Bonds	\$ 705,000.00	\$ -	\$ (110,000.00)	\$ 595,000.00	\$ 110,000.00
Authorized but Not Issued	30,272.00	-	-	30,272.00	-
<b>Total General Capital</b>	<u>\$ 735,272.00</u>	<u>\$ -</u>	<u>\$ (110,000.00)</u>	<u>\$ 625,272.00</u>	<u>\$ 110,000.00</u>
<b>Water-Sewer Utility Fund:</b>					
Bond Anticipation Notes	\$ 2,812,500.00	\$ -	\$ -	\$ 2,812,500.00	\$ 2,812,500.00
Authorized but Not Issued	\$ -	\$ 427,625.00	\$ -	\$ 427,625.00	\$ -
<b>Total Water-Sewer Utility</b>	<u>\$ 2,812,500.00</u>	<u>\$ 427,625.00</u>	<u>\$ -</u>	<u>\$ 3,240,125.00</u>	<u>\$ 2,812,500.00</u>

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 12. Risk Management**

The Borough 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. It is the policy of the Borough to purchase commercial insurance for the risks of loss to which it is exposed. Settlements in each of the past three years have not exceeded the insurance coverage.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

**Note 13. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance 12/31/2015</u>	<u>2016 Budget Appropriation</u>	<u>Succeeding Budgets</u>
Current Fund:			
Special Emergency - Authorization	\$ 91,680.00	\$ 22,920.00	\$ 68,760.00
Emergency Authorization	<u>32,000.00</u>	<u>32,000.00</u>	<u>-</u>
Total	<u>\$ 123,680.00</u>	<u>\$ 54,920.00</u>	<u>\$ 68,760.00</u>

**Note 14. Deferred Compensation Salary Account**

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**BOROUGH OF LAKE COMO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 15. Accrued Sick, Vacation and Compensation Time**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation would approximate \$350,640.16 at December 31, 2015. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**Note 16. Joint Insurance Pool**

During 2015, the Borough of Lake Como was provided insurance as part of the Municipal Excess Liability Joint Insurance Fund. The Government Crime Policy coverage is as follows:

Forgery or Alteration	\$50,000.00
Theft, Disappearance and Destruction	50,000.00
Robbery and Safe Burglary	50,000.00
Computer Fraud	50,000.00
Public Employee Dishonesty	50,000.00

The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

Municipal Excess Liability Joint Insurance Fund  
9 Campus Drive, Suite 16  
Parsippany, New Jersey 07054

**Note 17. New Jersey Unemployment Compensation Insurance**

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

<u>Fiscal</u> <u>Year</u>	<u>Borough</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2015	\$ -	\$ -	\$ -	\$ 7.10
2014	-	-	-	7.10
TY 2013	-	-	-	7.10

**Note 18. Litigation**

The Borough is involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Borough officials, based upon the opinion of the Borough's Counsel, presently believe that the outcome of each such proceeding or claim which is pending or know to be threatened, or all of them combined, will not have a material adverse effect on the Borough's financial position or adversely affect the Borough's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

**BOROUGH OF LAKE COMO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 19. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year 2015:

	Balance December 31, <u>2014</u>	<u>Additions</u>	Balance December 31, <u>2015</u>
Land	\$ 688,180.00	\$ -	\$ 688,180.00
Buildings and Improvements	937,600.00	-	937,600.00
Machinery and Equipment	<u>1,944,992.02</u>	<u>112,207.43</u>	<u>2,057,199.45</u>
Total	<u>\$ 3,570,772.02</u>	<u>\$ 112,207.43</u>	<u>\$ 3,682,979.45</u>

**Note 20. Accounts Receivable**

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes, sewer rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	Trust Funds	State & Federal Grant Fund	General Capital Fund	Utility Operating Fund	Total
State Aid	\$ 3,575.56	\$ 2.00	\$ 1,879.36	\$ 14,786.61	\$ -	\$ 20,243.53
Federal Aid	-	-	-	388,803.13	-	388,803.13
Taxes	117,006.73	-	-	-	-	117,006.73
Water/Sewer	-	-	-	-	69,420.32	69,420.32
Other	<u>10,763.47</u>	-	-	-	-	<u>10,763.47</u>
Total	<u>\$ 131,345.76</u>	<u>\$ 2.00</u>	<u>\$ 1,879.36</u>	<u>\$ 403,589.74</u>	<u>\$ 69,420.32</u>	<u>\$ 606,237.18</u>

**Note 21. Subsequent Events**

**USDA Loans**

On January 28, 2016, The Township issued \$1,963,000 General Obligation Bonds issued through the United States Department of Agriculture. The bonds were dated January 28, 2016, with interest rates of 2.50%, maturing in the years 2016 through 2036. Interest on the bonds is payable initially on July 28th and January 28th in each year, commencing July 28, 2016. The Bonds are subject to redemption prior to their stated maturity dates at the option of the Township by payment of all unpaid principal then due plus interest due to the date of redemption.

**SUPPLEMENTARY EXHIBITS**

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**CURRENT FUND**

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**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 837,607.25
Increased By:		
Miscellaneous Revenue Not Anticipated	\$ 7,701.62	
Taxes Receivable	6,809,297.00	
Revenue Accounts Receivable	1,384,535.84	
Reserve for Tax Title Lien Premiums	261,147.57	
Due To:		
Trust Other	9,267.11	
Payroll Fund	76,453.32	
Due To State of New Jersey:		
UCC Fees	2,860.00	
Marriage License Fees	175.00	
Due From State of New Jersey - Senior		
Citizens' and Veterans' Deductions	13,308.22	
Prepaid Taxes	26,871.76	
Reserve for State Grants - Unappropriated	<u>12,572.27</u>	
		<u>8,604,189.71</u>
		9,441,796.96
Decreased By:		
2015 Budget Appropriation	3,601,774.57	
2014 Appropriation Reserves	31,896.06	
Due To:		
Trust Other	21,317.53	
General Capital Fund	77,941.44	
Payroll Fund	79,263.30	
Local District School Taxes	3,022,000.00	
County Taxes	1,099,907.11	
Reserve for Tax Title Lien Premium	294,588.41	
Reserve for Revaluation	60,719.75	
Special Emergency Note Payable	193,986.32	
Reserve for Insurance	13,300.00	
Due To State of New Jersey:		
UCC Fees	2,591.00	
Marriage License Fees	250.00	
Reserve for State Grants - Appropriated	<u>10,000.00</u>	
		<u>8,509,535.49</u>
Balance, December 31, 2015		<u>\$ 932,261.47</u>

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF CHANGE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2015 &amp; 2014</u>
<u>Office</u>	
Collector	\$ 75.00
Municipal Court	<u>200.00</u>
	<u>\$ 275.00</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 5,005.68
Increased By:		
Senior Citizens' Deductions Per Tax		
Billings	\$ 2,250.00	
Veterans' Deductions Per Tax Billings	10,750.00	
Deductions Allowed By Tax Collector:		
Veterans' and Senior Citizens	<u>750.00</u>	
		<u>13,750.00</u>
		18,755.68
Decreased By:		
Cash Received	13,308.22	
Deductions Disallowed By Tax Collector:		
Veterans' and Senior Citizens	<u>1,871.90</u>	
		<u>15,180.12</u>
Balance, December 31, 2015		<u><u>\$ 3,575.56</u></u>

BOROUGH OF LAKE COMO  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
 FOR THE YEAR ENDED DECEMBER 31, 2015

Year	Balance December 31, 2014	Levy	Collections		Veterans' and Senior Citizens'	Cancellations and Adjustments	Balance December 31, 2015
			2014	2015			
2014	\$ 181,482.79	\$ -	\$ -	\$ 181,482.79	\$ -	\$ -	\$ -
2015	-	6,786.858.30	30,159.26	6,627,814.21	11,878.10	-	117,006.73
	\$ 181,482.79	\$ 6,786,858.30	\$ 30,159.26	\$ 6,809,297.00	\$ 11,878.10	\$ -	\$ 117,006.73

Analysis of 2014 Property Tax Levy

Tax Yield:

General Purpose Tax \$ 6,772,259.78  
 Added Taxes (54:4-63.1 et seq.) 14,598.52

\$ 6,786,858.30

Tax Levy

Local District School Taxes \$ 3,022,000.00  
 County Taxes 1,097,352.59  
 County Added/Omitted Taxes 2,401.86

\$ 4,121,754.45

Local Tax for Municipal Purposes 2,651,193.04  
 Additional Taxes Added 13,910.81

2,665,103.85

\$ 6,786,858.30

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2015</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 20,160.00	\$ 20,160.00	\$ -
Other	-	18,241.00	18,241.00	-
Fees and Permits:				
Other	-	41,170.00	41,170.00	-
Fines and Costs:				
Municipal Court	8,968.21	393,392.15	391,596.89	10,763.47
Interest and Costs on Taxes	-	38,420.31	38,420.31	-
Interest on Investments and Deposits	-	2,681.78	2,681.78	-
Utility Fund Operating Surplus	-	185,714.00	185,714.00	-
Special Emergency (FEMA)	-	154,089.63	154,089.63	-
Due from Water/Sewer Utility Capital Fund	-	45,774.00	45,774.00	-
Due from Water/Sewer Utility Operating Fund	-	50,561.45	50,561.45	-
Due from Animal Control Trust Fund	-	3,425.55	3,425.55	-
Reserve for Insurance Reimbursements	-	66,000.00	66,000.00	-
Ceremony Fees	-	425.00	425.00	-
Franchise Fees	-	32,986.23	32,986.23	-
Consolidated Municipal Property Tax				
Relief Aid	-	94,755.00	94,755.00	-
Energy Receipts Tax	-	241,363.00	241,363.00	-
Fees and Permits	-	51,090.00	51,090.00	-
National Geomatica GIS System	-	12,082.00	12,082.00	-
	<u>\$ 8,968.21</u>	<u>\$1,452,331.10</u>	<u>\$1,450,535.84</u>	<u>\$ 10,763.47</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE FROM ANIMAL CONTROL TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 3,425.55
Decreased By:	
Cash Receipts	<u>\$ 3,425.55</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE FROM WATER/SEWER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 45,774.00
Decreased By:	
Cash Receipts	<u>45,774.00</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE FROM WATER/SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 50,561.45
Decreased By:	
Cash Receipts	<u>50,561.45</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY (NJS 40A:4-53 & N.J.S. 40A-55.1)**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
04/19/13	Superstorm Sandy	\$ 336,000.00	\$ 79,386.32	\$ -	\$ 79,386.32	\$ -
10/7/14	Revaluation	114,600.00	114,600.00	-	22,920.00	91,680.00
			<u>\$ 193,986.32</u>	<u>\$ -</u>	<u>\$ 102,306.32</u>	<u>\$ 91,680.00</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	ADDED IN 2015	RAISED IN 2015 BUDGET	BALANCE DECEMBER 31, 2015
Emergency Authorization (N.J.S. 40A:4-55.1 & 40A:4-55.13):				
Emergency Authorization - Police Salary & Wages	\$ 84,500.00	\$ 32,000.00	\$ 84,500.00	\$ 32,000.00
Emergency Authorization - Legal	16,406.50	-	16,406.50	-
Deferred Charges:				
Over-Expenditure of Appropriation	8,028.12	-	8,028.12	-
Deficit in Operations	32,795.46	-	32,795.46	-
	<hr/>			
Total	<u>\$ 141,730.08</u>	<u>\$ 32,000.00</u>	<u>\$ 141,730.08</u>	<u>\$ 32,000.00</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
General Administration:				
Other Expenses:				
Stationery, Printing and Advertising	\$ 743.07	\$ 743.07	\$ 36.86	\$ 706.21
Miscellaneous Other Expenses	157.73	199.13	41.40	157.73
Mayor and Council:				
Salaries and Wages - Ceremony Fees	225.00	225.00	-	225.00
Other Expenses	5.25	21.25	16.00	5.25
Municipal Clerk:				
Other Expenses	196.85	196.85	-	196.85
Financial Administration (Treasury):				
Salaries and Wages	4,514.05	-	-	-
Other Expenses	1,007.99	83.83	-	83.83
Revenue Administration (Tax Collection):				
Salaries and Wages	40.54	40.54	-	40.54
Other Expenses	538.33	-	-	-
Tax Search Officer:				
Salaries and Wages	25.98	25.98	-	25.98
Tax Assessment Administration:				
Salaries and Wages	0.87	0.87	-	0.87
Other Expenses	259.21	824.16	324.16	500.00
Legal Services (Legal Department)				
Fees	31.42	6,040.62	6,008.65	31.97
Borough Attormery	3.62	3.62	-	3.62
Municipal Court:				
Salaries and Wages	4.82	4.82	-	4.82
Engineering Services:				
Other Expenses	3,852.65	3,890.15	2,299.00	1,591.15
 CODE ENFORCEMENT AND ADMINISTRATION				
Building Inspector:				
Salaries and Wages	0.24	0.24	-	0.24
Plumbing Inspector:				
Salaries and Wages	0.69	0.69	-	0.69
Fire Protection Inspection:				
Salaries and Wages	0.69	0.69	-	0.69
Electrical Inspector:				
Salaries and Wages	0.69	0.69	-	0.69
Construction Code Official:				
Salaries and Wages	-	-	-	-
Other Expenses	335.19	-	-	-
Zoning Official	716.92	716.92	-	716.92
Zoning Official - Application Fees	950.00	950.00	50.00	900.00

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>PUBLIC SAFETY</b>				
Police Department:				
Salaries and Wages	715.80	715.80	-	715.80
Other Expenses	2,447.18	4,098.18	3,027.69	1,070.49
Aid To Volunteer Ambulance Companies:				
Other Expenses	442.36	419.35	42.40	376.95
Public Defender				
Salaries and Wages	246.00	246.00	-	246.00
Fire Department:				
Other Expenses:				
Miscellaneous	280.00	1,438.66	1,220.80	217.86
Municipal Prosecutor:				
Salaries and Wages	0.34	0.34	-	0.34
<b>PUBLIC WORKS</b>				
Streets and Road Maintenance:				
Salaries and Wages	1,000.00	-	-	-
Other Expenses	2,233.07	2,869.21	2,016.79	852.42
Solid Waste Collection:				
Other Expenses	810.73	1,297.20	590.18	707.02
Building and Grounds:				
Other Expenses	536.42	7,995.73	7,709.13	286.60
<b>HEALTH AND HUMAN SERVICES</b>				
Environmental Health Services				
Other Expenses	400.00	15.58	15.58	-
<b>UTILITY EXPENSE AND BULK PURCHASES</b>				
Street Lighting				
Telephone (excluding equipment acquisition)	169.39	1,847.42	1,847.42	-
	1,636.45	1,636.45	1,328.38	308.07
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS</b>				
Landfill/Solid Waste Disposal Costs	4,455.70	5,408.43	3,861.62	1,546.81
Reserve for Accumulated Sick and Vacation	1,000.00	1,000.00	-	1,000.00
Reserve for Snow Removal	4,397.12	4,397.12	-	4,397.12
Contingent	1,000.00	1,000.00	1,000.00	-

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>STATIONARY EXPENDITURES</b>				
Contribution To:				
Social Security System (O.A.S.I.)	1,997.08	1,997.08	-	1,997.08
Unemployment Compensation Insurance	500.00	500.00	-	500.00
National Geomatica - GIS System	5,820.00	5,820.00	460.00	5,360.00
Recycling Tax	2,425.68	2,425.68	-	2,425.68
	<hr/>			
Total General Appropriations	\$ 46,125.12	\$ 59,097.35	\$ 31,896.06	\$ 27,201.29
	<hr/>			
Appropriation Reserves		\$ 46,125.12		
Encumbrances Payable		<u>12,972.23</u>		
		<u>\$ 59,097.35</u>		
Cash Disbursements			<u>\$ 31,896.06</u>	
			<u>\$ 31,896.06</u>	

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014 and 2015

\$ 19,112.37

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 30,159.26
Increased By:	
Cash Receipts	<u>26,871.76</u>
	57,031.02
Decreased By:	
Applied To Taxes Receivable	<u>30,159.26</u>
Balance, December 31, 2015	<u><u>\$ 26,871.76</u></u>

**BOROUGH OF LAKE COMO  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	-
Increased By:		
School Tax Levy:		
January 1, 2014 to December 31, 2014		<u>3,022,000.00</u>
		3,022,000.00
Decreased By:		
Payments		<u>3,022,000.00</u>
Balance, December 31, 2015	\$	<u><u>-</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 2,554.52
Increased By:		
General County Taxes	\$ 961,896.53	
County Library Taxes	63,390.39	
County Health Taxes	19,040.69	
County Open Space Preservation Taxes	53,024.98	
County Added & Omitted	<u>2,401.86</u>	
		<u>1,099,754.45</u>
		1,102,308.97
Decreased By:		
Payments		<u>1,099,907.11</u>
Balance, December 31, 2015		<u><u>\$ 2,401.86</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 232,813.29
Increased By:	
Capital Improvement Fund	<u>25,000.00</u>
	257,813.29
Decreased By:	
Cash Disbursements:	
Improvement Authorization Paid in Current Fund	<u>77,941.44</u>
Balance, December 31, 2015	<u><u>\$ 179,871.85</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO PAYROLL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 11,534.10
Increased By:	
Cash Receipts	<u>76,453.32</u>
	87,987.42
Decreased By:	
Cash Disbursements	<u>79,263.30</u>
Balance, December 31, 2015	<u><u>\$ 8,724.12</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY - UCC FEES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 1,860.44
Increased By:	
Cash Receipts	<u>2,860.00</u>
	4,720.44
Decreased By:	
Cash Disbursements - Due to State	<u>2,591.00</u>
Balance, December 31, 2015	<u><u>\$ 2,129.44</u></u>

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 75.00
Increased By:	
Cash Receipts	<u>175.00</u>
	250.00
Decreased By:	
Cash Disbursements	<u>250.00</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR TREE REPLACEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014 and 2015

\$ 5,200.00

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR TAX TITLE LIENS PREMIUMS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 84,195.20
Increased By:	
Cash Receipts	<u>261,147.57</u>
	345,342.77
Decreased By:	
Cash Disbursements	<u>294,588.41</u>
Balance, December 31, 2015	<u><u>\$ 50,754.36</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR REVALUATION  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 93,979.75
Decreased By:	
Cash Disbursements	<u>60,719.75</u>
Balance, December 31, 2015 and 2014	<u><u>\$ 33,260.00</u></u>

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF RESERVE FOR INSURANCE REIMBURSEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 102,674.85
Decreased By:		
Cash Disbursements	\$ 13,300.00	
Realized Revenue	<u>66,000.00</u>	
		<u>79,300.00</u>
Balance, December 31, 2015		<u><u>\$ 23,374.85</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 193,986.32
Decreased By:	
Cash Disbursements	<u>193,986.32</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF DUE FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 60,672.33
Increased By:	
Cash Received:	
Grants - Unappropriated	<u>12,572.27</u>
	73,244.60
Decreased By:	
Cash Expended:	
Grants - Appropriated	<u>10,000.00</u>
Balance, December 31, 2015	<u><u>\$ 63,244.60</u></u>

**BOROUGH OF LAKE COMO  
 COUNTY OF MONMOUTH, NEW JERSEY  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF STATE GRANTS RECEIVABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	2015 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance December 31, <u>2015</u>
State Road Aid Receivable:				
Portion of "F" Street	\$ 1,479.36	\$ -	\$ -	\$ 1,479.36
Drunk Driving Enforcement Fund	400.00	-	-	400.00
	<u>\$ 1,879.36</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,879.36</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Encumbrances <u>Transferred</u>	<u>Appropriated</u>	Paid or <u>Charged</u>	Encumbrances <u>Payable</u>	Balance December 31, <u>2015</u>
18th Ave Project Grant	\$ 297.17	\$ -	\$ -	\$ -	\$ -	\$ 297.17
Municipal Court Alcohol Education and Rehabilitation Grant	5,772.28	-	-	-	-	5,772.28
Recycling Tonnage Grant	13,390.81	-	2,598.07	-	-	15,988.88
Solid Waste Recycling Grant	466.17	-	-	-	-	466.17
Pothole Repair Program	179.51	-	-	-	-	179.51
Drunk Driving Enforcement Fund	4,899.56	-	-	-	-	4,899.56
COPS in Shops Grant	2,560.00	-	6,000.00	6,000.00	-	2,560.00
Clean Communities Program	500.00	-	4,000.00	4,000.00	-	500.00
Body Armor Fund	-	853.84	1,343.51	-	853.84	1,343.51
	<u>\$ 28,065.50</u>	<u>\$ 853.84</u>	<u>\$ 13,941.58</u>	<u>\$ 10,000.00</u>	<u>\$ 853.84</u>	<u>\$ 32,007.08</u>

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Grants <u>Received</u>	Decreased By Grants <u>Appropriated</u>	Balance December 31, <u>2015</u>
COPS in Shops Grant	\$ 17,400.00	\$ 6,400.00	\$ 6,000.00	\$ 17,800.00
Body Armor Fund	4,562.55	1,341.94	1,343.51	4,560.98
Clean Communities Program	4,237.17	4,830.33	4,000.00	5,067.50
Alcohol Education & Rehabilitation Program	159.51	-	-	159.51
Recycling Tonnage Grant	7,273.12	-	2,598.07	4,675.05
	<u>\$ 33,632.35</u>	<u>\$ 12,572.27</u>	<u>\$ 13,941.58</u>	<u>\$ 32,263.04</u>

**TRUST FUND SCHEDULES**

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**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Animal Control <u>Trust Fund</u>	Trust - <u>Other Fund</u>
Balance, December 31, 2014	\$ 4,059.03	\$ 42,283.60
Increased By Receipts:		
License Fees	724.00	-
State Registration Fees	146.40	-
Off-Duty Employment	-	188,930.45
Reserve For:		
Law Enforcement Trust Fund	-	7.66
Municipal Court - P.O.A.A.	-	378.00
Tourism Fees	-	19,015.00
Fire Prevention Bureau	-	6,796.30
Public Defender	-	1,600.00
Ripley Lane Development Escrow	-	53.05
	<u>870.40</u>	<u>216,780.46</u>
	<u>4,929.43</u>	<u>259,064.06</u>
Decreased By Disbursements:		
Due To Current Fund	3,425.55	
Expenditures Under R.S. 4:19-15.11	180.00	-
State Department of Health	150.00	-
Off-Duty Employment	-	166,127.20
Reserve for:		
Law Enforcement Trust Fund	-	-
Municipal Court - P.O.A.A.	-	800.00
Tourism	-	20,557.07
Fire Prevention Bureau	-	5,909.81
Public Defender	-	1,480.44
	<u>3,755.55</u>	<u>194,874.52</u>
Balance, December 31, 2015	<u>\$ 1,173.88</u>	<u>\$ 64,189.54</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 631.88
Increased By:		
Dog Fees Collected	\$ 674.00	
Cat Fees Collected	39.00	
Late Fees Collected	11.00	
	724.00	1,355.88
Decreased By:		
Expenditures Under R.S. 4:19-15.11		180.00
Balance, December 31, 2015		\$ 1,175.88

License Fees Collected

<u>Year</u>	<u>Amount</u>
2014	\$ 634.00
2013	560.00
	\$ 1,194.00

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF DUE TO/(FROM) STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	1.60
Increased By:		
State Registration Fees		<u>146.40</u>
		148.00
Decreased By:		
State Department of Health		<u>150.00</u>
Balance, December 31, 2015	<u>\$</u>	<u>(2.00)</u>

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**ANIMAL CONTROL TRUST FUND**  
**SCHEDULE OF DUE TO CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	3,425.55
Decreased By:	
Payments To Current Fund	3,425.55
Balance, December 31, 2015	\$ -

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF DUE FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 46,289.42
Increased By:	
Cash Receipts Deposited in Current Fund	<u>9,267.11</u>
	55,556.53
Decreased By:	
Cash Disbursed in Current Fund	<u>21,317.53</u>
Balance, December 31, 2015	<u><u>\$ 34,239.00</u></u>

Analysis of Interfund

## Due To:

Tourism	\$ (459.21)
Off-Duty Employment	(1,036.14)
Public Defender	(0.85)
Unemployment Fund	(81.87)

## Due From:

Engineering Escrow Fees	1,269.25
Street Openings	13,272.00
Escrow Funds - Planning Board	<u>21,275.82</u>
	<u><u>\$ 34,239.00</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2015</u>
Reserve for:				
Unemployment Insurance	\$ 7.10	\$ -	\$ -	\$ 7.10
Off-Duty Employment	2,342.42	188,930.45	166,127.20	25,145.67
Law Enforcement	3,017.13	7.66	-	3,024.79
Municipal Court - P.O.A.A	611.07	378.00	800.00	189.07
Developers Escrow Fund - Planning Board	33,326.24	9,267.11	21,317.53	21,275.82
Tourism Account	4,491.31	19,015.00	20,557.07	2,949.24
Engineering Escrow Fees	1,269.25	-	-	1,269.25
Street Openings	13,272.00	-	-	13,272.00
Uniform Fire Account Fund	750.00	-	-	750.00
Fire Prevention Bureau	2,432.65	6,796.30	5,909.81	3,319.14
Public Defender	6,150.35	1,600.00	1,480.44	6,269.91
Ripley Lane Development Escrow	20,903.50	53.05	-	20,956.55
	<u>\$ 88,573.02</u>	<u>\$ 226,047.57</u>	<u>\$ 216,192.05</u>	<u>\$ 98,428.54</u>

**GENERAL CAPITAL FUND**

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**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 1,259.40

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2015</u>
Fund Balance	\$ 8,806.95
Capital Improvement Fund	61,380.00
Due To Water/Sewer Utility Capital Fund	21,521.32
Green Acres Loan Trust Fund Receivable	(14,786.61)
Due From:	
Current Fund	(179,871.85)
Community Development Block Grant	(5,885.70)
New Jersey D.O.T.	(382,917.43)
<u>Ordinance</u>	
<u>Number</u>	<u>Improvement Description</u>
93-584	Reconstruction of Roads (28,787.00)
98-649	Purchase of Equipment - Fire and Police Department 0.30
00-674	Various Street Repairs 23,031.95
02-704	Engineering Expense 378.00
02-712	Construction of New Municipal Building 6,983.13
03-718	Road and Drainage Improvements -
06-783	Road Improvements 24,568.22
08-810	Road and Drainage Improvements 141,914.25
08-820	Road Improvements 34,897.26
09-828	Road Improvements 57,343.20
11-864	Road Improvements 11,858.75
12-869	Road and Beautification Improvements 5,642.41
13-878	Various Capital Improvements 32,382.25
13-881	Road Improvements 182,800.00
	\$ 1,259.40

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN TRUST FUND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 14,786.61

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DUE FROM CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 232,813.29
Increased By:		
Capital Improvement Fund	\$ 25,000.00	25,000.00
		257,813.29
Decreased By:		
Improvement Authorization Paid By Current Fund	77,941.44	77,941.44
Balance, December 31, 2015		\$ 179,871.85

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE FROM NEW JERSEY D.O.T.  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014 and 2015	<u>\$ 382,917.43</u>
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Analysis of Balance

13-881	Road Improvements - Main Street - Phase II	\$ 185,000.00
11-864	Road Improvements - Main Street - Phase I	11,274.47
09-828	Road Improvements	57,343.20
08-820	Road Improvements	74,987.61
08-810	Road Improvements	<u>54,312.15</u>
		<u>\$ 382,917.43</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE FROM COMMUNITY DEVELOPMENT BLOCK GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014 and 2015	<u><u>5,885.70</u></u>
-------------------------------------	------------------------

Analysis of Balance

12-869 Road & Beautification Improvements	<u>\$ 5,885.70</u>
	<u><u>\$ 5,885.70</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 705,000.00
Decreased By:	
Paid By Budget	<u>110,000.00</u>
Balance, December 31, 2015	<u><u>\$ 595,000.00</u></u>

BOROUGH OF LAKE COMO  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
 FOR THE YEAR ENDED DECEMBER 31, 2015

Ordinance Number	Improvement Description	Balance	Change		Balance	Analysis of Balance	
		December 31, 2014	Increased	Decreased	December 31, 2015	Unexpended Improvement Authorization	Expended
93-584	Reconstruction of Roads	\$ 28,787.00	-	\$ -	\$ 28,787.00	\$ -	\$ 28,787.00
03-718	Road and Drainage Improvement	17,655.66	-	-	17,655.66	17,655.66	-
06-783	Various Road Improvements	768.00	-	-	768.00	-	768.00
08-810	Road Improvement	88,583.76	-	-	88,583.76	88,583.76	-
13-878	Various Road Improvements	717.00	-	-	717.00	-	717.00
		\$ 136,511.42	\$ -	\$ -	\$ 136,511.42	\$ 106,239.42	\$ 30,272.00

BOROUGH OF LAKE COMO  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF SERIAL BONDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

Purpose	Issue		Maturity of Bonds Outstanding		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2015
	Date	Amount	Date	Amount					
General Obligation Bonds	09/07/06	\$ 358,000.00	07/15/15	\$ 40,000.00	4.40%	\$ 80,000.00	\$ -	\$ 40,000.00	\$ 40,000.00
			07/15/16	40,000.00	4.40%				
General Obligation Bonds	12/24/13	685,000.00	12/01/15	70,000.00	3.00%	625,000.00	-	70,000.00	555,000.00
			12/01/16	70,000.00	4.00%				
			12/01/17	75,000.00	4.00%				
			12/01/18	75,000.00	4.00%				
			12/01/19	80,000.00	4.00%				
			12/01/20	80,000.00	5.00%				
12/01/21	85,000.00	5.00%							
			12/01/22	90,000.00	5.00%				
						\$ 705,000.00	\$ -	\$ 110,000.00	\$ 595,000.00

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE TO WATER/SEWER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 21,521.32

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2014		Paid or Charged	Balance December 31, 2015	
				Funded	Unfunded		Funded	Unfunded
98-649	Purchase of Equipment - Fire and Police Department	03/03/98	\$ 51,000.00	\$ 0.30	\$ -	\$ -	0.30	\$ -
00-674	Reconstruction Various Streets	02/15/00	184,857.00	23,031.95	-	-	23,031.95	-
02-704	Engineering Expense	02/05/02	27,000.00	378.00	-	-	378.00	-
02-712	Construction of New Municipal Building	07/30/02	145,000.00	6,983.13	-	-	6,983.13	-
03-718	Road and Drainage Improvements	04/15/03	278,737.00	-	17,655.66	-	-	17,655.66
04-744	Acquisition of Equipment for the Police Department	09/07/04	45,000.00	-	-	-	-	-
06-783	Road Improvements	08/01/06	60,000.00	24,568.22	768.00	-	24,568.22	768.00
08-810	Road and Drainage Improvements	02/19/08	372,819.00	141,914.25	88,583.76	-	141,914.25	88,583.76
08-820	Road Improvements	08/27/08	90,000.00	34,897.26	-	-	34,897.26	-
09-828	Road Improvements	03/05/09	165,000.00	57,343.20	-	-	57,343.20	-
11-864	Road Improvements	08/24/11	160,000.00	11,858.75	-	-	11,858.75	-
12-869	Road and Beautification Improvements	04/30/12	104,585.80	5,642.41	-	-	5,642.41	-
13-878	Various Capital Improvements	05/28/13	734,717.00	111,040.69	-	77,941.44	33,099.25	-
13-881	Road Improvements	06/18/13	185,000.00	182,800.00	-	-	182,800.00	-
				\$ 600,458.16	\$ 107,007.42	\$ 77,941.44	\$ 522,516.72	\$ 107,007.42

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 36,380.00
Increased By:	
Budget Appropriation	<u>25,000.00</u>
Balance, December 31, 2015	<u><u>\$ 61,380.00</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015</u>
93-584	Reconstruction of Roads	\$ 28,787.00
06-783	Various Road Improvements	768.00
13-878	Various Capital Improvements	<u>717.00</u>
		<u>\$ 30,272.00</u>

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**WATER/SEWER UTILITY FUND**

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**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF WATER/SEWER UTILITY  
OPERATING FUND CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 1,815,090.35
Increased By:		
Miscellaneous Revenue Anticipated	\$ 10,618.19	
Consumer Accounts Receivable	1,183,376.26	
Prepaid Rents	<u>99,450.77</u>	
		<u>1,293,445.22</u>
		3,108,535.57
Decreased By:		
Budget Appropriations	1,145,203.09	
Appropriation Reserves	18,854.01	
Due From Water/Sewer Capital	1,676,020.84	
Due To Current Fund	<u>50,561.45</u>	
		<u>2,890,639.39</u>
Balance, December 31, 2015		<u><u>\$ 217,896.18</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - CHANGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 75.00

**BOROUGH OF LAKE COMO  
 COUNTY OF MONMOUTH, NEW JERSEY  
 WATER/SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF ANALYSIS OF WATER/SEWER UTILITY FUND CAPITAL CASH  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

		Balance December 31, <u>2015</u>
Capital Improvement Fund		\$ 43,821.72
Due From:		
General Capital Fund		(21,521.32)
Water/Sewer Utility Operating Fund		305,103.29
Reserve To Pay Bond Anticipation Notes		3,893.87
<u>Ordinance Number</u>	<u>Improvement Description</u>	
99-124	Various Improvements	301.50
2009-779	Purchase of Front Wheel Loader Backhoe	422.00
2014-896	Various Water System Improvements	<u>(332,021.06)</u>
		 <u>\$ -</u>

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**WATER/SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 82,683.30
Increased By:		
Levy		<u>1,266,532.27</u>
		1,349,215.57
Decreased By:		
Collections	\$ 1,279,704.50	
Overpayments Applied	<u>90.75</u>	
		<u>1,279,795.25</u>
Balance, December 31, 2015		<u><u>\$ 69,420.32</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DUE FROM GENERAL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 21,521.32

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DUE FROM/(TO) WATER/SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 1,370,917.55
Decreased By:	
Payment By Water/Sewer Utility Operating Fund	<u>1,676,020.84</u>
Balance, December 31, 2015	<u>\$ (305,103.29)</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2015</u>
Distribution Mains and Accessories	\$ 73,827.08
Service Pipes and Stops	8,000.00
Meters, Meter Boxes and Stops	76,896.00
Fire Hydrants	63,960.00
Reconstruction of Sewer System	67,051.70
Various Improvements	35,583.50
Purchase of Front Wheel Loader Backhoe	32,078.00
Emergency Water Main Break	<u>11,897.00</u>
	<u>\$ 369,293.28</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014 and 2015	\$ 2,813,223.50
Increased By:	
Improvement Authorizations	<u>427,625.00</u>
Balance, December 31, 2015	<u><u>\$ 3,240,848.50</u></u>

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**WATER/SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance <u>December 31, 2014</u>	Budget After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Other Expenses	\$ 4,518.12	\$ 6,335.66	\$ 2,359.33	\$ 3,976.33
Purchase of Water	8,565.33	17,835.42	16,494.68	1,340.74
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 13,083.45	\$ 24,171.08	\$ 18,854.01	\$ 5,317.07
		<hr/>		
Transfer From Encumbrances Payable		\$ 11,087.63		
Appropriation Reserves		<hr/>		
		\$ 24,171.08		
		<hr/>		

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF PREPAID RENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 96,418.99
Increased By:	
Cash Receipts	<u>99,450.77</u>
	195,869.76
Decreased By:	
Prepays Applied	<u>96,418.99</u>
Balance, December 31, 2015	<u><u>\$ 99,450.77</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 8,943.75
Increased By:	
2015 Accrued Interest	8,175.78
	17,119.53
Decreased By:	
Interest Paid	8,943.75
Balance, December 31, 2015	\$ 8,175.78

**Analysis of Accrued Interest December 31, 2015**

<u>Principal Outstanding December 31, 2015</u>	Interest Rate	Issue Date	Maturity Date	Days Accrued	
\$ 2,812,500.00	0.65%	07/23/15	01/21/16	161	\$ 8,175.78
					\$ 8,175.78

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 50,561.45
Decreased By:	
Cash Disbursements	<u>50,561.45</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF DUE TO/(FROM) WATER/SEWER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 1,370,917.55
Decreased By:	
Payment for Water/Sewer Utility Capital Fund	<u>1,676,020.84</u>
Balance, December 31, 2015	<u>\$ (305,103.29)</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 29,652.93

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2014	BANS Issued	Paid	Balance December 31, 2015
2014-896	Various Water System Improvements	07/23/14	07/23/15	01/21/16	0.65%	\$ 2,812,500.00	\$ 2,812,500.00	\$ 2,812,500.00	\$ 2,812,500.00
						<u>\$ 2,812,500.00</u>	<u>\$ 2,812,500.00</u>	<u>\$ 2,812,500.00</u>	<u>\$ 2,812,500.00</u>

**BOROUGH OF LAKE COMO**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2014		2015 Authorized	Paid or Charged	Balance December 31, 2015	
				Funded	Unfunded			Funded	Unfunded
99-124	Various Improvements	06/01/99	\$ 30,000.00	\$ 301.50	\$ -	\$ -	\$ -	\$ 301.50	\$ -
2007-779	Purchase of Front Wheel Loader Backhoe	07/18/06	32,500.00	422.00	-	-	-	422.00	-
2014-896 / 2015-904	Various Water System Improvements	04/23/14	2,812,500.00	-	1,298,225.78	427,625.00	1,630,246.84	-	95,603.94
				<u>\$ 723.50</u>	<u>\$ 1,298,225.78</u>	<u>\$ 427,625.00</u>	<u>\$ 1,630,246.84</u>	<u>\$ 723.50</u>	<u>\$ 95,603.94</u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 369,293.28

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE TO PAY BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 3,893.87

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 45,774.00
Decreased By:	
Paid by Operating Fund	<u>\$ 45,774.00</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 43,821.72

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 723.50

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**GENERAL FIXED ASSETS ACCOUNT GROUP**

**BOROUGH OF LAKE COMO  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
General Fixed Assets:				
Land and Improvements	\$ 688,180.00	\$ -	\$ -	\$ 688,180.00
Buildings	937,600.00	-	-	937,600.00
Machinery and Equipment	1,944,992.02	112,207.43	-	2,057,199.45
				-
Total General Fixed Assets	<u>\$ 3,570,772.02</u>	<u>\$ 112,207.43</u>	<u>\$ -</u>	<u>\$ 3,682,979.45</u>

**COMMENTS & RECOMMENDATIONS**

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The Honorable Mayor and Members of the  
Borough Council  
Borough of Lake Como  
County of Monmouth  
Lake Como, New Jersey 07719

We have audited the financial statements – statutory basis of the Borough of Lake Como in the County of Monmouth for the year ended December 31, 2015.

#### Scope of Audit

The audit covered the financial transactions of the Treasurer and Tax Collector, the activities of the Mayor and Council and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Borough records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

#### GENERAL COMMENTS

##### Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 for the period of January 1, 2015 to June 30, 2015, and \$40,000 for the period of July 1, 2015 to December 31, 2015, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

**Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):**

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:

*Water and Sewer Improvements*  
*Water Main Cleaning & Cement Lining Project*  
*New Trailer Mounted Sewer Jet*  
*Revaluation of Real Property*

A test was conducted to determine that expenditures greater than \$5,400 for the period of January 1, 2015 to June 30, 2015, and expenditures greater than \$6,000 for the period of July 1, 2015 to December 31, 2015, obtained solicitation of quotes. No exceptions were noted.

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

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Borough Council.

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," 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*.

**Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 (\$6,000) thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

**Collection of Interest on Delinquent Taxes and Assessments**

*N.J.S.54:4-67*, as amended, 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 5, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**"BE IT RESOLVED** that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One

**Collection of Interest on Delinquent Taxes and Assessments (continued):**

Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Borough also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

**Tax Collector’s Annual Report**

*N.J.S.54:4-91* requires that on or before May 1<sup>st</sup> of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2015 with the governing body.

**Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2015 included real estate taxes for 2015.

The last tax sale was held on April 16, 2015 and was complete.

Inspection of 2015 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:

<b>YEAR</b>	<b>NUMBER OF LIENS</b>
2015	0
2014	0
2013	0

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

**Deductions From Taxes**

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

### **Examination of Bills**

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

### **Deposit of Funds Paid to Local Unit**

*N.J.S.40A:5-15* States:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;
- b. be deposited to the credit of the local unit in its designated legal depository.”

### **Payroll Fund**

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Borough employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies. We noted the following exceptions:

#### **Finding 2015-001\***

During our audited we noted that the Borough did not properly reconcile payroll taxes payable to the payroll agency bank reconciliation.

#### **Recommendation:**

That the Borough reconcile payroll taxes payable to the payroll bank reconciliation on a monthly basis.

#### **Managements Response:**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

### **Municipal Court**

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Borough, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample was selected of fifteen (15) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper

procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

**Finance Office**

During our audit of the Finance Office, the following exceptions were noted:

**Finding 2015-002\***

The Borough did not maintain a proper general ledger for the current fund in accordance with N.J.A.C. 5:30-5.7.

**Recommendation:**

That the Borough maintain a proper general ledger for the current fund in accordance with N.J.A.C. 5:30-5.7.

**Managements Response:**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**Finding 2015-003\***

It was noted during our audit the Trust Funds and General Capital Fund are not maintained properly in the Borough's accounting system.

**Recommendation:**

That the Borough maintain all transactions for the Borough's Trust Funds and General Capital Fund properly in the Borough's accounting system.

**Managements Response:**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**Finding 2015-004\***

During our audit it was noted that Ordinance #93-584 in the Borough's General Capital Fund has a cash deficits in excess of five years old which violates requirements promulgated by the State of New Jersey, Division of Local Government Services.

**Recommendation:**

That the Borough seek the necessary funding, either through the issuance of bonds, notes, or budget appropriation, for capital ordinances with cash deficits in excess of five years old.

**Managements Response:**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**Finding 2015-005\***

During our audit it was noted the Borough does not maintain a fixed assets accounting and reporting system that has a subsidiary ledger, consisting of detailed property records for controlling, additions, retirements and transfers of fixed assets in accordance with N.J.S.A. 40A:4-57 Such ledger shall be maintained and reconciled periodically and at the end of every fiscal year with the general ledger control accounts for fixed assets.

**Recommendation:**

That the Borough maintains a proper fixed asset accounting and reporting system in accordance with N.J.S.A. 40A:4-57

**Managements Response:**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**Finding 2014-006\***

During our audit we noted that bonds or notes in the amount of \$17,655.66 in General Capital Ordinance 03-718 and \$88,583.76 for General Capital Ordinance 08-810 has not been authorized by the Borough. This is due to the cancellation of certain grant receivables that were originally funding these improvement authorizations.

**Recommendation:**

That the Borough authorizes the funding of balances through amending Ordinance. If the Borough does not plan to spend remaining authorizations, we recommend canceling improvements authorizations through Borough resolution.

**Managements Response:**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

### **Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings except those that are marked with an asterisk (\*) above.

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

<b>NAME</b>	<b>POSITION</b>
Brian Wilton	Mayor
Douglas Witte	Councilmember
Hawley Scull	Councilmember
Kevin Higgins	Councilmember
John J. Carvelli	Councilmember
Virginia Kropac	Councilmember
Michael Noonan	Councilmember
Louise Mekosh	Chief Financial Officer
Esther Kiss	Tax Collector
Katie Garrecht	Court Administrator

**Acknowledgment**

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

A handwritten signature in black ink, appearing to read "R. Allison", written in a cursive style.

Robert W. Allison  
Registered Municipal Accountant  
No. CR483

Freehold, New Jersey  
August 30, 2016