

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

**AUDIT REPORT FOR THE YEAR ENDED
DECEMBER 31, 2017**

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2017**

Exhibit Page

PART I

Independent Auditor's Report		1
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 <i>Government Auditing Standards</i>		5
<u>Basic Financial Statements:</u>		
<u>Current Fund</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	A	7
Statement of Operations and Changes in Fund Balance - Regulatory Basis	A-1	9
Statement of Revenues - Regulatory Basis	A-2	10
Statement of Expenditures - Regulatory Basis	A-3	12
<u>Trust Fund</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	B	16
<u>General Capital Fund</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	C	17
Statement of Fund Balance - Regulatory Basis	C-1	18
<u>Water/Sewer Utility Fund</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	D	19
Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1	21
Statement of Revenues - Regulatory Basis	D-2	22
Statement of Expenditures - Regulatory Basis	D-3	23
<u>General Fixed Assets Account Group</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	E	24
<u>Payroll Fund</u>		
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	F	25
<u>Notes to Financial Statements</u>		27

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2017**

	<u>Exhibit</u>	<u>Page</u>
<u>Supplemental Schedules:</u>		
<u>Current Fund</u>		
Schedule of Cash	A-4	63
Schedule of Change Funds	A-5	64
Schedule of Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	65
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7	66
Schedule of Revenue Accounts Receivable	A-8	67
Schedule of Deferred Charges	A-9	68
Schedule of Deferred Charges - Special Emergency	A-10	69
Schedule of 2016 Appropriation Reserves	A-11	70
Schedule of Accounts Payable	A-12	72
Schedule of Prepaid Taxes	A-13	73
Schedule of Tax Overpayments	A-14	74
Schedule of Local District School Taxes Payable	A-15	75
Schedule of County Taxes Payable	A-16	76
Schedule of Due (To)/From Payroll Fund	A-17	77
Schedule of Due To State of New Jersey - UCC Fees	A-18	78
Schedule of Due To State of New Jersey - Marriage License Fees	A-19	79
Schedule of Reserve for Tree Replacement	A-20	80
Schedule of Reserve for Tax Title Liens Premiums	A-21	81
Schedule of Reserve for Third Party Tax Title Liens	A-22	81
Schedule of Reserve for Revaluation	A-23	82
Schedule of Reserve for FEMA-Sandy	A-24	82
<u>State & Federal Grant Fund:</u>		
Schedule of Due For Insurance Reimbursement	A-25	83
Schedule of Due From Current Fund	A-26	84
Schedule of Federal and State Grants Receivable	A-27	85
Schedule of Reserve for State Grants - Appropriated	A-28	86
Schedule of Reserve for State Grants - Unappropriated	A-29	87
<u>Trust Fund</u>		
Schedule of Cash	B-1	91
<u>Animal Control Trust Fund</u>		
Schedule of Reserve for Expenditures	B-2	92
Schedule of Due To State of New Jersey	B-3	93
Schedule of Due To Current Fund	B-4	94
<u>Trust - Other Fund</u>		
Schedule of Due From Current Fund	B-5	95
Schedule of Reserve for Various Trust Funds	B-6	96

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2017**

	<u>Exhibit</u>	<u>Page</u>
<u>General Capital Fund</u>		
Schedule of Cash	C-2	99
Schedule of Analysis of General Capital Cash	C-3	100
Schedule of Green Acres Loan Trust Fund Receivable	C-4	101
Schedule of Due (To)/From Current Fund	C-5	102
Schedule of Due from New Jersey D.O.T.	C-6	103
Schedule of Due From Community Development Block Grant	C-7	104
Schedule of Due From FEMA	C-8	105
Schedule of Deferred Charges To Future Taxation - Funded	C-9	106
Schedule of Deferred Charges To Future Taxation - Unfunded	C-10	107
Schedule of Serial Bonds	C-11	108
Schedule of Due To Water/Sewer Utility Capital Fund	C-12	109
Schedule of Improvement Authorizations	C-13	110
Schedule of Capital Improvement Fund	C-14	111
Schedule of Bonds and Notes Authorized but Not Issued	C-15	112
<u>Water/Sewer Utility Fund</u>		
Schedule of Water/Sewer Utility Operating Fund Cash	D-4	115
Schedule of Cash - Change Fund	D-5	116
Schedule of Analysis of Water/Sewer Utility Fund Capital Cash	D-6	117
Schedule of Consumer Accounts Receivable	D-7	118
Schedule of Due From General Capital Fund	D-8	119
Schedule of Fixed Capital	D-9	120
Schedule of Fixed Capital Authorized and Uncompleted	D-10	121
Schedule of 2016 Appropriation Reserves	D-11	122
Schedule of Prepaid Rents	D-12	123
Schedule of Rent Overpayments	D-13	124
Schedule of Accrued Interest on Notes	D-14	125
Schedule of Due to Current Fund Water/Sewer Utility Operating Fund	D-15	126
Schedule of Due/(From) To Water/Sewer Utility Capital Fund	D-16	127
Schedule of Accounts Payable	D-17	128
Schedule of Bonds Anticipation Notes	D-18	129
Schedule of Serial Bonds	D-19	130
Schedule of Improvement Authorizations	D-20	131
Schedule of Reserve for Amortization	D-21	132
Schedule of Reserve To Pay Bond Anticipation Notes	D-22	133
Schedule of Capital Improvement Fund	D-23	134
Schedule of Deferred Reserve for Amortization	D-24	135
Schedule of Bonds and Notes Authorized but Not Issued	D-25	136

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2017**

	<u>Exhibit</u>	<u>Page</u>
PART II		
<u>Schedule of Financial Statement Findings - Government Auditing Standards:</u>		
Schedule of Financial Statement Findings	N/A	139
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	N/A	140
PART III		
<u>Letter of Comments and Recommendations - Regulatory Basis:</u>		
Officials in Office and Surety Bonds	N/A	143
General Comments	N/A	145
Other Comments (Findings)	N/A	146
Recommendations	N/A	147
Acknowledgment	N/A	147

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2017**

This page intentionally left blank.



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010

www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Lake Como as of December 31, 2017 and 2016, and the related statements of operations and changes in in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As discussed in Note 1 to the financial statements, the Borough 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 Accounting Principles Generally Accepted in the United States of America

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 Borough, as of December 31, 2017 and 2016 or the results of its operations and changes in fund balance for the years then ended.

Unmodified 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 of the Borough, as of December 31, 2017 and 2016 and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2017 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental schedules presented for the various funds and letter of comments and recommendations section 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 are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are 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.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated May 15, 2018 on our consideration of the Borough'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's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Allison', written over a horizontal line.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Freehold, New Jersey
May 15, 2018

This page intentionally left blank.

**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
Lake Como, New Jersey

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, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated May 15, 2018. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

However, we noted certain other matters that are not required to be reported under Governmental Auditing Standards, that we reported to management in the accompanying letter of comments and recommendations section of this report as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Allison', with a long horizontal line extending to the left.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Freehold, New Jersey
May 15, 2018

BOROUGH OF LAKE COMO
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

	REFERENCE	2017	2016
ASSETS			
Cash	A-4	\$ 2,231,735.41	\$ 1,133,392.19
Change Fund	A-5	275.00	275.00
Due from State of NJ - Senior Citizens' and Veterans Deductions	A-6	3,707.51	4,630.11
		<u>2,235,717.92</u>	<u>1,138,297.30</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	72,624.05	90,940.36
Revenue Accounts Receivable	A-8	24,751.98	12,317.22
Amount Due from Animal Control Trust Fund	B	441.88	193.88
Amount Due from General Capital Fund	C		36,436.66
Amount Due from Water/Sewer Utility Capital Fund	D	144.54	144.54
Amount Due from Water/Sewer Operating Fund	D	103.46	20,566.98
Amount Due from Payroll Fund	A-17	53,696.99	55,534.05
		<u>151,762.90</u>	<u>216,133.69</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-9	45,840.00	68,760.00
Emergency Authorization (40A:4-47)	A-10	-	209.00
		<u>45,840.00</u>	<u>68,969.00</u>
		<u>2,433,320.82</u>	<u>1,423,399.99</u>
Federal and State Grant Fund:			
Due From Current Fund	A-24	81,205.79	72,760.58
Grants Receivable	A-25	1,879.36	1,879.36
		<u>83,085.15</u>	<u>74,639.94</u>
Total Assets		<u>\$ 2,516,405.97</u>	<u>\$ 1,498,039.93</u>

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

BOROUGH OF LAKE COMO
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

	REFERENCE	2017	2016
LIABILITIES, RESERVES & FUND BALANCE			
Liabilities:			
Appropriation Reserves	A-3	\$ 232,083.79	\$ 309,556.41
Encumbrances Payable	A-3	9,293.82	5,156.46
Accounts Payable	A-12	13,585.86	13,859.87
Prepaid Taxes	A-13	320,925.04	41,279.58
Tax Overpayments	A-14	-	4,124.30
Local School Taxes Payable	A-15	93,826.02	100,697.22
County Taxes Payable	A-16	5,279.02	7,854.34
Due To:			
Federal and State Grant Fund	A	81,205.79	72,760.58
Trust - Other Fund	B	26,461.14	26,025.60
General Capital Fund	C	43,561.67	
State of New Jersey:			
UCC Fees	A-18	1,392.44	1,626.44
Marriage License Fees	A-19	50.00	75.00
Reserve for:			
Tree Replacement	A-20	8,365.00	3,400.00
Tax Title Lien Premiums	A-21	74,500.00	29,554.36
Revaluation	A-22	17,345.50	26,515.50
FEMA - Sandy	A-22	1,193.73	-
Insurance Reimbursement	A-23	21,805.40	21,805.40
Subtotal Regular Fund		<u>950,874.22</u>	<u>664,291.06</u>
Reserve for Receivables & Other Assets	A	151,762.90	216,133.69
Fund Balance	A-1	<u>1,330,683.70</u>	<u>542,975.24</u>
		<u>2,433,320.82</u>	<u>1,423,399.99</u>
Federal and State Grant Fund:			
Encumbrances Payable	A-27	853.84	853.84
Reserve for State Grants:			
Appropriated	A-27	67,585.60	67,585.60
Unappropriated	A-28	<u>14,645.71</u>	<u>6,200.50</u>
		<u>83,085.15</u>	<u>74,639.94</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 2,516,405.97</u>	<u>\$ 1,498,039.93</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
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ -	\$ 244,000.00
Miscellaneous Revenue Anticipated	1,035,561.00	1,266,932.28
Receipts from Delinquent Taxes	90,972.50	117,006.73
Receipts from Current Taxes	6,545,310.70	6,543,352.07
Non-Budget Revenues	70,440.61	8,511.29
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	210,725.85	60,340.81
Interfunds Liquidated	58,737.24	
Statutory Excess in Animal Control Fund	248.00	193.88
Cancelled Accounts Payable	797.99	
Total Revenue and Other Income	<u>8,012,793.89</u>	<u>8,240,337.06</u>
Expenditures:		
Budget and Emergency Appropriations :		
Appropriations Within "CAP":		
Operations:		
Salaries and Wages	691,292.00	1,107,817.16
Other Expenses	1,971,910.00	1,795,676.72
Deferred Charges and Statutory	398,544.54	465,844.31
Appropriations Excluded From "CAP":		
Operations:		
Salaries and Wages	3,876.00	10,588.63
Other Expenses	124,648.87	415,752.08
Capital Improvements	25,000.00	25,000.00
Municipal Debt Service	97,249.94	136,809.98
Deferred Charges	22,920.00	22,920.00
Local District School Tax	2,674,710.00	2,686,162.00
County Taxes	1,194,060.83	1,170,011.47
Amount Due County for Added and Omitted Taxes	5,279.02	7,854.34
Interfunds Advanced	8,748.59	112,876.11
Refund of Prior Year Revenue		2,055.84
Adjustment to Reserves	6,845.64	
Total Expenditures	<u>7,225,085.43</u>	<u>7,959,368.64</u>
Excess in Revenue	787,708.46	280,968.42
Fund Balance, January 1,	<u>542,975.24</u>	<u>506,006.82</u>
	1,330,683.70	786,975.24
Decreased By:		
Utilization as Anticipated Revenue	<u>-</u>	<u>244,000.00</u>
Fund Balance, December 31,	<u>\$ 1,330,683.70</u>	<u>\$ 542,975.24</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 REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Fund Balance Anticipated	\$ -	\$ -	\$ -
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	20,040.00	20,040.00	-
Other	11,000.00	12,479.00	1,479.00
Fees and Permits	32,000.00	37,105.00	5,105.00
Fines and Costs:			
Municipal Court	250,000.00	467,933.42	217,933.42
Interest and Costs on Taxes	25,000.00	25,262.80	262.80
Interest on Investments and Deposits	3,000.00	20,401.49	17,401.49
Ceremony Fees	-	-	-
Franchise Fees	30,000.00	34,191.15	4,191.15
State Aid Without Offsetting Appropriations:			
Consolidated Municipal Property Tax Relief Aid	92,841.00	92,841.00	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	243,277.00	243,277.00	-
Fire Safety Inspection Fees	3,876.00	3,910.14	34.14
UCC: Fees and Permits	48,000.00	58,773.00	10,773.00
National Geomatica GIS System	11,500.00	13,147.00	1,647.00
State Revenues Offset with Appropriations:			
Cops in Shops	6,200.00	6,200.00	-
	776,734.00	1,035,561.00	258,827.00
Receipts From Delinquent Taxes	85,000.00	90,972.50	5,972.50
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	2,712,043.30	2,907,896.74	195,853.44
Budget Totals	3,573,777.30	4,034,430.24	460,652.94
Non-Budget Revenues		70,440.61	70,440.61
	\$ 3,573,777.30	\$ 4,104,870.85	\$ 531,093.55

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 YEAR ENDED DECEMBER 31, 2017**

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 6,545,310.70
Allocated to:	
School and County Taxes	<u>3,874,049.85</u>
Balance for Support of Municipal Budget Appropriations	2,671,260.85
Add: Appropriation "Reserve for Uncollected Taxes"	<u>236,635.89</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 2,907,896.74</u></u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	<u><u>\$ 90,972.50</u></u>

Analysis of Non-Budget Revenue:

Senior Citizens' and Veterans' Administrative Fees	\$ 228.45
Purchase of Police Radios	20,000.00
DMV Inspection	1,210.00
Bulk Pickup	48,989.33
OPRA	<u>12.83</u>
	<u><u>\$ 70,440.61</u></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 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbrances	Reserved	Cancelled
<u>GENERAL GOVERNMENT</u>						
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	1,200.82	-	2,799.18	-
Miscellaneous Other Expenses	3,000.00	3,000.00	2,199.82	-	800.18	-
Mayor and Council:						
Salaries and Wages	14,790.00	14,790.00	14,510.50	-	279.50	-
Other Expenses	2,000.00	2,000.00	964.00	-	1,036.00	-
Municipal Clerk:						
Salaries and Wages	54,570.00	54,570.00	54,570.00	-	-	-
Other Expenses	1,000.00	1,000.00	937.64	-	62.36	-
Elections	1,000.00	1,000.00	380.95	-	619.05	-
Financial Administration (Treasury):						
Salaries and Wages	122,400.00	122,400.00	122,400.00	-	-	-
Other Expenses	30,000.00	30,000.00	12,118.48	-	17,881.52	-
Audit Services:						
Other Expenses	40,000.00	40,000.00	38,250.00	-	1,750.00	-
Revenue Administration (Tax Collection):						
Salaries and Wages	64,770.00	64,770.00	62,231.88	-	2,538.12	-
Other Expenses	7,700.00	7,700.00	7,626.29	-	73.71	-
Tax Search Officer:						
Salaries and Wages	6,936.00	6,936.00	6,914.42	-	21.58	-
Tax Sale:						
Other Expenses	360.00	360.00	184.52	-	175.48	-
Tax Assessment Administration:						
Salaries and Wages	13,500.00	13,500.00	13,279.04	-	220.96	-
Other Expenses	5,000.00	5,000.00	2,657.62	-	2,342.38	-
Assessment and Municipal Imp. Searcher:						
Salaries and Wages	4,080.00	4,080.00	4,080.00	-	-	-
Legal Services (Legal Department):						
Fees	40,000.00	40,000.00	23,363.94	-	16,636.06	-
Borough Attorney	22,260.00	22,260.00	21,353.22	-	906.78	-
Municipal Court:						
Salaries and Wages	35,700.00	35,700.00	33,896.66	-	1,803.34	-
Other Expenses	4,200.00	4,200.00	2,022.00	-	2,178.00	-
Engineering Services:						
Other Expenses	40,000.00	49,000.00	45,857.25	-	3,142.75	-
<u>LAND USE ADMINISTRATION</u>						
Planning Board:						
Salaries and Wages	6,000.00	6,000.00	3,209.50	-	2,790.50	-
Other Expenses	7,000.00	7,000.00	5,561.41	-	1,438.59	-
<u>CODE ENFORCEMENT AND ADMINISTRATION</u>						
Building Inspector:						
Salaries and Wages	9,996.00	9,996.00	9,768.79	-	227.21	-
Plumbing Inspector:						
Salaries and Wages	7,956.00	7,956.00	7,582.84	-	373.16	-
Fire Protection Inspection:						
Salaries and Wages	7,956.00	7,956.00	7,872.93	-	83.07	-
Electrical Inspector:						
Salaries and Wages	7,956.00	7,956.00	7,874.43	-	81.57	-
Construction Code Official:						
Salaries and Wages	49,470.00	49,470.00	49,150.53	-	319.47	-
Other Expenses	2,500.00	2,500.00	1,830.16	-	669.84	-
Zoning Official	5,000.00	5,000.00	4,323.18	-	676.82	-
Zoning Officer - Application Fees	2,400.00	2,400.00	2,150.00	-	250.00	-
<u>INSURANCE</u>						
Surety Bonds Premiums:						
Other Expenses	9,100.00	9,100.00	4,891.73	-	4,208.27	-
General Liability	37,000.00	27,500.00	26,045.62	-	1,454.38	-

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 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbrances	Reserved	Cancelled
Workers Compensation	55,000.00	31,975.25	29,330.97	-	2,644.28	-
Employee Group Health	152,000.00	152,000.00	149,362.34	-	2,637.66	-
<u>PUBLIC SAFETY</u>						
Police Department:						
Salaries and Wages	-	-			-	\$ -
Other Expenses	-	-			-	-
Police Contract	1,175,000.00	1,175,000.00	1,122,689.97		52,310.03	
Office of Emergency Management:						
Other Expenses	450.00	450.00	-	-	450.00	-
Aid To Volunteer Ambulance Companies:						
Contribution	20,000.00	20,000.00	10,000.00	-	10,000.00	-
Other Expenses	1,000.00	1,000.00	-	110.81	889.19	-
Public Defender:						
Salaries and Wages	3,000.00	3,000.00	2,204.70		795.30	-
Fire Department:						
Salaries and Wages					-	-
Other Expenses:						
Fire Alarm System	1,300.00	1,300.00	267.00		1,033.00	-
Miscellaneous	20,000.00	20,000.00	4,796.33	634.55	14,569.12	-
Municipal Prosecutor:						
Salaries and Wages	19,700.00	19,700.00	18,925.08		774.92	-
<u>PUBLIC WORKS</u>						
Streets and Road Maintenance:						
Salaries and Wages	95,880.00	95,880.00	95,880.00	-	-	-
Other Expenses	35,000.00	35,000.00	20,667.68	794.58	13,537.74	-
Solid Waste Collection:						
Salaries and Wages					-	-
Other Expenses	65,000.00	63,000.00	59,796.86	513.97	2,689.17	-
Recycling:						
Salaries and Wages	86,700.00	86,700.00	86,700.00	-	-	-
Other Expenses	30,000.00	30,000.00	23,666.67		6,333.33	-
Building and Grounds:						
Other Expenses	50,000.00	50,000.00	41,585.27	1,462.43	6,952.30	-
<u>HEALTH AND HUMAN SERVICES</u>						
Public Health Services:						
Salaries and Wages	3,672.00	3,672.00	3,672.00		-	-
Other Expenses	5,000.00	5,000.00	3,076.76		1,923.24	
Environmental Health Services:						
Other Expenses	400.00	424.75	424.75		-	-
<u>PARK AND RECREATION</u>						
Advancement of Youth Activities:						
Other Expenses	3,000.00	3,000.00	15.96		2,984.04	-
<u>OTHER OPERATING FUNCTIONS</u>						
Celebration of Public Events:						
Other Expenses	2,500.00	2,500.00	595.00		1,905.00	-
<u>UNCLASSIFIED</u>						
Accumulated Pay		-			-	
Unemployment		25,500.00	15,771.80		9,728.20	
<u>UTILITY EXPENSE AND BULK PURCHASES</u>						
Street Lighting	35,000.00	35,000.00	22,367.80	2,125.45	10,506.75	-
Telephone (excluding equipment acquisition)	19,000.00	19,000.00	15,765.95	840.26	2,393.79	-
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u>						
Landfill/Solid Waste Disposal Costs	62,000.00	62,000.00	53,698.63	2,441.77	5,859.60	-
Reserve for Accumulated Sick and Vacation	1,000.00	1,000.00	-		1,000.00	-
Reserve for Snow Removal	3,000.00	3,000.00	-		3,000.00	-

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 YEAR ENDED DECEMBER 31, 2017

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Reserved</u>	<u>Cancelled</u>
Total Operations - Within "CAPS"	2,663,202.00	2,663,202.00	2,431,521.69	8,923.82	222,756.49	-
Contingent					-	-
Total Operations Including Contingent - Within "CAPS"	2,663,202.00	2,663,202.00	2,431,521.69	8,923.82	222,756.49	-
Detail:						
Salaries and Wages	691,292.00	691,292.00	679,399.70	-	11,892.30	-
Other Expenses (Including Contingent)	1,971,910.00	1,971,910.00	1,752,121.99	8,923.82	210,864.19	-
<u>DEFERRED CHARGES & STATUTORY EXPENDITURES</u> <u>WITHIN "CAPS"</u>						
<u>DEFERRED CHARGES:</u>						
Emergency Authorizations	209.00	209.00	209.00	-	-	-
<u>STATUTORY EXPENDITURES:</u>						
Contribution To:						
Public Employees' Retirement System	64,788.48	64,788.48	64,788.48	-	-	-
Consolidated Police and Fireman's Pension Fund	4,660.06	4,660.06	4,660.06	-	-	-
Social Security System (O.A.S.I.)	51,000.00	51,000.00	50,651.59	-	348.41	-
Police and Firemen's Retirement System of NJ	277,887.00	277,887.00	277,887.00	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	398,544.54	398,544.54	398,196.13	-	348.41	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	3,061,746.54	3,061,746.54	2,829,717.82	8,923.82	223,104.90	-
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS:</u>						
National Geomatica - GIS System	11,500.00	11,500.00	10,990.00	370.00	140.00	-
Recycling Tax	2,519.01	2,519.01	-	-	2,519.01	-
Fire Safety Salaries & Wages	3,876.00	3,876.00	2,908.50	-	967.50	-
Total Other Operations - Excluded from "CAPS"	17,895.01	17,895.01	13,898.50	370.00	3,626.51	-
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:</u>						
Belmar: Construction Code Enforcement						
Interlocal	10,435.50	10,435.50	10,283.12	-	152.38	-
Belmar: Distribution of Brine	6,000.00	6,000.00	800.00	-	5,200.00	-
Belmar: Municipal Court Interlocal	87,994.36	87,994.36	87,994.36	-	-	-
Total Interlocal Municipal Service Agreement	104,429.86	104,429.86	99,077.48	-	5,352.38	-
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u>						
Cops in Shops	6,200.00	6,200.00	6,200.00	-	-	-
Total Public and Private Programs Offset By Revenues	6,200.00	6,200.00	6,200.00	-	-	-
Total Other Operations - Excluded From "CAPS"	128,524.87	128,524.87	119,175.98	370.00	8,978.89	-
Detail:						
Salaries and Wages	3,876.00	3,876.00	2,908.50	-	967.50	-
Other Expenses	124,648.87	124,648.87	116,267.48	370.00	8,011.39	-
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	-	-	-
Total Capital Improvements - Excluded from "CAPS"	25,000.00	25,000.00	25,000.00	-	-	-

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 YEAR ENDED DECEMBER 31, 2017

	Appropriated		Expended			
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbrances	Reserved	Cancelled
MUNICIPAL DEBT SERVICE						
Payment of Bond Principal	75,000.00	75,000.00	75,000.00	-	-	-
Interest on Bonds	21,950.00	21,950.00	21,949.94	-	0.00	0.06
Administration Fees Lease Programs	2,000.00	2,000.00	300.00	-	-	1,700.00
Total Municipal Debt Service - Excluded From "CAPS"	98,950.00	98,950.00	97,249.94	-	0.00	1,700.06
DEFERRED CHARGES						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	22,920.00	22,920.00	22,920.00	-	-	-
Total Deferred Charges - Municipal Excluded from "CAPS"	22,920.00	22,920.00	22,920.00	-	-	-
Total General Appropriations - Excluded from "CAPS"	275,394.87	275,394.87	264,345.92	370.00	8,978.89	1,700.06
Subtotal General Appropriations	3,337,141.41	3,337,141.41	3,094,063.74	9,293.82	232,083.79	1,700.06
Reserves for Uncollected Taxes	236,635.89	236,635.89	236,635.89	-	-	-
Total General Appropriations	\$ 3,573,777.30	\$ 3,573,777.30	\$ 3,330,699.63	\$ 9,293.82	\$ 232,083.79	\$ 1,700.06
Reserve for Uncollected Taxes			\$ 236,635.89			
Reserve for Grants Appropriated			6,200.00			
Deferred Charges			23,129.00			
Due General Capital Fund			25,000.00			
Cash Disbursed			3,039,734.74			
			\$ 3,330,699.63			

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 -
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Animal Control Fund:			
Cash	B-1	\$ 1,851.88	\$ 1,551.88
Total		<u>1,851.88</u>	<u>1,551.88</u>
Trust - Other Fund:			
Cash	B-1	41,942.57	66,670.48
Due From Current Fund	B-5	<u>26,461.14</u>	<u>26,025.60</u>
Total		<u>68,403.71</u>	<u>92,696.08</u>
Total Assets		<u><u>\$ 70,255.59</u></u>	<u><u>\$ 94,247.96</u></u>
 LIABILITIES AND RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$ 1,410.00	\$ 1,358.00
Due to Current Fund	B-4	<u>441.88</u>	<u>193.88</u>
		<u>1,851.88</u>	<u>1,551.88</u>
Trust - Other Funds:			
Reserve for:			
Unemployment Insurance	B-6	7,187.55	7,187.55
Off-Duty Employment	B-6	-	24,449.09
Law Enforcement	B-6	-	3,032.47
Municipal Court - P.O.A.A	B-6	593.07	383.07
Developers Escrow Fund - Planning Board	B-6	10,036.82	11,262.42
Tourism Account	B-6	14,502.42	9,132.80
Engineering Escrow Fees	B-6	1,269.25	1,269.25
Street Openings	B-6	16,272.00	15,072.00
Uniform Fire Account Fund	B-6	538.20	750.00
Fire Prevention Bureau	B-6	573.65	2,546.95
Public Defender	B-6	6,769.91	6,669.91
Ripley Lane Development Escrow	B-6	10,587.84	10,507.57
Environmental Commission	B-6	<u>73.00</u>	<u>433.00</u>
		<u>68,403.71</u>	<u>92,696.08</u>
Total Liabilities and Reserves		<u><u>\$ 70,255.59</u></u>	<u><u>\$ 94,247.96</u></u>

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

**BOROUGH OF LAKE COMO
GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Cash	C-2,C-3	\$ 1,279.93	\$ 1,259.40
Green Acres Loan Trust Fund Receivable	C-4	14,786.61	14,786.61
Due from Current Fund	C-5	43,561.67	-
Intergovernmental Receivables:			
New Jersey D.O.T	C-6	276,824.61	622,917.43
Community Development Block Grant	C-7	6,612.48	58,982.70
FEMA	C-8	-	75,000.00
Deferred Charges to Future Taxation:			
Funded	C-9	410,000.00	485,000.00
Unfunded	C-10	29,504.00	136,511.42
Total Assets		<u>\$ 782,569.30</u>	<u>\$ 1,394,457.56</u>
LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-11	\$ 410,000.00	\$ 485,000.00
Due To Water/Sewer Utility Capital Fund	C-12	21,521.32	21,521.32
Due To Current Fund	C	-	36,436.66
Improvement Authorizations:			
Funded	C-13	116,772.22	649,305.21
Unfunded	C-13	-	107,007.42
Capital Improvement Fund	C-14	111,380.00	86,380.00
Fund Balance	C-1	122,895.76	8,806.95
Total Liabilities, Reserves & Fund Balance		<u>\$ 782,569.30</u>	<u>\$ 1,394,457.56</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$29,504.00 & December 31, 2016 of \$30,272.00.

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 8,806.95
Increased By:	
Cancellation of Improvement Authorizations - Funded	<u>154,422.45</u>
	163,229.40
Decreased By:	
Cancellation of Grant Receivables, Net of Funded Improvement Authorizations	<u>40,333.64</u>
Balance, December 31, 2017	<u><u>\$ 122,895.76</u></u>

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

**BOROUGH OF LAKE COMO
WATER-SEWER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	REFERENCE	2017	2016
ASSETS			
Operating Fund:			
Cash	D-4	\$ 3,576,682.85	\$ 1,169,560.34
Cash - Change Fund	D-5	75.00	75.00
		<u>3,576,757.85</u>	<u>1,169,635.34</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-7	76,399.31	84,800.56
		<u>76,399.31</u>	<u>84,800.56</u>
Deferred Charge:			
Overexpenditure of Appropriations	D-3	-	24,368.77
Operating Deficit	D-1	-	41,167.14
		<u>-</u>	<u>65,535.91</u>
Total Operating Fund		<u>3,653,157.16</u>	<u>1,319,971.81</u>
Capital Fund:			
Due From:			
General Capital Fund	D-8	21,521.32	21,521.32
Water/Sewer Utility Operating Fund	D	2,922,250.12	678,303.44
Fixed Capital	D-9	369,293.28	369,293.28
Fixed Capital Authorized and Uncompleted	D-10	6,205,848.50	6,205,848.50
Total Capital Fund		<u>9,518,913.22</u>	<u>7,274,966.54</u>
Total Operating & Capital Fund		<u>\$ 13,172,070.38</u>	<u>\$ 8,594,938.35</u>

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

**BOROUGH OF LAKE COMO
WATER-SEWER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	REFERENCE	2017	2016
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 52,338.07	\$ 49,294.81
Encumbrances Payable	D-3	11,875.74	887.60
Prepaid Rents	D-12	103,431.81	99,094.45
Rent Overpayments	D-13		614.99
Accrued Interest on Notes	D-14	28,385.26	24,369.24
Due To:			
Current Fund	D-15	103.46	20,566.98
Water/Sewer Utility Capital Fund	D-16	2,922,250.12	678,303.44
Accounts Payable	D-17	29,671.40	29,652.93
Subtotal		<u>3,148,055.86</u>	<u>902,784.44</u>
Reserve for Receivables	D	76,399.31	84,800.56
Fund Balance	D-1	<u>428,701.99</u>	<u>332,386.81</u>
Total Operating Fund		<u>3,653,157.16</u>	<u>1,319,971.81</u>
Capital Fund:			
Serial Bonds Payable	D-19	1,919,171.17	1,948,571.50
Bond Anticipation Notes	D-18	3,392,625.00	927,625.00
Improvement Authorizations:			
Funded	D-20	79,177.88	79,177.88
Unfunded	D-20	2,691,733.43	2,912,786.75
Reserve for Amortization	D-21	369,293.28	369,293.28
Reserve To Pay Bond Anticipation Notes	D-22	3,893.87	3,893.87
Due to Current Fund	A	144.54	144.54
Capital Improvement Fund	D-23	168,821.72	168,821.72
Deferred Reserve for Amortization	D-24	894,052.33	864,652.00
Total Capital Fund		<u>9,518,913.22</u>	<u>7,274,966.54</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 13,172,070.38</u>	<u>\$ 8,594,938.35</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$0 and on December 31, 2016 of \$2,465,000.

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
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 225,000.00	\$ 1,990.27
Water/Sewer Utility Rents	1,295,417.71	1,235,342.52
Miscellaneous	23,121.00	10,559.76
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	7,302.35	725.83
Other Cancellations	800.83	
	<hr/>	<hr/>
Total Revenues	1,551,641.89	1,248,618.38
	<hr/>	<hr/>
Expenditures:		
Operating:		
Salaries and Wages	195,500.00	195,500.00
Other Expenses	80,000.00	80,000.00
Other Expenses - South Monmouth		
Regional Sewerage Authority	500,705.39	570,590.00
Purchase of Water	259,000.00	236,000.00
Capital Improvements	-	125,000.00
Debt Service	93,440.06	64,604.77
Deferred Charges	24,368.77	-
Statutory Expenditures	35,419.52	42,459.52
Deficit in Operations in Prior Years	41,892.97	-
	<hr/>	<hr/>
Total Expenditures	1,230,326.71	1,314,154.29
	<hr/>	<hr/>
Excess in Revenue	321,315.18	(65,535.91)
Adjustments To Income Before Surplus:		
Expenditures Included Above Which Are By		
Statute Deferred Charges To Budget of		
Succeeding Year	-	24,368.77
Operating Deficit to be Raised in Budget of		
Succeeding Year	-	41,167.14
	<hr/>	<hr/>
Statutory Excess in Revenue	321,315.18	0.00
Fund Balance, January 1,	332,386.81	334,377.08
	<hr/>	<hr/>
	653,701.99	334,377.08
Decreased By:		
Utilized as Anticipated Revenue	225,000.00	1,990.27
	<hr/>	<hr/>
Fund Balance, December 31,	\$ 428,701.99	\$ 332,386.81
	<hr/>	<hr/>

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 YEAR ENDED DECEMBER 31, 2017**

	Anticipated <u>Revenue</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 225,000.00	\$ 225,000.00	\$ -
Water/Sewer Utility Rents	1,004,307.01	1,295,417.71	291,110.70
Miscellaneous	8,000.00	23,121.00	15,121.00
	<u>\$ 1,237,307.01</u>	<u>\$ 1,543,538.71</u>	<u>\$ 306,231.70</u>

Analysis of Miscellaneous Revenue

Interest on Investments	\$ 10,264.17
Interest and Costs on Rents	9,347.36
Miscellaneous - Other	<u>3,509.47</u>
	<u>\$ 23,121.00</u>

Analysis of Water/Sewer Utility Rents

Cash	\$ 1,195,708.27
Overpayments Applied	614.99
Prepays Applied	<u>99,094.45</u>
	<u>\$ 1,295,417.71</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 YEAR ENDED DECEMBER 31, 2017**

EXHIBIT D-3

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Operating:						
Salaries and Wages	\$ 195,500.00	\$ 195,500.00	\$ 168,519.10	\$ -	\$ 26,980.90	\$ -
Other Expenses	80,000.00	80,000.00	65,712.89	2,355.16	11,931.95	-
Other Expenses - South Monmouth						
Regional Sewerage Authority	515,000.00	500,705.39	499,448.39	-	1,257.00	-
Purchase of Water	245,000.00	259,000.00	239,468.90	9,520.58	10,010.52	-
Total Operating	1,035,500.00	1,035,205.39	973,149.28	11,875.74	50,180.37	-
Debt Service						
Payment of Bond Principal	29,400.33	29,400.33	29,400.33	-	-	-
Interest on bonds	48,225.42	48,520.03	48,213.78	-	-	306.25
Interest on Notes	22,500.00	22,500.00	15,825.95	-	-	6,674.05
Total Debt Service:	100,125.75	100,420.36	93,440.06	-	-	6,980.30
Deferred Charges						
Overexpenditure of Appropriations	24,368.77	24,368.77	24,368.77	-	-	-
Total Deferred Charges:	24,368.77	24,368.77	24,368.77	-	-	-
Statutory Expenditures:						
Contribution To:						
Public Employees' Retirement System	20,419.52	20,419.52	20,419.52	-	-	-
Social Security System (O.A.S.I.)	15,000.00	15,000.00	12,842.30	-	2,157.70	-
Total Statutory Expenditures	35,419.52	35,419.52	33,261.82	-	2,157.70	-
Deficit in Operation in Prior Years	41,892.97	41,892.97	41,892.97	-	-	-
Total Expenditures	\$ 1,237,307.01	\$ 1,237,307.01	\$ 1,166,112.90	\$ 11,875.74	\$ 52,338.07	\$ 6,980.30

Analysis of Paid or Charged

Disbursed	\$ 1,095,835.14
Deferred Charges & Deficit in Operations	66,261.74
Accrued Interest on Bonds and Notes	4,016.02
	<u>\$ 1,166,112.90</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
STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	REFERENCE	<u>2017</u>	<u>2016</u>
General Fixed Assets:			
Land and Improvements	E	\$ 688,180.00	\$ 688,180.00
Buildings and Improvements	E	937,600.00	937,600.00
Machinery and Equipment	E	<u>1,136,073.00</u>	<u>2,057,199.45</u>
Total General Fixed Assets		<u>\$ 2,761,853.00</u>	<u>\$ 3,682,979.45</u>
Investment in General Fixed Assets	E	<u>\$ 2,761,853.00</u>	<u>\$ 3,682,979.45</u>

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

BOROUGH OF LAKE COMO
PAYROLL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

ASSETS	REFERENCE	2017	2016
Cash	F	\$ 113,792.90	\$ 112,310.91
Due From Current Fund	A	-	-
Total Assets		<u>\$ 113,792.90</u>	<u>\$ 112,310.91</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Due to Current Fund	A	\$ 53,696.99	55,534.05
Payroll Deductions Payable	F	<u>60,095.91</u>	<u>56,776.86</u>
Total Liabilities		<u>\$ 113,792.90</u>	<u>\$ 112,310.91</u>

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

This page intentionally left blank.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough 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 further in this note.

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

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

General Capital Fund – This 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 – These funds accounts for utility 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 utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Borough.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its Current and Utility 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 10th 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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore unrealized gains or losses on investments have not been recorded.

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.

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

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued)

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 statements 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 acquisition value as of the date of the transaction. 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. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued)

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” 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 Borough 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.

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 and Utility Operating 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.

Utility Revenues – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Boroughs utility operating fund.

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.

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 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

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.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued)

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 interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

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 and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility 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 – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Borough’s financial statements.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 2. Deposits and Investments

The Borough is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - 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 funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2017, the Borough's bank balance of \$6,050,621.96 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 5,886,398.71
NJ Cash Management Fund	5,094.04
Uninsured and Uncollateralized	<u>159,129.21</u>
	<u>\$ 6,050,621.96</u>

Investments

The Borough had no investments as of December 31, 2017.

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.

Comparison Schedule of Tax Rates

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$ 1.697</u>	<u>\$ 1.764</u>	<u>\$ 1.825</u>
Apportionment of Tax Rate:			
Municipal	0.699	0.731	0.715
County General	0.308	0.314	0.295
Local School	0.690	0.719	0.815

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 3. Property Taxes (continued)

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2017	\$ 387,875,000.00
2016	373,533,800.00
2015	371,082,600.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 6,611,330.20	\$ 6,545,310.70	99.00%
2016	6,634,308.15	6,543,352.07	98.62%
2015	6,786,858.30	6,669,851.57	98.27%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2017	\$ -	\$ 72,624.05	\$ 72,624.05	1.10%
2016	-	90,940.36	90,940.36	1.37%
2015	-	117,006.73		0.00%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2017	0
2016	0
2015	0

The last tax sale was held on April 4, 2017.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 4: Property Acquired By Tax Title Lien Liquidation

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2017, 2016 or 2015.

Note 5: Water-Sewer Utility Service Charges

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 84,800.56	\$ 1,286,401.47	\$ 1,371,202.03	\$ 1,294,802.72	94.42%
2016	69,420.32	1,250,722.76	1,320,143.08	1,235,342.52	93.57%
2015	82,683.30	1,266,532.27	1,349,215.57	1,279,795.25	94.85%

Note 6. 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:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2017	\$ 1,330,683.70	\$ 98,200.00	7.38%
2016	542,975.24	-	0.00%
2015	506,006.82	244,000.00	48.22%
Utility Operating Fund:			
2017	\$ 428,804.39	\$ 236,000.00	55.04%
2016	332,386.81	225,000.00	67.69%
2015	334,377.08	1,990.27	0.60%

Note 7. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 8. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2017:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 54,386.87	\$ 151,228.60
Federal and State Grant Fund	81,205.79	-
Animal Control Fund	-	441.88
Trust Other Fund	26,461.14	-
General Capital Fund	43,561.67	21,521.32
Water-Sewer Operating	-	2,922,353.58
Water-Sewer Capital	2,943,771.44	144.54
Payroll Fund	-	53,696.99
	<u>\$ 3,149,386.91</u>	<u>\$ 3,149,386.91</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 110,931.66	\$ -
State and Federal Grant Fund	-	8,445.21
Animal Control Trust	248.00	-
Trust Other Fund	-	435.54
Capital Fund	-	79,998.33
Utility Operating Fund	2,223,483.16	-
Utility Capital Fund	-	2,243,946.68
Payroll Fund	-	1,837.06
	<u>\$ 2,334,662.82</u>	<u>\$ 2,334,662.82</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2017.

	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Land	\$ 688,180.00		\$ -	\$ 688,180.00
Buildings and Improvements	937,600.00		-	937,600.00
Machinery & Equipment	1,979,308.55	-	(843,235.55)	1,136,073.00
	<u>\$ 3,605,088.55</u>	<u>\$ -</u>	<u>\$ (843,235.55)</u>	<u>\$ 2,761,853.00</u>

The deletions in machinery & equipment are the result of the Borough having an appraisal performed by an outside third party.

Note 10. 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 Division's Comprehensive Annual Financial Report (CAFR) which can be found at 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:

<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 with 25 or more years of service credit before age 62 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

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

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.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2017, 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. For the year ended December 31, 2017, the Borough's contractually required contribution to PERS plan was \$86,802.

Components of Net Pension Liability - At December 31, 2017, the Borough's proportionate share of the PERS net pension liability was \$2,165,279. The net pension liability was measured as of June 30, 2017. 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 July 1, 2016, which was rolled forward to June 30, 2017. 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, 2017. The Borough's proportion measured as of June 30, 2017, was 0.0093016658% which was an increase of 0.0002062922% from its proportion measured as of June 30, 2016.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 597,136	\$ 790,823
Deferred Inflows of Resources	474,524	51,069
Net Pension Liability	2,165,279	2,693,789
Lake's portion of the Plan's total net pension Liability	0.00930%	0.00910%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2017 measurement date is \$156,178. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$86,170 to the plan in 2017.

At December 31, 2017, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 50,985	\$ -
Changes of Assumptions	436,229	434,630
Net Difference between Projected and Actual Earnings on Pension Plan Investments	14,744	-
Changes in Proportion and Differences between Lake Contributions and Proportionate Share of Contributions	<u>95,178</u>	<u>39,894</u>
	<u>\$ 597,136</u>	<u>\$ 474,524</u>

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017		
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017		
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017		
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017		

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

Year Ending Dec 31,	<u>Amount</u>
2018	\$ 68,581
2019	93,132
2020	56,474
2021	(54,211)
2022	(41,361)
	<hr/>
	\$ 122,615

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2015

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

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2017) 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2017 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 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 (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Lake's Proportionate Share of the Net Pension Liability	\$ 2,686,176	\$ 2,165,279	\$ 1,731,308

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/annrprts.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.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

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.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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 2016, 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. For the year ended December 31, 2017, the Borough's contractually required contributions to PFRS plan was \$149,885.

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

**BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

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

Net Pension Liability and Pension Expense - At December 31, 2017 the Borough's proportionate share of the PFRS net pension liability was \$2,614,561. The net pension liability was measured as of June 30, 2017. 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 July 1, 2016, to the measurement date of June 30, 2017. 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, 2017. The Borough's proportion measured as of June 30, 2017, was 0.0169358050%, which was a decrease of 0.0154785016 from its proportion measured as of June 30, 2016.

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/31/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 694,072	\$ 1,715,338
Deferred Inflows of Resources	2,380,906	40,589
Net Pension Liability	2,614,561	6,191,692
Lake's portion of the Plan's total net pension Liability	0.01694%	0.03241%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2017 measurement date was \$237,123. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$149,885 to the plan in 2017.

At December 31, 2017, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 16,962	\$ 15,345
Changes of Assumptions	322,404	428,189
Net Difference between Projected and Actual Earnings on Pension Plan Investments	49,892	-
Changes in Proportion and Differences between Lake Contributions and Proportionate Share of Contributions	<u>304,814</u>	<u>1,937,372</u>
	<u>\$ 694,072</u>	<u>\$ 2,380,906</u>

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017		
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017		
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017		
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017		

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending		
<u>Dec 31,</u>	<u>Amount</u>	
2018	\$	(173,679)
2019		(77,917)
2020		(302,354)
2021		(830,993)
2022		<u>(301,891)</u>
	\$	<u>(1,686,834)</u>

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.

The State's proportionate share of the PFRS net pension liability attributable to the Borough is \$292,853 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. 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 July 1, 2016, to the measurement date of June 30, 2017. 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, 2017 was 0.0169358050%, which was a decrease of 0.0154785016% from its proportion measured as of June 30, 2016, which is the same proportion as the Borough's. At December 31, 2017, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

Lake Como's Proportionate Share of Net Pension Liability	\$ 2,614,561
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Lake	<u>292,853</u>
	<u>\$ 2,907,414</u>

At December 31, 2017, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2017 measurement date was \$292,853. This on-behalf expense is not recognized in the financial statements of the Borough because of the regulatory basis of accounting as described in Note 1.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

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

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

The actuarial assumptions used in the July 1, 2015 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 (7.65% at June 30, 2016) 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 rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2017 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 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 (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
Borough of Lake Como's Proportionate Share of the Net Pension Liability	\$ 3,444,899	\$ 2,614,561	\$ 1,932,344
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Lake	<u>385,858</u>	<u>292,853</u>	<u>216,439</u>
	<u>\$ 3,830,757</u>	<u>\$ 2,907,414</u>	<u>\$ 2,148,783</u>

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

Note 11. Municipal Debt

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Municipal Debt (continued)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 410,000.00	\$ 485,000.00	\$ 595,000.00
Utility:			
Bonds, Notes and Loans	5,311,796.17	2,876,196.00	2,812,500.00
Total Debt Issued	<u>5,721,796.17</u>	<u>3,361,196.00</u>	<u>3,407,500.00</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	29,504.00	30,272.00	30,272.00
Utility:			
Bonds, Notes and Loans	-	2,465,000.00	427,625.00
Total Authorized But Not Issued	<u>29,504.00</u>	<u>2,495,272.00</u>	<u>457,897.00</u>
Total Gross Debt	<u>\$ 5,751,300.17</u>	<u>\$ 5,856,468.00</u>	<u>\$ 3,865,397.00</u>
Deductions:			
Utility:			
Self Liquidating Debt	\$ 5,311,796.17	\$ 5,341,196.00	\$ 3,240,125.00
Total Deductions	<u>5,311,796.17</u>	<u>5,341,196.00</u>	<u>3,240,125.00</u>
Total Net Debt	<u>\$ 439,504.00</u>	<u>\$ 515,272.00</u>	<u>\$ 625,272.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 439,504.00	\$ -	\$ 439,504.00
Utility Debt	5,311,796.17	5,311,796.17	-
	<u>\$ 5,751,300.17</u>	<u>\$ 5,311,796.17</u>	<u>\$ 439,504.00</u>

Net Debt \$439,504 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$396,694,627.67, equals .111%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2017 is calculated as follows:

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Municipal Debt (continued)

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 13,884,311.97
Net Debt	<u>439,504.00</u>
Remaining Borrowing Power	<u>\$ 13,444,807.97</u>

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 1,551,641.89
---	-----------------

Deductions:

Operating and Maintenance Costs	\$ 1,070,624.91
Debt Service	<u>93,440.06</u>

Total Deductions	<u>1,164,064.97</u>
------------------	---------------------

Excess/(Deficit) in Revenue	<u>\$ 387,576.92</u>
-----------------------------	----------------------

*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

On December 24, 2013, the Borough issued \$685,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 1, 2022.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 75,000.00	\$ 18,950.00	\$ 93,950.00
2019	80,000.00	15,950.00	95,950.00
2020	80,000.00	12,750.00	92,750.00
2021	85,000.00	8,750.00	93,750.00
2022	90,000.00	4,500.00	94,500.00
	<u>\$ 410,000.00</u>	<u>\$ 60,900.00</u>	<u>\$ 470,900.00</u>

**BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 11. Municipal Debt (continued)

B. Bond Anticipation Notes Payable – Short Term Debt

The Borough had no bond anticipation notes outstanding in the General Capital Fund at December 31, 2017.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017, the Borough had \$29,504.00 in various General Capital bonds and notes authorized but not issued.

Water-Sewer Utility Debt

A. Serial Bonds Payable

On January 28, 2016, the Borough issued \$1,963,000 of Utility Revenue Bonds. The Bonds were issued at an interest rate of 2.500% and mature on January 28, 2056.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 30,139.92	\$ 47,792.08	\$ 77,932.00
2019	30,898.13	47,033.87	77,932.00
2020	31,675.42	46,256.58	77,932.00
2021	32,472.25	45,459.75	77,932.00
2022	33,289.13	44,642.87	77,932.00
2023-2027	179,436.46	210,223.54	389,660.00
2028-2032	203,170.64	186,489.36	389,660.00
2033-2037	230,044.19	159,615.81	389,660.00
2038-2042	260,472.35	129,187.65	389,660.00
2043-2047	294,925.24	94,734.76	389,660.00
2048-2052	333,935.26	55,724.74	389,660.00
2053-2057	258,712.18	13,059.77	271,771.95
	<u>\$ 1,919,171.17</u>	<u>\$ 1,080,220.78</u>	<u>\$ 2,999,391.95</u>

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Municipal Debt (continued)

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2017:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>December 31, 2017</u>
Various Water System Improvements	2/8/2017	2/7/2018	1.469%	\$ 427,625.00
Various Water System Improvements	12/12/2017	11/1/2018	1.750%	<u>2,965,000.00</u>
				<u>\$ 3,392,625.00</u>

The purpose of these short-term borrowings was to provide resources for utility capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

The Borough had no bonds and notes authorized but not issued in the Utility Capital Fund at December 31, 2017.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Borough is as follows:

	<u>Balance December 31, 2016</u>	<u>Accrued/ Increases</u>	<u>Retired/ Decreases</u>	<u>Balance December 31, 2017</u>	<u>Balance Due Within One Year</u>
General Capital:					
General Bonds	<u>\$ 485,000.00</u>	<u>\$ -</u>	<u>\$ 75,000.00</u>	<u>\$ 410,000.00</u>	<u>\$ 75,000.00</u>
	<u>\$ 485,000.00</u>	<u>\$ -</u>	<u>\$ 75,000.00</u>	<u>\$ 410,000.00</u>	<u>\$ 75,000.00</u>
Utility Capital:					
Utility Bonds	<u>\$ 1,948,571.50</u>	<u>\$ -</u>	<u>\$ 29,400.33</u>	<u>\$ 1,919,171.17</u>	<u>\$ -</u>
Bond Anticipation Notes	<u>927,625.00</u>	<u>3,392,625.00</u>	<u>927,625.00</u>	<u>3,392,625.00</u>	<u>3,392,625.00</u>
	<u>\$ 2,876,196.50</u>	<u>\$ 3,392,625.00</u>	<u>\$ 957,025.33</u>	<u>\$ 5,311,796.17</u>	<u>\$ 3,392,625.00</u>

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 12. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	<u>Balance</u> <u>December 31,</u> <u>2017</u>	<u>2018 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Current Fund:			
Special Emergency Authorizations (40A:4-55)	\$ 45,840.00	\$ 22,920.00	\$ 22,920.00

Note 13. 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.

Note 14. 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. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$207,752.30 at December 31, 2017.

Note 15. 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.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 15. Risk Management (continued)

Joint Insurance Pool

The Borough is a member of the Municipal Excess Liability Joint Insurance Fund. The Fund provides the Borough with the following coverage

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

Contributions to the Funds are payable in two installments and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2017 which can be obtained on the Fund's website.

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 unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>	
			<u>Current Fund</u>	<u>Trust Fund</u>
2017	\$ 25,500.00	\$ 64,243.80	\$ 9,728.20	\$ 7,187.55
2016	112,990.00	57,337.55	48,472.00	7,187.55
2015	-	-	-	7.10

Note 16. Contingencies

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2017 the Borough estimates that no material liabilities will result from such audits.

BOROUGH OF LAKE COMO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 16. Contingencies (continued)

Litigation

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2017.

This page intentionally left blank.

SUPPLEMENTAL SCHEDULES

This page intentionally left blank.

CURRENT FUND

This page intentionally left blank.

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 1,133,392.19
Increased By:		
Miscellaneous Revenue Not Anticipated	\$ 70,440.61	
Taxes Receivable	6,579,629.32	
Revenue Accounts Receivable	1,029,361.00	
Reserve for Tax Title Lien Premiums	87,800.00	
Reserve for Tax Title Liens	48,967.88	
Reserve for Tree Replacement	5,000.00	
Reserve for FEMA - Sandy	1,193.73	
Tax Overpayments		
Due To/From:		
Trust Other	12,791.33	
Payroll Fund	23,194.18	
General Capital Fund	280,934.38	
Water/Sewer Utility Operating Fund	20,463.52	
Due To State of New Jersey:		
UCC Fees	3,216.00	
Marriage License Fees	450.00	
Due From State of New Jersey - Senior		
Citizens' and Veterans' Deductions	11,422.60	
Prepaid Taxes	320,925.04	
Grants Receivable	27.30	
Reserve for Grants - Unappropriated	14,645.21	
		<u>8,510,462.10</u>
		9,643,854.29
Decreased By:		
2017 Budget Appropriation	3,039,734.74	
2016 Appropriation Reserves	103,463.04	
Due To:		
Trust Other	12,355.79	
General Capital Fund	225,915.52	
Payroll Fund	25,031.24	
Local District School Taxes	2,681,581.20	
County Taxes	1,201,915.17	
Reserve for Tax Title Lien Premium	49,700.00	
Reserve for Tax Title Liens	48,967.88	
Reserve for Revaluation	9,170.00	
Reserve for Tree Replacement	35.00	
Due To State of New Jersey:		
UCC Fees	3,450.00	
Marriage License Fees	475.00	
Accounts Payable		
Reserve for State Grants - Appropriated	6,200.00	
		<u>7,412,118.88</u>
Balance, December 31, 2017		<u><u>\$ 2,231,735.41</u></u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2017 & 2016</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, 2017

Balance, December 31, 2016			\$ 4,630.11
Increased By:			
Senior Citizens' Deductions Per Tax			
Billings	\$ 1,500.00		
Veterans' Deductions Per Tax Billings	9,750.00		
		<u>11,250.00</u>	
			15,880.11
Decreased By:			
Cash Received	11,422.60		
Deductions Disallowed By Tax Collector:			
Veterans' and Senior Citizens	750.00		
		<u>12,172.60</u>	
Balance, December 31, 2017			<u>\$ 3,707.51</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, 2017

<u>Year</u>	<u>Balance December 31, 2016</u>	<u>Levy</u>	<u>2016</u>	<u>Collections</u>	<u>2017</u>	<u>Overpayments Applied</u>	<u>Veterans' and Senior Citizens'</u>	<u>Cancellations and Adjustments</u>	<u>Balance December 31, 2017</u>
2016	90,940.36	\$ -	\$ -	\$ -	\$ 90,972.50		\$ -	\$ 32.14	\$ -
2017	-	6,611,330.20	41,279.58	6,488,656.82		4,124.30	11,250.00	6,604.55	72,624.05
	\$ 90,940.36	\$ 6,611,330.20	\$ 41,279.58	\$ 6,579,629.32	\$ 4,124.30	\$ 4,124.30	\$ 11,250.00	\$ 6,636.69	\$ 72,624.05

Analysis of 2017 Property Tax Levy

Tax Yield:

General Purpose Tax \$ 6,580,814.13
 Added Taxes (54:4-63.1 et seq.) 30,516.07

\$ 6,611,330.20

Tax Levy

Local District School Taxes \$ 2,674,710.00
 County Taxes 1,194,060.93
 County Added/Omitted Taxes 5,278.92

\$ 3,874,049.85

Local Tax for Municipal Purposes 2,712,043.30
 Additional Taxes Added 25,237.05

2,737,280.35

\$ 6,611,330.20

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2017</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 20,040.00	\$ 20,040.00	\$ -
Other	-	12,479.00	12,479.00	-
Fees and Permits:				
Other	-	37,105.00	37,105.00	-
Fines and Costs:				
Municipal Court	12,317.22	480,368.18	467,933.42	24,751.98
Interest and Costs on Taxes	-	25,262.80	25,262.80	-
Interest on Investments and Deposits	-	20,401.49	20,401.49	-
Franchise Fees	-	34,191.15	34,191.15	-
Consolidated Municipal Property Tax				
Relief Aid	-	92,841.00	92,841.00	-
Energy Receipts Tax	-	243,277.00	243,277.00	-
Fire Safety Fees	-	3,910.14	3,910.14	-
Fees and Permits	-	58,773.00	58,773.00	-
National Geomatica GIS System	-	13,147.00	13,147.00	-
	<u>\$ 12,317.22</u>	<u>\$ 1,041,795.76</u>	<u>\$ 1,029,361.00</u>	<u>\$ 24,751.98</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, 2017

<u>Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
10/7/14	Revaluation	114,600.00	\$ 68,760.00	\$ -	\$ 22,920.00	\$ 45,840.00
			\$ 68,760.00	\$ -	\$ 22,920.00	\$ 45,840.00

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	ADDED IN 2017	RAISED IN 2017 BUDGET	BALANCE DECEMBER 31, 2017
Emergency Authorization (N.J.S. 40A:4-55.1 & 40A:4-55.13):				
Emergency Authorization - Police Salary & Wages	\$ 209.00	\$ -	\$ 209.00	\$ -
Total	\$ 209.00	\$ -	\$ 209.00	\$ -

BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance December 31, 2016		Balance After Modification	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
General Administration:					
Other Expenses:					
Stationery, Printing and Advertising	-	974.19	974.19	-	974.19
Miscellaneous Other Expenses	-	1.12	1.12	-	1.12
Mayor and Council:					
Salaries and Wages - Ceremony Fees	-	400.00	400.00	-	400.00
Other Expenses	-	571.00	571.00	-	571.00
Municipal Clerk:					
Other Expenses	-	318.29	318.29	-	318.29
Elections	-	282.99	282.99		282.99
Financial Administration (Treasury):					
Salaries and Wages	-	7,842.33	7,842.33		7,842.33
Other Expenses	-	16,402.17	16,402.17		16,402.17
Revenue Administration (Tax Collection):					
Salaries and Wages	-	1,138.48	1,138.48		1,138.48
Other Expenses	-	586.15	586.15	400.00	186.15
Tax Sale:					
Other Expenses	-	148.28	148.28		148.28
Tax Assessment Administration:					
Salaries and Wages	-	245.90	245.90		245.90
Other Expenses	-	2,262.86	2,262.86	344.42	1,918.44
Legal Services (Legal Department)					
Fees	-	19,352.41	19,352.41	7,578.91	11,773.50
Borough Attorney	-	863.28	863.28		863.28
Municipal Court:					
Salaries and Wages	-	929.84	929.84		929.84
Other Expenses	-	185.00	2,585.00	1,220.00	1,365.00
Engineering Services:					
Other Expenses	26.54	13,803.21	11,429.75	896.54	10,533.21
Planning Board:					
Salaries and Wages	-	1,938.81	1,938.81		1,938.81
Other Expenses	-	60.23	60.23		60.23
Building Inspector:					
Salaries and Wages	-	32.71	32.71		32.71
Plumbing Inspector:					
Salaries and Wages	-	145.73	145.73		145.73
Electrical Inspector:					
Salaries and Wages	-	218.66	218.66		218.66
Construction Code Official:					
Salaries and Wages	-	-	-		-
Other Expenses	-	331.71	331.71		331.71
Zoning Official	-	498.25	498.25		498.25
Zoning Official - Application Fees	-	575.00	575.00	125.00	450.00
Insurance:					
General Liability	-	17,639.38	15,239.38	-	15,239.38
Workers Compensation	-	2,016.33	2,016.33		2,016.33
Employee Group Health	-	4,288.97	4,288.97		4,288.97
Police Department:					
Salaries and Wages	-	1,294.14	1,294.14		1,294.14
Other Expenses	193.98	1,687.48	1,881.46	1,663.09	218.37
Police Contract	-	44,194.89	44,194.89	27,240.33	16,954.56
Office of Emergency Management:					
Other Expenses	-	450.00	450.00		450.00
Aid To Volunteer Ambulance Companies:					

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016		Balance After Modification	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Contribution	-	20,000.00	20,000.00	-	20,000.00
Other Expenses	-	844.91	844.91	35.14	809.77
Public Defender					
Salaries and Wages	-	1,347.60	1,347.60		1,347.60
Fire Department:					
Other Expenses:					
Fire Alarm System	-	590.00	590.00	-	590.00
Miscellaneous	87.89	15,586.78	15,674.67	698.81	14,975.86
Municipal Prosecutor:					
Salaries and Wages	-	1,106.41	1,106.41		1,106.41
Streets and Road Maintenance:					
Other Expenses	57.44	3,645.54	3,702.98	890.32	2,812.66
Solid Waste Collection:					
Other Expenses	-	43.47	43.47		43.47
Recycling:					
Other Expenses	2,164.78	1,420.22	3,585.00	2,564.78	1,020.22
Building and Grounds:					
Other Expenses	975.83	10,220.99	11,196.82	5,099.72	6,097.10
Environmental Health Services:					
Other Expenses	-	323.04	323.04		323.04
Advancement of Youth Activities:					
Other Expenses	-	1,500.00	1,500.00		1,500.00
Celebration of Public Events:					
Other Expenses	-	1,892.25	1,892.25	250.00	1,642.25
Unclassified:					
Accumulated Pay	-	179.51	179.51		179.51
Unemployment	-	48,472.00	48,472.00	48,472.00	-
Street Lighting	-	4,126.12	4,126.12		4,126.12
Telephone (excluding equipment acquisition)	-	4,493.52	4,493.52	1,196.78	3,296.74
Landfill/Solid Waste Disposal Costs	-	974.36	3,374.36	2,381.18	993.18
Reserve for Accumulated Sick and Vacation	-	1,000.00	1,000.00		1,000.00
Reserve for Snow Removal	-	2,010.53	2,010.53		2,010.53
Contingent	-	1,000.00	1,000.00		1,000.00
Contribution To:					
Social Security System (O.A.S.I.)	-	11,418.69	11,418.69		11,418.69
Unemployment Compensation Insurance			-		-
National Geomatica - GIS System	1,250.00	5,340.00	6,590.00	1,730.00	4,860.00
Police Dispatch	-	24,000.00	24,000.00		24,000.00
Belmar Distribution of Brine	400.00	3,600.00	4,000.00	1,200.00	2,800.00
Recycling Tax	-	2,740.68	2,740.68		2,740.68
	<u>\$ 5,156.46</u>	<u>\$ 309,556.41</u>	<u>\$ 314,712.87</u>	<u>\$ 103,987.02</u>	<u>\$ 210,725.85</u>

Accounts Payable	\$ 523.98
Cash Disbursed	103,463.04
	<u>\$ 103,987.02</u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 13,859.87
Increased By:	
Transfer From Appropriation Reserves	<u>523.98</u>
	14,383.85
Decreased By:	
Cancelled	<u>797.99</u>
Balance, December 31, 2017	<u><u>\$ 13,585.86</u></u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 41,279.58
Increased By:	
Cash Receipts	<u>320,925.04</u>
	362,204.62
Decreased By:	
Applied To Taxes Receivable	<u>41,279.58</u>
Balance, December 31, 2017	<u><u>\$ 320,925.04</u></u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 4,124.30
Decreased By:	
Overpayments Applied	<u>4,124.30</u>
Balance, December 31, 2017	<u><u>\$ -</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, 2017

Balance, December 31, 2016	\$ 100,697.22
Increased By:	
School Tax Levy:	
January 1, 2017 to December 31, 2017	<u>2,674,710.00</u>
	2,775,407.22
Decreased By:	
Cash Disbursements	<u>2,681,581.20</u>
Balance, December 31, 2017	<u><u>\$ 93,826.02</u></u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 7,854.34
Increased By:		
General County Taxes	\$ 1,039,234.74	
County Library Taxes	72,813.28	
County Health Taxes	20,965.90	
County Open Space Preservation Taxes	61,046.91	
County Added & Omitted	<u>5,279.02</u>	
		<u>1,199,339.85</u>
		1,207,194.19
Decreased By:		
Cash Disbursements		<u>1,201,915.17</u>
Balance, December 31, 2017		<u><u>\$ 5,279.02</u></u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE (FROM)/TO PAYROLL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ (55,534.05)
Increased By:	
Cash Disbursements	<u>23,194.18</u>
	(78,728.23)
Decreased By:	
Cash Receipts	<u>25,031.24</u>
Balance, December 31, 2017	<u><u>\$ (53,696.99)</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, 2017**

Balance, December 31, 2016	\$ 1,626.44
Increased By:	
Cash Receipts	<u>3,216.00</u>
	4,842.44
Decreased By:	
Cash Disbursements	<u>3,450.00</u>
Balance, December 31, 2017	<u><u>\$ 1,392.44</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, 2017

Balance, December 31, 2016	\$ 75.00
Increased By:	
Cash Receipts	<u>450.00</u>
	525.00
Decreased By:	
Cash Disbursements	<u>475.00</u>
Balance, December 31, 2017	<u><u>\$ 50.00</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, 2017**

Balance, December 31, 2016	\$ 3,400.00
Increased By:	
Cash Receipts	<u>5,000.00</u>
	8,400.00
Decreased By:	
Cash Disbursements	<u>35.00</u>
Balance, December 31, 2017	<u><u>\$ 8,365.00</u></u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX TITLE LIEN PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 29,554.36
Increased By:		
Cash Receipts	\$ 87,800.00	
Adjustment	<u>6,845.64</u>	
		<u>94,645.64</u>
		124,200.00
Decreased By:		
Cash Disbursements		<u>49,700.00</u>
Balance, December 31, 2017		<u><u>\$ 74,500.00</u></u>

**SCHEDULE OF RESERVE FOR THIRD PARTY TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ -
Increased By:		
Cash Receipts		<u>48,967.88</u>
		48,967.88
Decreased By:		
Cash Disbursements		<u>48,967.88</u>
Balance, December 31, 2017		<u><u>\$ -</u></u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 26,515.50
Decreased By:	
Cash Disbursements	<u>9,170.00</u>
Balance, December 31, 2017	<u><u>\$ 17,345.50</u></u>

**SCHEDULE OF RESERVE FOR FEMA - SANDY
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ -
Increased By:	
Cash Receipts	<u>1,193.73</u>
Balance, December 31, 2017	<u><u>\$ 1,193.73</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, 2017**

Balance, December 31, 2017 and 2016

\$ 21,805.40

**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, 2017**

Balance, December 31, 2016	\$ 72,760.58
Increased By:	
Cash Receipts:	
Grants Unappropriated	<u>14,645.21</u>
	87,405.79
Decreased By:	
Cash Disbursements:	
Grants - Appropriated	<u>6,200.00</u>
Balance, December 31, 2017	<u><u>\$ 81,205.79</u></u>

BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance December 31, <u>2016</u>	2017 Budget Revenue <u>Realized</u>	<u>Received</u>	Transfer From Unappropriated <u>Reserves</u>	Balance December 31, <u>2017</u>
State Road Aid Receivable:					
Portion of "F" Street	\$ 1,479.36	\$ -	\$ -	\$ -	\$ 1,479.36
Drunk Driving Enforcement Fund	400.00	-	-	-	400.00
Cops in Shops	-	6,200.00	-	6,200.00	-
	<u>\$ 1,879.36</u>	<u>\$ 6,200.00</u>	<u>\$ -</u>	<u>\$ 6,200.00</u>	<u>\$ 1,879.36</u>

BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance December 31, <u>2016</u>	Prior Year <u>Encumbrances</u>	<u>Appropriated</u>	Paid or <u>Charged</u>	Current Year <u>Encumbrances</u>	Balance December 31, <u>2017</u>
18th Ave Project Grant	\$ 297.17	\$ -	\$ -	\$ -	\$ -	\$ 297.17
Municipal Court Alcohol Education and Rehabilitation Grant	5,931.79	-	-	-	-	5,931.79
Recycling Tonnage Grant	23,979.91	-	-	-	-	23,979.91
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	20,360.00	-	6,200.00	6,200.00	-	20,360.00
Clean Communities Program	5,567.00	-	-	-	-	5,567.00
Body Armor Fund	5,904.49	853.84	-	-	853.84	5,904.49
	<u>\$ 67,585.60</u>	<u>\$ 853.84</u>	<u>\$ 6,200.00</u>	<u>\$ 6,200.00</u>	<u>\$ 853.84</u>	<u>\$ 67,585.60</u>

BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance December 31, <u>2016</u>	Grants <u>Received</u>	Transfer to Grants <u>Appropriated</u>	Balance December 31, <u>2017</u>
COPS in Shops Grant	\$ 6,200.00	\$ 6,000.00	\$ 6,200.00	\$ 6,000.00
Clean Communities Program	0.50	4,690.98	-	4,691.48
Recycling Tonnage Grant	-	3,954.23	-	3,954.23
	<u>\$ 6,200.50</u>	<u>\$ 14,645.21</u>	<u>\$ 6,200.00</u>	<u>\$ 14,645.71</u>

This page intentionally left blank.

TRUST FUND SCHEDULES

This page intentionally left blank.

BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2017

	Animal Control <u>Trust Fund</u>	Trust - <u>Other Fund</u>
Balance, December 31, 2016	\$ 1,551.88	\$ 66,670.48
Increased By Receipts:		
License Fees	776.00	-
State Registration Fees	157.80	-
Reserve for Miscellaneous Trust Reserves		30,677.66
	<u>933.80</u>	<u>30,677.66</u>
	<u>2,485.68</u>	<u>97,348.14</u>
Decreased By Disbursements:		
Expenditures Under R.S. 4:19-15.11	476.00	-
State Department of Health	157.80	-
Reserve for Miscellaneous Trust Reserves		55,405.57
	<u>633.80</u>	<u>55,405.57</u>
Balance, December 31, 2017	<u>\$ 1,851.88</u>	<u>\$ 41,942.57</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, 2017**

Balance, December 31, 2016		\$ 1,358.00
Increased By:		
Dog & Cat Fees Collected		<u>776.00</u>
		2,134.00
Decreased By:		
Expenditures Under R.S. 4:19-15.11	\$ 476.00	
Statutory Excess due to Current Fund	<u>248.00</u>	
		<u>724.00</u>
Balance, December 31, 2017		<u><u>\$ 1,410.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2015	\$ 724.00
2016	<u>686.00</u>
	<u><u>\$ 1,410.00</u></u>

**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, 2017**

Balance, December 31, 2016	\$ -
Increased By:	
State Registration Fees	<u>157.80</u>
	157.80
Decreased By:	
State Department of Health	<u>157.80</u>
Balance, December 31, 2017	<u><u>\$ -</u></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, 2017**

Balance, December 31, 2016	\$ 193.88
Increased By:	
Statutory Excess Due to Current Fund	<u>248.00</u>
Balance, December 31, 2017	<u><u>\$ 441.88</u></u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 26,025.60
Increased By:	
Cash Receipts Deposited in Current Fund	<u>12,791.33</u>
	38,816.93
Decreased By:	
Cash Disbursed out of Current Fund	<u>12,355.79</u>
Balance, December 31, 2017	<u><u>\$ 26,461.14</u></u>

Analysis of Interfund

Due To:	
Tourism	\$ (684.21)
Public Defender	(0.85)
Unemployment Fund	(81.87)
Fire Prevention	(350.00)
Due From:	
Engineering Escrow Fees	1,269.25
Street Openings	16,272.00
Escrow Funds - Planning Board	<u>10,036.82</u>
	<u><u>\$ 26,461.14</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, 2017**

	Balance December 31, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2017</u>
Reserve for:				
Unemployment Insurance	\$ 7,187.55	\$ 55.33	\$ 55.33	\$ 7,187.55
Off-Duty Employment	24,449.09	1,036.14	25,485.23	-
Law Enforcement	3,032.47	5.68	3,038.15	-
Municipal Court - P.O.A.A	383.07	210.00	-	593.07
Developers Escrow Fund - Planning Board	11,262.42	7,801.25	9,026.85	10,036.82
Tourism Account	9,132.80	28,261.95	22,892.33	14,502.42
Engineering Escrow Fees	1,269.25	-	-	1,269.25
Street Openings	15,072.00	3,000.00	1,800.00	16,272.00
Uniform Fire Account Fund	750.00	350.00	561.80	538.20
Fire Prevention Bureau	2,546.95	2,362.37	4,335.67	573.65
Public Defender	6,669.91	100.00	-	6,769.91
Ripley Lane Development Escrow	10,507.57	80.27	-	10,587.84
Environmental Commission	433.00	206.00	566.00	73.00
	<u>\$ 92,696.08</u>	<u>\$ 43,468.99</u>	<u>\$ 67,761.36</u>	<u>\$ 68,403.71</u>
Cash		\$ 30,677.66	\$ 55,405.57	
Due to/from Current Fund		<u>12,791.33</u>	<u>12,355.79</u>	
		<u>\$ 43,468.99</u>	<u>\$ 67,761.36</u>	

GENERAL CAPITAL FUND

This page intentionally left blank.

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 1,259.40
Increased By:	
Interest Earned	<u>20.53</u>
Balance, December 31, 2017	<u><u>\$ 1,279.93</u></u>

**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, 2017**

		Balance December 31, <u>2017</u>
Fund Balance		\$ 122,895.76
Capital Improvement Fund		111,380.00
Due To Water/Sewer Utility Capital Fund		21,521.32
Green Acres Loan Trust Fund Receivable		(14,786.61)
Due From:		
Current Fund		(43,561.67)
Community Development Block Grant		(6,612.48)
New Jersey D.O.T.		(276,824.61)
 Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
93-584	Reconstruction of Roads	(28,787.00)
13-878	Various Capital Improvements	32,382.25
13-881	Road Improvements	15,022.84
16-911	Road Improvements	60,569.00
16-912	Main Street Improvements	6,612.48
16-919	Emergency Generator	1,468.65
		<hr/>
		\$ 1,279.93
		<hr/>

**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, 2017**

Balance, December 31, 2017 & 2016

\$ 14,786.61

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE (TO)/FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ (36,436.66)
Increased By:		
Cash Receipts Deposited in the Current Fund:		
CDBG Grant	\$ 46,484.52	
FEMA Grant	75,000.00	
DOT Grants	159,449.86	
Capital Improvement Fund	<u>25,000.00</u>	
		<u>305,934.38</u>
		269,497.72
Decreased By:		
Improvement Authorization Paid		
By Current Fund		225,915.52
Interest Earnings		<u>20.53</u>
Balance, December 31, 2017		<u><u>\$ 43,561.67</u></u>

**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, 2017**

Balance, December 31, 2016		\$ 622,917.43
Decreased By:		
Cash Receipts Desposited in the		
Current Fund	\$ 159,449.86	
Cancellation of Grant Receivable	<u>186,642.96</u>	
		<u>346,092.82</u>
Balance, December 31, 2017		<u><u>\$ 276,824.61</u></u>

Analysis of Balance

16-911	Road Improvements - Main street - Phase III	\$ 240,000.00
13-881	Road Improvements - Main Street - Phase II	25,550.14
11-864	Road Improvements - Main Street - Phase I	<u>11,274.47</u>
		<u><u>\$ 276,824.61</u></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, 2017**

Balance, December 31, 2016		\$	58,982.70
Decreased By:			
Cash Receipts Deposited in the Current Fund	\$	46,484.52	
Grants Receivable Cancelled		<u>5,885.70</u>	
			<u>52,370.22</u>
Balance, December 31, 2017		<u>\$</u>	<u>6,612.48</u>
<u>Analysis of Balance</u>			
16-912	Main Street Improvements	<u>\$</u>	<u>6,612.48</u>
		<u>\$</u>	<u>6,612.48</u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM FEMA
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 75,000.00
Decreased By:	
Cash Receipt Deposited in Current Fund	<u>75,000.00</u>
Balance, December 31, 2017	<u><u>\$ -</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, 2017**

Balance, December 31, 2016	\$ 485,000.00
Decreased By:	
Serial Bonds - Paid By Budget Appropriation	<u>75,000.00</u>
Balance, December 31, 2017	<u><u>\$ 410,000.00</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, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>	<u>Analysis of Balance</u>	
						<u>Unexpended Improvement Authorization</u>	<u>Expended</u>
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	-	-	-
06-783	Various Road Improvements	768.00	-	768.00	-	-	-
08-810	Road Improvement	88,583.76	-	88,583.76	-	-	-
13-878	Various Road Improvements	717.00	-	-	717.00	-	717.00
		<u>\$ 136,511.42</u>	<u>\$ -</u>	<u>\$ 107,007.42</u>	<u>\$ 29,504.00</u>	<u>\$ -</u>	<u>\$ 29,504.00</u>

BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Purpose</u>	<u>Issue</u>		<u>Maturity of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>					
General Obligation Bonds	12/24/13	\$ 685,000.00	12/01/18	75,000.00	4.00%	485,000.00	-	75,000.00	410,000.00
			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%				
						<u>\$ 485,000.00</u>	<u>\$ -</u>	<u>\$ 75,000.00</u>	<u>\$ 410,000.00</u>

**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, 2017**

Balance, December 31, 2017 & 2016

\$ 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, 2017

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2016		2017 Authorizations	Cancelled	Paid or Charged	Balance December 31, 2017	
				Funded	Unfunded				Funded	Unfunded
98-649	Purchase of Equipment - Fire and Police Department	03/03/98	\$	0.30	\$	-	\$	-	\$	-
00-674	Reconstruction Various Streets	02/15/00		23,031.95	-	-	23,031.95	-	-	-
02-704	Engineering Expense	02/05/02		378.00	-	-	378.00	-	-	-
02-712	Construction of New Municipal Building	07/30/02		6,983.13	-	-	6,983.13	-	-	-
03-718	Road and Drainage Improvements	04/15/03		-	17,655.66	-	17,655.66	-	-	-
06-783	Road Improvements	08/01/06		24,568.22	768.00	-	25,336.22	-	-	-
08-810	Road and Drainage Improvements	02/19/08		141,914.25	88,583.76	-	230,498.01	-	-	-
08-820	Road Improvements	08/27/08		34,897.26	-	-	34,897.26	-	-	-
09-828	Road Improvements	03/05/09		57,343.20	-	-	57,343.20	-	-	-
11-864	Road Improvements	08/24/11		11,858.75	-	-	11,858.75	-	-	-
12-869	Road and Beautification Improvements	04/30/12		5,642.41	-	-	5,642.41	-	-	-
13-878	Various Capital Improvements	05/28/13		33,099.25	-	-	-	-	33,099.25	-
13-881	Road Improvements	06/18/13		15,022.84	-	-	-	-	15,022.84	-
16-911	Road Improvements	05/17/16		240,000.00	-	-	-	179,431.00	60,569.00	-
16-912	Main Street Improvements	05/17/16		53,097.00	-	-	-	46,484.52	6,612.48	-
16-919	Emergency Generator	11/14/16		1,468.65	-	-	-	-	1,468.65	-
			\$	649,305.21	\$ 107,007.42	\$ -	\$ 413,624.89	\$ 225,915.52	\$ 116,772.22	\$ -

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 86,380.00
Increased By:	
Budget Appropriation	<u>25,000.00</u>
Balance, December 31, 2017	<u><u>\$ 111,380.00</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, 2017

Ordinance Number	Improvement Description	Balance December 31,			Balance December 31,
		<u>2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>2017</u>
93-584	Reconstruction of Roads	\$ 28,787.00	\$ -	\$ -	\$ 28,787.00
06-783	Various Road Improvements	768.00	-	768.00	-
13-878	Various Capital Improvements	717.00	-	-	717.00
		<u>\$ 30,272.00</u>	<u>\$ -</u>	<u>\$ 768.00</u>	<u>\$ 29,504.00</u>

WATER/SEWER UTILITY FUND

This page intentionally left blank.

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER/SEWER UTILITY
OPERATING FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 1,169,560.34
Increased By:		
Miscellaneous Revenue Anticipated	23,121.00	
Due To Current Fund	-	
Consumer Accounts Receivable	1,195,708.27	
Due From Water/Sewer Capital	3,392,625.00	
Prepaid Rents	103,431.81	
Change Fund	75.00	
		<u>4,714,961.08</u>
		5,884,521.42
Decreased By:		
2017 Budget Appropriations	1,095,835.14	
2016 Appropriation Reserves	42,861.59	
Due From Water/Sewer Capital	1,148,678.32	
Due To Current Fund	20,463.52	
		<u>2,307,838.57</u>
Balance, December 31, 2017		<u><u>\$ 3,576,682.85</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, 2017**

Balance, December 31, 2017 & 2016

\$ 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, 2017**

		Balance December 31, <u>2017</u>
Capital Improvement Fund		\$ 168,821.72
Due From:		
General Capital Fund		(21,521.32)
Water/Sewer Utility Operating Fund		(2,922,250.12)
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	78,454.38
2016-918	Various Water System Improvements	<u>2,691,733.43</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, 2017**

Balance, December 31, 2016		\$	84,800.56
Increased By:			
Rents Levied			<u>1,287,016.46</u>
			1,371,817.02
Decreased By:			
Collections	\$	1,195,708.27	
Overpayment Applied		614.99	
Prepaid Applied		<u>99,094.45</u>	
			<u>1,295,417.71</u>
Balance, December 31, 2017		\$	<u><u>76,399.31</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, 2017**

Balance, December 31, 2017 & 2016

\$ 21,521.32

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Description</u>	<u>Balance December 31, 2017 & 2016</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><u>\$ 369,293.28</u></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, 2017**

Balance, December 31, 2017 and 2016

\$ 6,205,848.50

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016		Budget After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages	\$ -	\$ 35,443.53	\$ 3,794.55	\$ -	\$ 3,794.55
Other Expenses	887.60	8,473.70	26,361.30	22,953.76	3,407.54
Other Expenses - South Monmouth					
Regional Sewerage Authority	-	0.26	0.26	-	0.26
Purchase of Water	-	5,277.32	19,926.30	19,926.30	-
Total Operating	887.60	49,194.81	50,082.41	42,880.06	7,202.35
Statutory Expenditures:					
Contribution To:					
Unemployment Compensation Insurance	-	100.00	100.00	-	100.00
Total Statutory Expenditures	-	100.00	100.00	-	100.00
Total Expenditures	\$ 887.60	\$ 49,294.81	\$ 50,182.41	\$ 42,880.06	\$ 7,302.35
Cash Disbursements				\$ 42,861.59	
Accounts Payable				18.47	
				<u>\$ 42,880.06</u>	

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID RENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 99,094.45
Increased By:	
Cash Receipts	<u>103,431.81</u>
	202,526.26
Decreased By:	
Prepays Applied	<u>99,094.45</u>
Balance, December 31, 2017	<u><u>\$ 103,431.81</u></u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 614.99
Decreased By:	
Overpayments Applied	<u>614.99</u>
Balance, December 31, 2017	<u><u>\$ -</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, 2017**

Balance, December 31, 2016			\$ 24,369.24
Increased By:			
Budget Appropriation for:			
Interest on Bonds	\$ 48,213.78		
Interest on Notes	15,825.95		
			<u>64,039.73</u>
			88,408.97
Decreased By:			
Interest Paid			<u>60,023.71</u>
Balance, December 31, 2017			<u><u>\$ 28,385.26</u></u>

Analysis of Accrued Interest December 31, 2017

<u>Principal Outstanding December 31, 2017</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 1,919,171.17	2.500%	07/29/17	12/31/17	5 months	\$ 19,991.37
Bond Anticipation Notes:					
\$ 427,625.00	1.469%	02/08/17	12/31/17	10.7 months	5,705.98
2,965,000.00	1.750%	12/12/17	12/31/17	.5 months	<u>2,687.91</u>
					<u><u>\$ 28,385.26</u></u>

**BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE (TO)/FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ (20,566.98)
Increased By:	
Cash Disbursements	<u>20,463.52</u>
Balance, December 31, 2017	<u><u>\$ (103.46)</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, 2017

Balance, December 31, 2016		\$ 678,303.44
Increased By:		
Bond Anticipation Note Proceeds		<u>3,392,625.00</u>
		4,070,928.44
Decreased By:		
Payment for Water/Sewer Utility Capital Fund	\$ 221,053.32	
Bond Anticipation Notes Matured	<u>927,625.00</u>	
		<u>1,148,678.32</u>
Balance, December 31, 2017		<u><u>\$ 2,922,250.12</u></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, 2017**

Balance, December 31, 2016	\$ 29,652.93
Increased By:	
Transferred From Appropriation Reserves	<u>18.47</u>
Balance, December 31, 2017	<u><u>\$ 29,671.40</u></u>

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, 2017

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2016	BANS Issued	Paid	Balance December 31, 2017
896/2015-904	Various Water System Improvements	07/23/14	02/08/17	02/07/18	1.469%	\$ -	\$ 427,625.00	\$ -	\$ 427,625.00
			02/10/16	02/09/17	0.980%	427,625.00	-	427,625.00	-
2016-918	Various Water System Improvements	12/14/16	12/14/16	12/13/17	1.469%	500,000.00	-	500,000.00	-
			12/12/17	11/01/18	1.750%	-	2,965,000.00	2,965,000.00	
						\$ 927,625.00	\$ 3,392,625.00	\$ 927,625.00	\$ 3,392,625.00
						Issued for Cash	\$ 2,465,000.00	\$ -	
						Renewal	927,625.00	927,625.00	
							\$ 3,392,625.00	\$ 927,625.00	

BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Purpose	Issue		Maturity of Bonds Outstanding		Interest Rate	Balance December 31,		Increased	Decreased	Balance December 31,	
	Date	Amount	Date	Amount		2017				2017	
2016 General Revenue Bonds	01/28/2016	1,963,000.00	2018	30,139.92	2.50%	\$ 1,948,571.50	\$ -	\$ 29,400.33		\$ 1,919,171.17	
			2019	30,898.13	2.50%						
			2020	31,675.42	2.50%						
			2021	32,472.25	2.50%						
			2022	33,289.13	2.50%						
			2023	34,126.56	2.50%						
			2024	34,985.06	2.50%						
			2025	35,865.15	2.50%						
			2026	36,767.38	2.50%						
			2027	37,692.31	2.50%						
			2028	38,640.50	2.50%						
			2029	39,612.56	2.50%						
			2030	40,609.05	2.50%						
			2031	41,630.63	2.50%						
			2032	42,677.90	2.50%						
			2033	43,751.51	2.50%						
			2034	44,852.14	2.50%						
			2035	45,980.45	2.50%						
			2036	47,137.15	2.50%						
			2037	48,322.94	2.50%						
			2038	49,538.57	2.50%						
			2039	50,784.77	2.50%						
			2040	52,062.33	2.50%						
			2041	53,372.02	2.50%						
			2042	54,714.66	2.50%						
			2043	56,091.07	2.50%						
			2044	57,502.12	2.50%						
			2045	58,948.66	2.50%						
			2046	60,431.58	2.50%						
			2047	61,951.81	2.50%						
			2048	63,510.29	2.50%						
			2049	65,107.97	2.50%						
			2050	66,745.85	2.50%						
			2051	68,424.92	2.50%						
			2052	70,146.23	2.50%						
			2053	71,910.85	2.50%						
			2054	73,719.85	2.50%						
			2055	75,574.37	2.50%						
			2056	37,507.11	2.50%						
						\$ 1,948,571.50	\$ -	\$ 29,400.33		\$ 1,919,171.17	

BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2016		Authorized	Paid or Charged	Balance December 31, 2017	
				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	-
14-896 / 2015-904	Various Water System Improvements	04/23/14	2,812,500.00	78,454.38	-	-	-	78,454.38	-
2016-918	Various Water System Improvements	08/16/16	2,965,000.00	-	2,912,786.75	-	221,053.32	-	\$ 2,691,733.43
				\$ 79,177.88	\$ 2,912,786.75	\$ -	\$ 221,053.32	\$ 79,177.88	\$ 2,691,733.43

Paid by Water/Sewer Utility Operating Fund \$ 221,053.32

\$ 221,053.32

**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, 2017**

Balance, December 31, 2017 & 2016

\$ 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, 2017**

Balance, December 31, 2017 & 2016

\$ 3,893.87

**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, 2017**

Balance, December 31, 2017 and 2016

\$ 168,821.72

**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, 2017**

Balance, December 31, 2016	\$ 864,652.00
Increased By:	
Serial Bonds Paid by Operating Fund	<u>29,400.33</u>
Balance, December 31, 2017	<u><u>\$ 894,052.33</u></u>

BOROUGH OF LAKE COMO
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2016</u>	2017 <u>Authorizations</u>	BAN <u>Issued</u>	Balance December 31, <u>2017</u>
2016-918	Various Water System Improvements	\$ 2,465,000.00	\$ -	\$ 2,465,000.00	\$ -
		<u>\$ 2,465,000.00</u>	<u>\$ -</u>	<u>\$ 2,465,000.00</u>	<u>\$ -</u>

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

This page intentionally left blank.

BOROUGH OF LAKE COMO
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

BOROUGH OF LAKE COMO
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

Finding No. 2016-001

Condition:

The Borough did not maintain a fixed asset accounting system as required by New Jersey State Administrative Code.

Current Status:

This finding has been corrected.

Finding No. 2016-002

Condition:

The Borough issued bonds & notes in 2016 and did not properly budget or make transfers prior to the year-end interest expense accrual.

Current Status:

This finding has been corrected.

BOROUGH OF LAKE COMO

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

This page intentionally left blank.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017:

<u>Name</u>	<u>Title</u>
Brian Wilton	Mayor
Douglas Witte	Councilmember
Hawley Scull	Councilmember
Kevin Higgins	Councilmember
John J. Carvelli	Councilmember
Virginia Kropac	Councilmember
Christopher D'Antuono	Councilmember
Louise Mekosh	Chief Financial Officer, Municipal Clerk
Esther Kiss	Tax Collector

This page intentionally left blank.

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

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 ended December 31, 2017.

GENERAL COMMENTS:

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

N.J.S.A.40A:11-4 states 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 the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500 for the year ended December 31, 2017.

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. 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.

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.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" 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*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, 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 3, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Lake Como, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Lake Como, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to 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.

OTHER COMMENTS (FINDINGS):

Finding 2017-001

During our audit it was noted that the Borough does not properly maintain subsidiary ledgers for General Capital and Utility Capital Funds. It was noted that all capital expenditures run through the current and utility funds as interfunds only.

Finding 2017-002

During our audit it was noted that there were large interfund balances at year end. We also noted that various Trust fund receipts are being deposited in the current fund bank account and not the Trust fund bank account the receipt belongs to.

Finding 2017-003

The Tax Collector's Premium and Tax Title Lien trust accounts are being maintained as part of the Current Fund.

RECOMMENDATIONS:

Finding 2017-001

That the Borough open up separate bank accounts for the general capital and utility capital funds and maintain proper subsidiary ledgers for the activity in these funds.

Finding 2017-002

That the Borough liquidate all interfunds prior to year-end and deposit receipts in the proper bank account.

Finding 2017-003

That the Tax Title Lien and Premium trust accounts be moved to the Borough's Trust Fund.

Appreciation

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 over a horizontal line.

Robert W. Allison
Registered Municipal Accountant
RMA No. 483

Freehold, New Jersey
May 15, 2018

