

BOROUGH OF MOUNTAIN LAKES

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

BOROUGH OF MOUNTAIN LAKES

TABLE OF CONTENTS

<u>Part I</u>	<u>Page</u>
Independent Auditor's Report	1-3
<u>Current Fund</u>	<u>Exhibit</u>
Comparative Balance Sheet – Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	A-1
Statement of Revenues – Regulatory Basis	A-2
Statement of Expenditures – Regulatory Basis	A-3
<u>Trust Fund</u>	
Comparative Balance Sheet – Regulatory Basis	B
Schedule of Cash – Treasurer	B-1
<u>General Capital Fund</u>	
Comparative Balance Sheet – Regulatory Basis	C
Statement of Fund Balance – Regulatory Basis	C-1
<u>Water Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	D
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	D-1
Comparative Statement of Capital Fund Balance – Regulatory Basis	D-2
Statement of Revenues – Regulatory Basis	D-3
Statement of Expenditures – Regulatory Basis	D-4
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	E
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	E-1
Comparative Statement of Capital Fund Balance – Regulatory Basis	E-2
Statement of Revenues – Regulatory Basis	E-3
Statement of Expenditures – Regulatory Basis	E-4
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet – Regulatory Basis	F

BOROUGH OF MOUNTAIN LAKES

TABLE OF CONTENTS
(CONTINUED)

	<u>Page</u>
<u>Part I (Continued)</u>	
<u>Notes to Financial Statements</u>	39-71
<u>Supplementary Data</u>	
Comparative Statement of Operations and Change in Fund Balance – Current Fund	73
Comparative Statement of Operations and Change in Fund Balance – Water Utility Operating Fund	74
Comparative Statement of Operations and Change in Fund Balance – Sewer Utility Operating Fund	75
Comparative Schedule of Tax Rate Information	76
Comparison of Tax Levies and Collection Currently	76
Delinquent Taxes and Tax Title Liens	77
Property Acquired by Tax Title Lien Liquidation	77
Comparison of Water Utility Levies	78
Comparison of Sewer Utility Levies	78
Comparative Schedule of Fund Balances	79
Officials in Office and Surety Bonds	80
<u>Current Fund</u>	<u>Schedule</u>
Schedule of Cash – Treasurer	A-4
Schedule of Cash – Tax Collector	A-5
Schedule of Change Funds	A-6
Schedule of Petty Cash	A-7
Schedule of Amount Due from/to State of New Jersey for Senior Citizens' and Veterans' Deductions	A-8
Schedule of Taxes Receivable and Analysis of 2014 Property Tax Levy	A-9
Schedule of Tax Title Liens	A-10 N/A
Schedule of Property Acquired for Taxes at Assessed Valuation	A-11
Schedule of Revenue Accounts Receivable	A-12
Schedule of Interfund Accounts Receivable	A-13
Schedule of Other Accounts Receivable	A-14 N/A
Schedule of Deferred Charges	A-15
Schedule of Appropriation Reserves – 2013	A-16
Schedule of Reserve for Encumbrances	A-17
Schedule of Interfund Accounts Payable	A-18
Schedule of Prepaid Taxes	A-19
Schedule of Tax Overpayments	A-20
Schedule of Reserve for Tax Appeals Pending	A-21 N/A
Schedule of Reserve for Funds – Appropriated	A-22 N/A
Schedule of Reserve for Funds – Unappropriated	A-23

BOROUGH OF MOUNTAIN LAKES

TABLE OF CONTENTS
(CONTINUED)

	<u>Schedule</u>
<u>Part I (Continued)</u>	
<u>Current Fund</u>	
Schedule of Other Liabilities and Reserves	A-24
Schedule of Local School District and County Taxes Payable	A-25
Schedule of Amount Due From/To Current Fund	
To Federal and State Grants Fund	A-26
Schedule of Federal and State Aid Receivable	A-27
Schedule of Appropriated Reserves for Federal and State Grants	A-28
Schedule of Unappropriated Reserves for Federal and State Grants	A-29
Schedule of Reserve for Encumbrances for Federal and State Grants	A-30
<u>Trust Fund</u>	
Schedule of Interfund Accounts Receivable	B-2
Schedule of Interfund Accounts Payable	B-3
Schedule of Reserve for Animal Control Fund Expenditures	B-4
Schedule of Amount Due to State Board of Health	B-5
Schedule of Prepaid License Fees	B-6 N/A
Schedule of Amount Due to State of New Jersey	B-7 N/A
Reserve for Special Deposits	B-8
Schedule of Reserve for Encumbrances	B-9 N/A
<u>General Capital Fund</u>	
Schedule of Cash – Treasurer	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation – Funded	C-4
Schedule of Deferred Charges to Future Taxation – Unfunded	C-5
Schedule of Deferred Charges to Future Taxation – Expenditures	
without Ordinance Appropriation	C-6 N/A
Schedule of Federal and State Aid Receivable	C-7
Schedule of Interfund Accounts Receivable	C-8 N/A
Schedule of Improvement Authorizations	C-9
Schedule of Reserve for Encumbrances	C-10
Schedule of Capital Improvement Fund	C-11
Schedule of Capital Reserves	C-12
Schedule of Interfund Accounts Payable	C-13
Schedule of Reserve for Federal, and State Aid Receivable	C-14 N/A
Schedule of Serial Bonds	C-15
Schedule of Loans	C-16 N/A
Schedule of Bond Anticipation Notes	C-17
Schedule of Bonds and Notes Authorized but not Issued	C-18

BOROUGH OF MOUNTAIN LAKES

TABLE OF CONTENTS
(CONTINUED)

<u>Part I (Continued)</u>	<u>Schedule</u>
<u>Water Utility Fund</u>	
Schedule of Cash – Treasurer	D-5
Analysis of Water Capital Cash	D-6
Schedule of Cash – Water Collector	D-7
Schedule of Interfund Accounts Receivable	D-8
Schedule of Water Utility Consumers' Accounts Receivable	D-9
Schedule of Water Liens Receivable	D-10 N/A
Schedule of Deferred Charges – Operating Deficit	D-11 N/A
Schedule of Fixed Capital	D-12
Scheduled of Fixed Capital Authorized and Uncompleted	D-13 N/A
Schedule of Wastewater Treatment Trust Loans Receivable	D-14 N/A
Schedule of Federal and State Aid Receivable	D-15 N/A
Schedule of Appropriation Reserves – 2013	D-16
Schedule of Reserve for Encumbrances	D-17
Schedule of Interfund Accounts Payable	D-18
Schedule of Utility Charges Overpayments	D-19 N/A
Schedule of Accrued Interest on Bonds	D-20 N/A
Schedule of Accrued Interest on Loans	D-21 N/A
Schedule of Accrued Interest on Notes	D-22 N/A
Schedule of Improvement Authorizations	D-23 N/A
Schedule of Reserve for Encumbrances	D-24 N/A
Schedule of Capital Improvement Fund	D-25
Schedule of Capital Reserves	D-26 N/A
Schedule of Reserve for Amortization	D-27
Schedule of Deferred Reserve for Amortization	D-28 N/A
Schedule of Serial Bonds Payable	D-29 N/A
Schedule of New Jersey Wastewater Treatment Financing Program Loans Payable	D-30 N/A
Schedule of Bond Anticipation Notes	D-31 N/A
Schedule of Bonds and Notes Authorized but not Issued	D-32 N/A
<u>Sewer Utility Fund</u>	
Schedule of Cash – Treasurer	E-5
Analysis of Sewer Capital Cash	E-6
Schedule of Cash – Sewer Collector	E-7 N/A
Schedule of Interfund Accounts Receivable	E-8
Schedule of Sewer Utility Consumers' Accounts Receivable	E-9

BOROUGH OF MOUNTAIN LAKES

TABLE OF CONTENTS
(CONTINUED)

	<u>Page</u>
<u>Part I (Continued)</u>	
<u>Sewer Utility Fund (Continued)</u>	<u>Schedule</u>
Schedule of Sewer Liens Receivable	E-10 N/A
Schedule of Deferred Charges – Operating Deficit	E-11
Schedule of Fixed Capital	E-12
Schedule of Fixed Capital Authorized and Uncompleted	E-13
Schedule of NJEIT Receivable	E-14 N/A
Schedule of Federal and State Aid Receivable	E-15 N/A
Schedule of Appropriation Reserves – 2013	E-16
Schedule of Reserve for Encumbrances	E-17
Schedule of Interfund Accounts Payable	E-18
Schedule of Utility Charges Overpayments	E-19 N/A
Schedule of Accrued Interest on Bonds	E-20 N/A
Schedule of Accrued Interest on Loans	E-21 N/A
Schedule of Accrued Interest on Notes	E-22 N/A
Schedule of Improvement Authorizations	E-23
Schedule of Reserve for Encumbrances	E-24 N/A
Schedule of Capital Improvement Fund	E-25
Schedule of Capital Reserves	E-26 N/A
Schedule of Reserve for Amortization	E-27
Schedule of Deferred Reserve for Amortization	E-28
Schedule of Serial Bonds Payable	E-29 N/A
Schedule of New Jersey Wastewater Treatment Financing Program Loan Payable	E-30 N/A
Schedule of Bond Anticipation Notes	E-31 N/A
Schedule of Bonds and Notes Authorized but not issued	E-32 N/A
<u>Reports Pursuant to Government Auditing Standards</u>	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with “Governmental Auditing Standards”	169-170
	<u>Schedule</u>
Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2014	A
Schedule of Expenditures of State Financial Assistance for the Year Ended December 31, 2014	B
Notes to Schedules of Expenditures of Awards and Financial Assistance Year Ended December 31, 2014	<u>Page</u> 173

BOROUGH OF MOUNTAIN LAKES

TABLE OF CONTENTS
(CONTINUED)

Part I (Continued)

Reports Pursuant to Government Auditing Standards

Page

Schedules of Findings and Responses

Part 1 Summary of Auditor's Reports

174

Part 2 Schedule of Financial Statement Findings

175

Summary Schedule of Prior-year Audit Findings and Questioned Costs as
Prepared by Management

176

Part II

General Comments and Recommendations

177-182

INDEPENDENT AUDITOR'S REPORT

T. M. Vrabel & Associates, LLC

Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Mountain Lakes
County of Morris, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Borough of Mountain Lakes as of December 31, 2015 and December 31, 2014, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2015 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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; 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 of 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

350 Main Road, Suite 104
Montville, NJ 07045
973-953-7769 Fax 973-625-8733
Email: tmvrabel@optonline.net

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by Borough of Mountain Lakes on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, the budget laws of New Jersey, which is a basis of accounting other than accounting principals generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Mountain Lakes as of December 31, 2015, or the results of its operations for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note of the financial statements, the Borough of Mountain Lakes participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$267,587.37 and \$264,969.09 for 2015 and 2014 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects the financial position – regulatory basis of the various funds and account groups of the Borough of Mountain Lakes as of December 31, 2015 and December 31, 2014, and the results of operations and changes in fund balances – regulatory basis of such funds for the years then ended and the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2015, in accordance with financial reporting provisions described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the Borough of Mountain Lakes, in the County of Morris, State of New Jersey, taken as a whole. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and supplemental schedules presented in the Supplementary Data Section are presented for purposes of additional analysis and are not required part of the financial statements.

The Schedules of Expenditures of Federal Awards and State Financial Assistance and the supplemental schedules presented in the Supplementary Data Section required by the Division of Local Governments Services is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of 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 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 materials respects in relation the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have issued our report dated June 8, 2016 on our consideration of the Borough of Mountain Lakes' 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 compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Borough of Mountain Lakes' internal control over financial reporting and compliance.



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



Chris C.W. Hwang
Certified Public Accountant
License No. CC033704

Montville, New Jersey
June 8, 2016

SECTION A
CURRENT FUND

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
General Fund:			
Cash - Treasurer	A-4	\$ 2,291,443.11	\$ 2,186,195.61
Change Fund	A-6	200.00	200.00
Petty Cash Fund	A-7	250.00	250.00
Amount Due from State of New Jersey for			
Senior Citizens and Veterans Deductions	A-8	2,520.26	2,020.26
School Taxes Prepaid	A-25		28,316.48
Special Emergency Note Receivable		-	200,000.00
		<u>2,294,413.37</u>	<u>2,416,982.35</u>
Receivables and other Assets With Full Reserves :			
Delinquent Property Taxes	A-9	217,980.64	109,487.80
Property Acquired for Taxes - Assessed Valuation	A-11	169,885.09	169,885.09
Interfunds Accounts Receivable	A-13	1,001,017.21	57,354.52
Other Accounts Receivable	A-14	2,458.39	-
		<u>1,391,341.33</u>	<u>336,727.41</u>
Deferred Charges :			
Special Emergency Authorization	A-15	-	200,000.00
		-	200,000.00
		<u>3,685,754.70</u>	<u>2,953,709.76</u>
Federal and State Grants Fund :			
Amount Due From Current Fund	A-26	11,992.28	
Federal and State Aid Receivable	A-27	80,008.72	80,008.72
		<u>92,001.00</u>	<u>80,008.72</u>
		<u>\$ 3,777,755.70</u>	<u>\$ 3,033,718.48</u>

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

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Liabilities :			
Appropriation Reserves	A-3,16	\$ 302,955.12	\$ 235,778.78
Reserve for Encumbrances	A-17	195,459.31	113,834.28
Interfunds Accounts Payable	A-18	735,170.27	146,791.34
Prepaid Taxes	A-19	157,881.68	135,718.30
Tax Overpayments	A-20	125,793.15	129,343.35
Reserve for Funds - Unappropriated	A-23	1,044.71	1,044.71
Other	A-24	3,284.16	1,518.00
School Taxes Payable	A-25	0.49	
County Taxes Payable	A-25	9,587.46	11,052.11
Special Emergency Note Payable		-	200,000.00
		<u>1,531,176.35</u>	<u>974,880.87</u>
Reserve for Receivables and Other Assets		1,391,341.33	336,727.41
Fund Balance	A-1	<u>763,237.02</u>	<u>1,642,101.48</u>
		<u>3,685,754.70</u>	<u>2,953,709.76</u>
Federal and State Grants Fund :			
Amount Due To Current Fund	A-26	-	4,551.09
Appropriated Reserves	A-28	64,712.67	63,958.13
Unappropriated Reserves	A-29	26,625.49	10,365.50
Reserves for Encumbrances	A-30	262.84	1,136.00
Amount Due To Recreation Trust Fund	A-31	400.00	-
		<u>92,001.00</u>	<u>80,008.72</u>
		<u>\$ 3,777,755.70</u>	<u>\$ 3,033,718.48</u>

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

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Fund Balance Utilized	A-2	\$ 1,500,000.00	\$ 1,295,000.00
Miscellaneous Revenue Anticipated	A-2	1,506,470.96	1,370,539.13
Receipts from Delinquent Taxes	A-2	109,487.80	332,524.88
Receipts from Current Taxes	A-2	29,200,517.24	28,715,660.10
Non - Budget Revenue	A-2	55,322.61	149,768.95
Other Credits to Income :			
Interfund Advance Returned	A13	53,961.58	13,493.13
Unexpended Balance of Appropriation			
Reserves Lapsed	A-16	<u>190,084.45</u>	<u>73,870.17</u>
Total Income		<u>32,615,844.64</u>	<u>31,950,856.36</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations :			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages	A-3	2,708,609.00	2,612,700.00
Other Expenses	A-3	2,157,881.00	2,148,600.00
Deferred Charges and Statutory			
Expenditures	A-3	531,386.00	524,463.69
Appropriations Excluded from "CAP"			
Operations:			
Other Expenses	A-3	458,867.50	448,913.61
Capital Improvements	A-3	37,500.00	35,000.00
Debt Service	A-3	1,276,851.10	1,133,462.50
Deferred Charges - Municipal	A-3	200,000.00	200,000.00

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

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
(CONCLUDED)

<u>Expenditures (Continued)</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Refund of Prior Year Revenue		\$ -	\$ 909.00
Interfund Advance	A-13	997,972.91	63,869.28
Other Receivables	A-14	2,458.39	
Prior Year Tax Appeals Granted	A-20	114,031.85	24,211.04
Local School District Tax	A-25	20,190,214.00	19,761,187.00
County Taxes	A-25	3,176,908.28	3,240,911.96
County Open Space Preservation	A-25	132,441.61	133,919.41
County Share of Added and Omitted Taxes	A-25	9,587.46	11,052.11
Total Expenditures		<u>31,994,709.10</u>	<u>30,339,199.60</u>
Excess in Revenue		621,135.54	1,611,656.76
Fund Balance January 1	A	<u>1,642,101.48</u>	<u>1,325,444.72</u>
		2,263,237.02	2,937,101.48
Decreased by :			
Utilized as Anticipated Revenue	A-1	<u>1,500,000.00</u>	<u>1,295,000.00</u>
Fund Balance December 31	A	<u>\$ 763,237.02</u>	<u>\$ 1,642,101.48</u>

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

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated	Added by 40A-4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 1,500,000.00	\$ -	\$ 1,500,000.00	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcohol Beverages	A-12	11,000.00		12,688.00	1,688.00
Other	A-12	1,300.00		1,120.00	(180.00)
Fees and Permits:					
Construction Code Official					
Other	A-12	160,000.00		151,914.00	(8,086.00)
Municipal Court - Fines and Costs	A-2	27,000.00		30,857.03	3,857.03
Interest and Costs on Taxes	A-12	34,000.00		48,607.03	14,607.03
Interest on Investments	A-12	38,000.00		39,628.42	1,628.42
Solid Waste Fees - Trash Bags	A-2	5,000.00		7,924.81	2,924.81
Solid Waste Fees - Board of Education	A-12	176,000.00		193,062.50	17,062.50
Recreation Fees and Income	A-12	54,000.00		55,987.00	1,987.00
Field Lease - Board of Education	A-12	59,000.00		60,490.00	1,490.00
Energy Receipts Tax	A-12	45,000.00		45,000.00	-
General Capital Fund Balance	A-12	417,293.00		417,293.00	-
Rent from Railroad Station	A-12	10,000.00		10,000.00	-
Cell Tower Lease - Omnipoint/Voicestream	A-12	26,000.00		26,073.12	73.12
Cell Tower Lease - Sprint	A-12	47,000.00		58,492.16	11,492.16
FEMA Reimbursements	A-12	24,000.00		20,806.87	(3,193.13)
Park Place CO Fees	A-12	252,000.00		207,828.15	(44,171.85)
Public and Private Revenues Off-Set with Appropriations:					
Clean Communities Grant	A-12	75,000.00		108,333.37	33,333.37
Body Armor Replacement Fund	A-18	8,768.93		8,768.93	-
Total Miscellaneous Revenues	A-18	1,596.57		1,596.57	-
Receipts from Delinquent Taxes	A-1	1,471,958.50		1,506,470.96	34,512.46
Amount to be raised by Taxes for Support of Municipal Budget:	A-12	109,000.00		109,487.80	487.80
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes					
Budget Totals	A-2	5,859,925.48	-	7,257,793.87	1,397,868.39
Non-Budget Revenues	A-12	8,940,883.98	-	10,373,752.63	1,432,868.65
				55,322.61	55,322.61
		\$ 8,940,883.98	\$ -	\$ 10,429,075.24	\$ 1,488,191.26
Ref.		A-3	A-3		

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

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

	Ref.	
<u>Analysis of Realized Revenue</u>		
Allocation of Current Tax Collections :		
2015 Taxes Collected in 2014	A-9	\$ 135,718.30
2015 Taxes Collected in 2015	A-9	29,044,149.88
State's Share of Senior Citizens' and Veterans' Deductions	A-9	11,750.00
Tax Overpayments Applied	A-9	8,899.06
	A-1	29,200,517.24
Allocated to School and County Taxes	A-25	23,509,151.35
		5,691,365.89
Add : Reserve for Uncollected Taxes	A-3	1,566,427.98
Amount for Support of Municipal Budget	A-2	\$ 7,257,793.87
Receipts from Delinquent Taxes :		
Prior Year Taxes Collected	A-9	\$ 109,487.80
	A-2	\$ 109,487.80
Fees and Permits - Other :		
Clerk - Fees and Permits	A-12	\$ 3,616.00
Planning Board - Fees and Permits	A-12	2,811.51
Board of Adjustment - Fees and Permits	A-12	8,530.00
Tax Assessor - Fees	A-12	330.00
Police - Fees	A-12	4,829.52
Parking Permit Fees	A-12	1,340.00
Smoke Detector Inspection Fees	A-12	8,500.00
Soil Fees and Permits	A-12	900.00
	A-2	\$ 30,857.03
Interest on Investments:		
Revenue Accounts Receivable	A-12	5,549.52
Interfund Accounts Receivable	A-13	2,375.29
	A-2	\$ 7,924.81

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

BOROUGH OF MOUNTAIN LAKES
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONCLUDED)

<u>Analysis of Non-Budget Revenue</u>	<u>Ref.</u>	
Interfund Accounts Receivable:		
Police Fees (Administrative and Car Usage)	A-13	\$ -
Miscellaneous Revenue- Treasurer		
2% Administrative Fee-Senior Citizens/Veterans' Deductions		\$ 225.00
Cable TV Franchise Fees		21,917.00
Uniform Fire Safety Act LEA Rebates		6,177.60
DMV Inspection Fees		300.00
Public Works Clothing Bin		1,090.46
Auction		1,932.05
Verizon Video Payment		1,046.05
Miscellaneous Reimbursements		13,220.35
Recycling Reimbursements		9,414.10
	A-4	<u>55,322.61</u>
	A-2	<u>\$ 55,322.61</u>

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

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Ref.	Appropriations		Paid or Charged	Expended	Unexpended Balance	
		Budget	Budget After Modification			Reserved	Canceled
OPERATIONS WITHIN "CAP"							
GENERAL GOVERNMENT FUNCTIONS :							
General Administration							
Salaries and Wages		\$ 153,000.00	\$ 138,806.00	\$ 135,683.64	\$ 3,122.36	\$	\$
Other Expenses		48,100.00	81,188.00	81,182.39	5.61		
Mayor and Council							
Other Expenses		3,600.00	3,600.00	3,014.58	585.42		
Borough Clerk							
Salaries and Wages		63,000.00	66,450.00	62,423.86	4,026.14		
Other Expenses		15,600.00	15,600.00	15,595.96	4.04		
Financial Administration							
Salaries and Wages		64,500.00	86,569.00	86,565.57	3.43		
Other Expenses		12,000.00	8,000.00	2,994.56	5,005.44		
Audit Services							
Other Expenses		22,000.00	22,250.00	22,250.00	-		
Computer Information Technology							
Other Expenses		24,800.00	24,800.00	24,606.64	193.36		
Collection of Taxes							
Salaries and Wages		39,000.00	39,000.00	38,188.80	811.20		
Other Expenses		3,150.00	3,150.00	2,695.22	454.78		
Assessment of Taxes							
Salaries and Wages		22,500.00	22,500.00	21,693.00	807.00		
Other Expenses		1,300.00	1,300.00	915.25	384.75		
Legal Services and Costs							
Other Expenses		100,000.00	104,430.00	104,086.92	343.08		
Engineering Services and Costs							
Other Expenses		22,000.00	33,300.00	33,025.68	274.32		
Municipal Land Use Law (N.J.S.A. 40:55D-1)							
Planning Board							
Salaries and Wages		9,000.00	9,000.00	8,336.63	663.37		
Other Expenses		9,900.00	18,675.00	17,771.59	903.41		
Zoning Costs							
Salaries and Wages		37,000.00	22,000.00	19,016.76	2,983.24		
Other Expenses		13,800.00	13,800.00	9,614.86	4,185.14		

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Appropriations		Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
		Budget	Budget After Modification				
<u>OPERATIONS WITHIN "CAP" (CONTINUED)</u>							
<u>INSURANCE:</u>							
General Liability		\$ 73,000.00	\$ 73,000.00	\$ 64,087.32	\$	8,912.68	\$ -
Worker's Compensation Insurance		70,000.00	70,000.00	66,461.82		3,538.18	
Group Insurance - Hospital and Medical		410,800.00	360,800.00	348,082.27		12,717.73	
Unemployment Compensation Insurance		10,000.00	10,000.00	1,483.51		8,516.49	
<u>PUBLIC SAFETY FUNCTIONS :</u>							
Police							
Salaries and Wages		1,621,000.00	1,680,432.00	1,670,226.38		10,205.62	
Other Expenses		112,100.00	90,100.00	89,591.04		508.96	
Emergency Management Services							
Other Expenses		1,500.00	1,500.00			1,500.00	
Aid to Volunteer Ambulance Companies							
Other Expenses		15,000.00	15,000.00	15,000.00		-	
Fire Department							
Salaries and Wages		31,500.00	31,500.00	23,585.82		7,914.18	
Other Expenses		30,400.00	30,400.00	17,968.52		12,431.48	
Fire Safety Official							
Other Expenses		8,900.00	8,900.00	1.25		8,898.75	
<u>PUBLIC WORKS FUNCTIONS:</u>							
Road Repairs and Maintenance							
Salaries and Wages		314,000.00	299,000.00	289,394.72		9,605.28	
Other Expenses		176,100.00	181,100.00	180,102.30		997.70	
Shade Tree Commission							
Other Expenses		36,800.00	36,800.00	31,981.87		4,818.13	
Solid Waste Collection							
Salaries and Wages		74,000.00	74,000.00	73,116.89		883.11	
Other Expenses		469,300.00	463,050.00	458,283.50		4,766.50	
Public Buildings and Grounds							
Other Expenses		25,000.00	25,000.00	24,937.75		62.25	
Vehicle Maintenance							
Other Expenses		38,000.00	38,000.00	24,840.52		13,159.48	

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

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
<u>OPERATIONS WITHIN "CAP" (CONTINUED)</u>							
<u>HEALTH AND HUMAN SERVICES FUNCTIONS:</u>							
Board of Health		\$	\$			\$	\$
Salaries and Wages		5,000.00	5,000.00			5,000.00	
Other Expenses		25,000.00	28,000.00	21,292.50		6,707.50	
Environmental Commission							
Other Expenses		5,950.00	5,950.00	2,377.70		3,572.30	
Woodlands Committee							
Other Expenses		1,000.00	1,000.00	80.00		920.00	
Contribution to Senior Citizens							
Other Expenses		3,000.00	3,000.00	479.30		2,520.70	
<u>PARK AND RECREATION FUNCTIONS:</u>							
Recreation Services and Programs							
Salaries and Wages		115,500.00	111,500.00	105,644.86		5,855.14	
Other Expenses		37,690.00	37,690.00	33,360.97		4,329.03	
Maintenance of Parks							
Other Expenses		105,000.00	102,000.00	93,859.82		8,140.18	
<u>OTHER COMMON OPERATING FUNCTIONS:</u>							
Accumulated Leave Compensation							
Salaries and Wages		10,000.00	10,000.00			10,000.00	
Celebration of Public Events							
Other Expenses		500.00	500.00			500.00	
<u>UTILITY EXPENSES AND BULK PURCHASES:</u>							
Electricity		59,000.00	59,000.00	59,000.00			
Street Lighting		75,000.00	69,550.00	50,730.45		18,819.55	
Telephone		36,000.00	36,000.00	34,739.23		1,260.77	
Natural Gas		21,500.00	21,500.00	21,500.00			
Diesel Fuel, Fuel Oil		76,000.00	57,948.00	25,419.28		32,528.72	
<u>CODE ENFORCEMENT AND ADMINISTRATION:</u>							
State Uniform Construction Code:							
Construction Official							
Salaries and Wages		112,000.00	112,852.00	112,849.97		2.03	
Other Expenses		2,000.00	2,000.00	1,176.55		823.45	
<u>TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAP"</u>		<u>4,871,790.00</u>	<u>4,866,490.00</u>	<u>4,631,318.02</u>		<u>235,171.98</u>	
<u>DETAIL:</u>							
Salaries and Wages	A-1	2,671,000.00	2,708,609.00	2,646,726.90		61,882.10	
Other Expenses	A-1	2,200,790.00	2,157,881.00	1,984,591.12		173,289.88	
		<u>4,871,790.00</u>	<u>4,866,490.00</u>	<u>4,631,318.02</u>		<u>235,171.98</u>	

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

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"							
STATUTORY EXPENDITURES:							
Contribution to:							
Public Employees' Retirement System		110,053.00	110,053.00	74,529.92		35,523.08	-
Social Security System (O.A.S.I.)		105,000.00	105,000.00	109,391.15		108.85	
Police and Firemen's Retirement System of N.J.		311,833.00	311,833.00	311,833.00		-	
		526,886.00	531,386.00	495,754.07		35,631.93	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"	A-1	526,886.00	531,386.00	495,754.07		35,631.93	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAP"		5,398,676.00	5,397,876.00	5,127,072.09		270,803.91	
OPERATIONS EXCLUDED FROM "CAP"							
Insurance							
Employee Group Health		13,200.00	13,200.00			13,200.00	
Length of Service Awards Program (N.J.S.A. 40A:4-45j)		18,000.00	18,000.00			18,000.00	
Maintenance of Library							
Other Expenses (N.J.S.A. 40A:54-35)		248,000.00	248,000.00	247,999.92		0.08	
Recycling Tax		4,000.00	4,000.00	3,060.87		939.13	
County of Morris Dispatch Service							
Other Expenses		104,502.00	104,502.00	104,502.00		-	
Denville Township Court Services							
Other Expenses		60,000.00	60,000.00	60,788.00		12.00	
Public and Private Programs Offset by Revenues:							
Clean Communities Program		8,768.93	8,768.93	8,768.93		-	
Body Armor Replacement Fund		1,596.57	1,596.57	1,596.57		-	
TOTAL OPERATIONS EXCLUDED FROM "CAP"		458,067.50	458,867.50	426,716.29		32,151.21	
DETAIL:							
Salaries and Wages	A-1	458,067.50	458,867.50	426,716.29		32,151.21	
Other Expenses	A-1	458,067.50	458,867.50	426,716.29		32,151.21	

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

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Appropriations		Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
		Budget						
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"</u>								
Capital Improvement Fund								
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"	A-1	\$ 37,500.00		\$ 37,500.00	\$ 37,500.00	\$ -	\$ -	-
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"</u>								
Payment of Bond Principal		890,000.00		890,000.00	890,000.00			-
Payment of Bond Anticipation Notes		133,000.00		133,000.00	132,164.00			836.00
Interest on Bonds		238,212.50		238,212.50	238,212.50			-
Interest on Notes		19,000.00		19,000.00	16,474.60			2,525.40
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"	A-1	1,280,212.50		1,280,212.50	1,276,851.10			3,361.40
<u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAP"</u>								
DEFERRED CHARGES:								
Special Emergency Authorizations		200,000.00		200,000.00	200,000.00			-
(N.J.S.A. 40A:4-55)		200,000.00		200,000.00	200,000.00			-
TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAP"	A-1							-
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAP"</u>		1,975,780.00		1,976,580.00	1,941,067.39	32,151.21		3,361.40
<u>SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u>		7,374,456.00		7,374,456.00	7,068,139.48	302,955.12		3,361.40
		1,566,427.98		1,566,427.98	1,566,427.98			-
TOTAL GENERAL APPROPRIATIONS		\$ 8,940,883.98		\$ 8,940,883.98	\$ 8,634,567.46	\$ 302,955.12		3,361.40
Ref.							A	
Adopted Budget	A-2			\$ 8,940,883.98				
Added by N.J.S.A. 40A:4-57	A-2							
Cash Disbursed	A-4			\$ 8,940,883.98				
Refunds	A-13			\$ 6,774,807.74				
				(111,243.10)				
Deferred Charges	A-15				6,663,564.64			
Reserve for Encumbrances	A-17				200,000.00			
Amount Due to Federal and State Grants Fund	A-18				194,209.34			
Reserve for Uncollected Taxes	A-2				10,365.50			
					1,566,427.98			
					\$ 8,634,567.46			
								\$ 8,634,567.46

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

SECTION B
TRUST FUND

BOROUGH OF MOUNTAIN LAKES

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		<u>December 31,</u>	
<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Animal Control Fund :			
Cash - Treasurer	B-1	\$ 284.88	\$ 765.41
Interfunds Accounts Receivable	B-2	150.00	-
		<u>434.88</u>	<u>765.41</u>
Other Funds :			
Cash - Treasurer	B-1	570,494.16	431,785.70
Interfunds Accounts Receivable	B-2	52,368.01	61,740.88
		<u>622,862.17</u>	<u>493,526.58</u>
		<u>\$ 623,297.05</u>	<u>\$ 494,291.99</u>
Length of Service Award Program:			
Cash with Agent Provider (Unaudited)		<u>\$ 267,587.37</u>	<u>\$ 264,969.09</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Fund :			
Interfunds Accounts Payable	B-3	\$ 17.92	\$ 7.83
Reserve for Animal Control Fund Expenditures	B-4	(205.84)	765.38
Amount Due to State Board of Health	B-5	622.80	(7.80)
		<u>434.88</u>	<u>765.41</u>
Other Funds :			
Interfunds Accounts Payable	B-3	94,824.55	34,307.38
Reserve for Special Deposits	B-8	528,037.62	459,219.20
		<u>622,862.17</u>	<u>493,526.58</u>
		<u>\$ 623,297.05</u>	<u>\$ 494,291.99</u>
Length of Service Award Program:			
Reserve for Qualified Participants - Enrolled (Unaudited)		<u>\$ 267,587.37</u>	<u>\$ 264,969.09</u>

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

BOROUGH OF MOUNTAIN LAKES
TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		<u>December 31,</u>	
<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Animal Control Fund :			
Interfunds Accounts Payable	B-3	\$ 17.92	\$ 7.83
Reserve for Animal Control Fund Expenditures	B-4	\$ (205.84)	\$ 765.38
Amount Due to / (from) State Board of Health	B-5	622.80	(7.80)
		<u>434.88</u>	<u>765.41</u>
Other Funds :			
Interfunds Accounts Payable	B-3	94,824.55	34,307.38
Reserve for Special Deposits	B-8	<u>528,037.62</u>	<u>459,219.20</u>
		<u>622,862.17</u>	<u>493,526.58</u>
		<u>\$ 623,297.05</u>	<u>\$ 494,291.99</u>
Length of Service Award Program:			
Reserve for Qualified Participants (Unaudited)		<u>\$ 267,587.37</u>	<u>\$ 264,969.09</u>

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

SECTION C
GENERAL CAPITAL FUND

BOROUGH OF MOUNTAIN LAKES
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Cash - Treasurer	C-2	\$ 254,004.74	\$ 583,639.87
Deferred Charges to Future Taxation:			
Funded	C-4	6,365,000.00	7,255,000.00
Unfunded	C-5	1,659,726.00	1,321,640.00
Federal and State Aid Receivable	C-7	131,046.59	547,296.59
Interfund Accounts Receivable	C-8	477,965.73	-
		<u>\$ 8,887,743.06</u>	<u>\$ 9,707,576.46</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-15	\$ 6,365,000.00	\$ 7,255,000.00
Bond Anticipation Notes	C-17	1,640,726.00	1,321,640.00
Improvement Authorizations :			
Funded	C-9	150,568.04	359,869.86
Unfunded	C-9	480,691.78	690,613.14
Reserve for Encumbrances	C-10	223,156.22	39,599.36
Capital Improvement Fund	C-11	26,714.91	13,964.91
Capital Reserves	C-12	834.23	834.23
Interfund Accounts Payable	C-13	-	16,003.08
Fund Balance	C-1	51.88	10,051.88
		<u>\$ 8,887,743.06</u>	<u>\$ 9,707,576.46</u>

There were Bonds and Notes Authorized but not Issued in the amount of \$19,000.00 at December 31, 2015 .
See Schedule C-18 for analysis.

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

BOROUGH OF MOUNTAIN LAKES

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Fund Balance December 31	C	\$ 10,051.88	\$ 32,661.88
Increased by :			
Premium on Bonds		<u> -</u>	<u>7,390.00</u>
		10,051.88	40,051.88
Decreased by :			
Paid to Current Fund as Budget Revenue	C-2	<u>10,000.00</u>	<u>30,000.00</u>
Fund Balance December 31	C	<u>\$ 51.88</u>	<u>\$ 10,051.88</u>

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

SECTION D
WATER UTILITY FUND

BOROUGH OF MOUNTAIN LAKES
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Water Operating Fund:			
Cash - Treasurer	D-5	\$ 830,678.00	\$ 166,738.90
Interfunds Accounts Receivable	D-8	<u>208,728.58</u>	<u>17,683.61</u>
		<u>1,039,406.58</u>	<u>184,422.51</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-9	<u>30,290.64</u>	<u>25,287.27</u>
		<u>30,290.64</u>	<u>25,287.27</u>
Total Water Operating Fund		<u>1,069,697.22</u>	<u>209,709.78</u>
Water Capital Fund :			
Cash - Treasurer	D-5	9,011.02	8,935.81
Interfunds Accounts Receivable	D-8	5,000.00	5,000.00
Fixed Capital	D-12	<u>1,749,275.34</u>	<u>1,741,147.34</u>
Total Water Capital Fund		<u>1,763,286.36</u>	<u>1,755,083.15</u>
		<u>\$ 2,832,983.58</u>	<u>\$ 1,964,792.93</u>

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

BOROUGH OF MOUNTAIN LAKES

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Water Operating Fund :			
Liabilities :			
Appropriation Reserves	D-4,16	\$ 39,242.66	\$ 97,875.83
Reserve for Encumbrances	D-17	43,342.89	6,472.61
Accounts Payable	D-17	2,752.70	
Interfund Accounts Payable	D-18	808,699.27	6,324.75
Meter Deposits		<u>4,950.00</u>	<u>4,950.00</u>
		898,987.52	115,623.19
Reserve for Receivables		30,290.64	25,287.27
Fund Balance	D-1	<u>140,419.06</u>	<u>68,799.32</u>
Total Water Operating Fund		<u>1,069,697.22</u>	<u>209,709.78</u>
Water Capital Fund :			
Interfund Accounts Payable	D-18	133.09	57.88
Capital Improvement Fund	D-25	13,228.21	13,228.21
Reserve for Amortization	D-27	1,749,275.34	1,741,147.34
Fund Balance	D-2	<u>649.72</u>	<u>649.72</u>
Total Water Capital Fund		<u>1,763,286.36</u>	<u>1,755,083.15</u>
		<u>\$ 2,832,983.58</u>	<u>\$ 1,964,792.93</u>

There were no Bonds and Notes Authorized but not Issued as of December 31, 2015.

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

BOROUGH OF MOUNTAIN LAKES
WATER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Operating Fund Balance Utilized	D-1,3	\$ 68,000.00	\$ 168,750.00
Rents	D-3	775,440.60	624,117.13
Miscellaneous Revenues	D-3	31,807.05	31,648.78
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-16	79,372.09	56,984.68
Cancelled Prior Year Encumbrances		-	62.51
Total Income		<u>954,619.74</u>	<u>881,563.10</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations:			
Operating	D-4	744,000.00	758,750.00
Capital Improvements	D-4	15,000.00	15,000.00
Deferred Charges and Statutory Expenditures	D-4	<u>56,000.00</u>	<u>56,000.00</u>
Total Expenditures		<u>815,000.00</u>	<u>829,750.00</u>
Excess in Revenue		139,619.74	51,813.10
Fund Balance January 1	D	<u>68,799.32</u>	<u>185,736.22</u>
		208,419.06	237,549.32
Decreased by :			
Utilization by Water Operating Budget	D-1	<u>68,000.00</u>	<u>168,750.00</u>
Fund Balance December 31	D	<u>\$ 140,419.06</u>	<u>\$ 68,799.32</u>

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

BOROUGH OF MOUNTAIN LAKES

WATER UTILITY FUND
COMPARATIVE STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Fund Balance December 31	C	\$ <u>649.72</u>	\$ <u>649.72</u>
Fund Balance December 31	C	\$ <u>649.72</u>	\$ <u>649.72</u>

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

BOROUGH OF MOUNTAIN LAKES
WATER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Budget Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Utilized	D-1	\$ 68,000.00	\$ 68,000.00	\$ -
Rents	D-1,3	717,000.00	775,440.60	58,440.60
Miscellaneous Revenues	D-1,3	<u>30,000.00</u>	<u>31,807.05</u>	<u>1,807.05</u>
	D-4	<u>\$ 815,000.00</u>	<u>\$ 875,247.65</u>	<u>\$ 60,247.65</u>
<u>Analysis of Realized Revenue</u>				
Water Service Charges:				
Amount Due from Current Fund	D-8	\$ 192,039.57		
Consumer Accounts Receivable	D-9	<u>\$ 583,401.03</u>		
	D-3		<u>\$ 775,440.60</u>	
Miscellaneous :				
Interest on Investments - Operating		\$ 1,552.76		
Meter		8,900.00		
Penalties		15,052.80		
Sprinkler		926.05		
Miscellaneous		<u>5,350.23</u>		
	D-5		\$ 31,781.84	
Interfunds Accounts Receivable:				
Water Capital Fund - Interest	D-8		<u>25.21</u>	
	D-3		<u>\$ 31,807.05</u>	

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

BOROUGH OF MOUNTAIN LAKES

D-4

WATER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	<u>Ref.</u>	<u>Budget Appropriations</u>	<u>Transfers</u>	<u>Budget After Transfers</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>
Operating :							
Salaries and Wages		\$ 347,000.00	\$ -	\$ 347,000.00	\$ 346,490.38	\$ 509.62	
Other Expenses		397,000.00	-	397,000.00	372,356.12	24,643.88	
Total Operating	D-1	744,000.00	-	744,000.00	718,846.50	25,153.50	
Capital Improvement :							
Capital Improvement Fund		15,000.00		15,000.00	8,128.00	6,872.00	
Capital Outlay		15,000.00		15,000.00	8,128.00	6,872.00	
Total Capital Improvement	D-1						
Statutory Expenditures :							
Contribution to:							
Public Employees Retirement System		31,000.00		31,000.00	23,823.08	7,176.92	
Social Security (O.A.S.I.)		25,000.00		25,000.00	24,959.76	40.24	
Total Statutory Expenditures	D-1	56,000.00	-	56,000.00	48,782.84	7,217.16	
		\$ 815,000.00	\$ -	\$ 815,000.00	\$ 775,757.34	\$ 39,242.66	
Ref.	D-3			<u>Ref.</u>			D
		Disbursed		D-5	\$ 445,591.54		
		Encumbrances		D-17	43,342.89		
		Interfund Accounts Payable		D-8,18	286,822.91		
					\$ 775,757.34		

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

SECTION E
SEWER UTILITY FUND

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Sewer Operating Fund:			
Cash - Treasurer	E-5	\$ 120,051.32	\$ 86,247.01
Interfunds Accounts Receivable	E-8	<u>560,477.66</u>	<u>16,586.70</u>
		<u>680,528.98</u>	<u>102,833.71</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	E-9	<u>30,589.20</u>	<u>28,835.13</u>
		<u>30,589.20</u>	<u>28,835.13</u>
Total Sewer Operating Fund		<u>711,118.18</u>	<u>131,668.84</u>
Sewer Capital Fund :			
Cash - Treasurer	E-5	24,884.05	24,764.47
Interfunds Accounts Receivable	E-8	5,000.00	5,000.00
Fixed Capital	E-12	187,884.36	177,884.36
Fixed Capital Authorized and Uncompleted	E-13	<u>5,554.00</u>	<u>5,554.00</u>
Total Sewer Capital Fund		<u>223,322.41</u>	<u>213,202.83</u>
		<u>\$ 934,440.59</u>	<u>\$ 344,871.67</u>

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

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u> <u>2015</u>	<u>2014</u>
Sewer Operating Fund :			
Liabilities :			
Appropriation Reserves	E-4,16	\$ 42,903.98	\$ 54,698.97
Reserve for Encumbrances	E-17	30,731.51	3,253.24
Interfund Accounts Payable	E-18	<u>524,968.55</u>	<u>7,415.99</u>
		598,604.04	65,368.20
Reserve Receivables		30,589.20	28,835.13
Fund Balance	E-1	<u>81,924.94</u>	<u>37,465.51</u>
Total Sewer Operating Fund		<u>711,118.18</u>	<u>131,668.84</u>
Sewer Capital Fund :			
Interfund Accounts Payable	E-18	280.05	160.47
Improvement Authorizations - Funded	E-23	5,554.00	5,554.00
Capital Improvement Fund	E-25	24,050.00	24,050.00
Reserve for Amortization	E-27	187,884.36	177,884.36
Deferred Reserve for Amortization	E-28	<u>5,554.00</u>	<u>5,554.00</u>
Total Sewer Capital Fund		<u>223,322.41</u>	<u>213,202.83</u>
		<u>\$ 934,440.59</u>	<u>\$ 344,871.67</u>

There were no Bonds and Notes Authorized but not Issued as of December 31, 2015

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

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Operating Fund Balance Utilized	E-1,3	\$ 37,000.00	\$ -
Sewer Service Charges	E-3	701,750.90	649,034.19
Miscellaneous Revenues	E-3	72,958.42	71,961.14
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-16	<u>25,750.11</u>	<u>28,073.53</u>
Total Income		<u>837,459.43</u>	<u>749,068.86</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations:			
Operating	E-4	720,000.00	650,100.00
Capital Improvements	E-4	10,000.00	10,000.00
Statutory Expenditures	E-4	<u>26,000.00</u>	<u>53,404.96</u>
Total Expenditures		<u>756,000.00</u>	<u>713,504.96</u>
Excess in Revenue		81,459.43	35,563.90
Fund Balance January 1	E	<u>37,465.51</u>	<u>1,901.61</u>
		118,924.94	37,465.51
Decreased by :			
Utilization by Sewer Operating Budget	E-1	<u>37,000.00</u>	<u>-</u>
Fund Balance December 31	E	<u>\$ 81,924.94</u>	<u>\$ 37,465.51</u>

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

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND

COMPARATIVE STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

NOT APPLICABLE

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

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Budget Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Utilized	E-1	\$ 37,000.00	\$ 37,000.00	\$ -
Sewer Service Charges	E-1,3	649,000.00	701,750.90	52,750.90
Miscellaneous Revenues	E-1,3	<u>70,000.00</u>	<u>72,958.42</u>	<u>2,958.42</u>
	E-4	<u>\$ 756,000.00</u>	<u>\$ 811,709.32</u>	<u>\$ 55,709.32</u>
<u>Analysis of Realized Revenue</u>				
Sewer Service Charges:				
Interfund Accounts Receivable	E-9	<u>\$ 701,750.90</u>		
	E-3		<u>\$ 701,750.90</u>	
Miscellaneous :				
Interest on Investments - Operating	E-5		\$ 117.21	
Interfund Accounts Receivable:				
Interest on Delinquencies		\$ 17,771.63		
Connection Fee		55,000.00		
Sewer Capital Fund - Interest		<u>69.58</u>		
	E-8		<u>72,841.21</u>	
	E-3		<u>\$ 72,958.42</u>	

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

BOROUGH OF MOUNTAIN LAKES

E-4

SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Ref.	Budget Appropriations	Transfers	Budget After Transfers	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
Operating :								
Salaries and Wages		\$ 206,000.00	\$ -	\$ 206,000.00	\$ 168,635.55	\$ 37,364.45		\$ -
Other Expenses		514,000.00	-	514,000.00	511,969.80	2,030.20		
Total Operating	E-1	720,000.00	-	720,000.00	680,605.35	39,394.65		
Capital Improvement :								
Capital Outlay		10,000.00		10,000.00	10,000.00	-		
Total Capital Improvement	E-1	10,000.00		10,000.00	10,000.00	-		
Deferred Charges and Statutory Expenditures:								
Statutory Expenditures :								
Contribution to:								
Public Employees Retirement System		12,000.00		12,000.00	11,862.15	137.85		
Social Security (O.A.S.I.)		14,000.00		14,000.00	10,628.52	3,371.48		
Total Statutory Expenditures	E-1	26,000.00	-	26,000.00	22,490.67	3,509.33		-
		\$ 756,000.00	\$ -	\$ 756,000.00	\$ 713,096.02	\$ 42,903.98		\$ -
Ref.	E-3			Ref.		E		
			Disbursed					
			Encumbrances	E-5	\$ 309,714.73			
			Interfund Payable	E-17	30,731.51			
				E-8,18	372,649.78			
					\$ 713,096.02			

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

SECTION F
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF MOUNTAIN LAKES

F

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
General Fixed Assets:		
Land	\$ 130,461,025.24	\$ 130,401,025.24
Buildings	1,180,954.45	1,180,954.45
Machinery and Equipment	<u>4,851,170.48</u>	<u>4,819,912.60</u>
	<u>\$ 136,493,150.17</u>	<u>\$ 136,401,892.29</u>
Investments in General Fixed Assets	<u>\$ 136,493,150.17</u>	<u>\$ 136,401,892.29</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Borough of Mountain Lakes have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Borough's accounting policies are described below.

B. Reporting Entity

The Borough of Mountain Lakes is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough of Mountain Lakes.

The primary criterion for including activities within the Borough's reporting entity, as set forth in section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Borough of Mountain Lakes. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Except as noted below, the financial statements of the Borough of Mountain Lakes include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Mountain Lakes, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Mountain Lakes do not include the operations of the municipal library, or volunteer fire and first aid squads. Furthermore, the Borough of Mountain Lakes is not includable in any other reporting entity on the basis of such criteria.

C. Description of Funds

The accounting policies of the Borough of Mountain Lakes conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the Division). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Mountain Lakes accounts for its financial transactions through the following separate funds which differ from the fund structure required by accounting principles generally accepted in the United States of America.

Current Fund – resources and expenditures for governmental operations of a general nature, including Federal and State grants for operation.

Trust Fund – receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was created.

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

Water Operating and Capital Funds – account for the operations and acquisition of capital facilities of the water utility.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

C. Description of Funds (Continued)

Sewer Operating and Capital Funds – account for the operations and acquisition of capital facilities of the Sewer utility.

D. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant policies follow.

A modified accrual basis of accounting is followed with minor exceptions.

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

Expenditures – are recorded on the “budgetary” basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts that may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily, it is the intention of the Governing Body 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 the foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Deferred Charges – The funding of certain expenditures incurred in the current year (i.e. emergencies, overexpenditures) are deferred to subsequent years' budgets.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

Levy of Taxes – The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August and November. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Borough of Mountain Lakes to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after the due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Capitalization of Interest – It is the policy of the Borough of Mountain Lakes to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Fixed Assets – In accordance with N.J.A.C. 5:30-5.6, Accounting Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough of Mountain Lakes has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

Fixed assets used in governmental operation (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvement other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value. Expenditures for long lived assets with an original cost in excess of \$2,000 are capitalized.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capitals have not been accounted for separately.

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water and Sewer Utility Funds are recorded in the capital accounts at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital funds represent charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Fixed Assets(Continued)

The following schedules are a summarization of the changes in general fixed assets for the year ended December 31, 2015 and 2014:

	<u>Balance as of</u> <u>December 31, 2014</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposal /</u> <u>Transfers</u>	<u>Balance as of</u> <u>December 31, 2015</u>
Land	\$130,401,025.24	\$ 60,000.00	\$	\$130,461,025.24
Buildings	1,180,954.45			1,180,954.45
Machinery and Equipment	<u>4,819,912.60</u>	<u>61,007.88</u>	<u>29,750.00</u>	<u>4,851,170.48</u>
	<u>\$136,401,892.29</u>	<u>\$ 121,007.88</u>	<u>\$ 29,750.00</u>	<u>\$136,493,150.17</u>

	<u>Balance as of</u> <u>December 31, 2013</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposal/</u> <u>Transfers</u>	<u>Balance as of</u> <u>December 31, 2014</u>
Land	\$127,761,733.64	\$2,639,291.60	\$	\$130,401,025.24
Buildings	1,180,954.45			1,180,954.45
Machinery and Equipment	<u>4,803,114.85</u>	<u>42,047.75</u>	<u>25,250.00</u>	<u>4,819,912.60</u>
	<u>\$133,745,802.94</u>	<u>\$2,681,339.35</u>	<u>\$25,250.00</u>	<u>\$136,401,892.29</u>

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

E. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenues and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

F. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Borough's financial position. However, comparative (i.e. presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult.

G. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the benefit plans reported at the State of New Jersey level.

H. Budgetary Information

Annual budgets are adopted on a basis consistent with the requirements of the State of New Jersey, Department of Community Affairs, Division of Local Government Services.

Under New Jersey State Statutes, the annual budget is required to be balanced, prepared on a cash basis and to provide a reserve for uncollected taxes. The 2015 statutory budget included a reserve for uncollected taxes in the amount of \$1,566,427.98. To balance the budget, the municipality is permitted to utilize fund balance. The amount of fund balance utilized to balance the 2015 statutory budgets were as follows:

Current Fund	\$1,500,000.00
Water Utility Operating Fund	68,000.00
Sewer Utility Operating Fund	37,000.00

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

H. Budgetary Information(Continued)

Transfers of line item amounts are permitted after November 1 and must be made by a resolution adopted by the governing body. The following significant budget transfers were approved in the 2015 calendar year.

<u>Budget Category</u>	<u>Amount</u>
General Administration-Other Expenses	\$ 33,088.00
Financial Administration – Salaries and Wages	22,069.00
Engineering Services and Cost – Other Expenses	11,300.00
Zoning Costs – Salaries and Wages	(15,000.00)
Group Insurance – Hospital and Medical	(50,000.00)
Police - Salaries and Wages	59,432.00
Police – Other Expenses	(22,000.00)
Road Repairs and Maintenance – Salaries and Wages	(15,000.00)
Diesel Fuel, Fuel Oil	(18,052.00)

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget, after the adoption of the budget, when the item has been made available by any public or private funding source. There were no significant budget insertions were approved during the 2015 calendar year.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. There were no emergency appropriations approved during the 2015 calendar year.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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 (GUDPA). Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having 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 full amount of their deposits to the Governmental Units.

At December 31, 2015 the Borough of Mountain Lakes' cash and cash equivalents amounted to \$4,464,672.41. Of this amount, \$ 500,000.00 was covered by federal depository insurance (F.D.I.C.) and \$3,798,397.49 was covered by a collateral pool maintained by the banks as required by GUDPA. Although the individual developers' accounts are subject to F.D.I.C. coverage, it cannot be accurately determined whether the total amount of \$162,069.47 included in Developers' Escrow deposits is covered.

At December 31, 2015 the Borough of Mountain Lakes' participation in the State of New Jersey Cash Management Fund amounted to \$4,205.45.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Borough of Mountain Lakes will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of December 31, 2015, \$166,274.92 of the Borough of Mountain Lakes' cash and cash equivalents of \$4,464,672.41 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	162,069.47
Uninsured and collateral held by public depository or by its' trust department not in the Borough of Mountain Lakes'		<u>4,205.45</u>
	\$	<u>166,274.92</u>

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A. 40A:5-15.1) permit the Borough of Mountain Lakes to purchase the following types of securities:

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, any local unit may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the local unit;

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (c.17:9-41); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Mountain Lakes had no investments as described in Note I:F.1. at December 31, 2015.

B. Property Taxes

The Borough of Mountain Lakes is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. All property tax revenue is recognized when received in cash. Property taxes receivable as of December 31, 2015 are composed of the following:

<u>Year of Levy</u>	<u>Amount</u>
2015	\$ 217,980.64

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

C. Interfund Receivables and Payables

As of December 31, 2015 interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
Current Fund	\$ 1,001,017.21	\$ 735,170.27
Federal and State Grants Fund	11,992.28	
Trust Funds:		
Animal Control Fund	150.00	17.92
Other Trust Fund	52,368.01	94,824.55
General Capital Fund	477,965.73	
Water Utility Fund:		
Operating Fund	208,728.58	808,699.27
Capital Fund	5,000.00	133.09
Sewer Utility Fund:		
Operating Fund	560,477.66	524,968.55
Capital Fund	5,000.00	280.05
Payroll and Payroll Agency		158,605.77
	<u>\$ 2,322,699.47</u>	<u>\$ 2,322,699.47</u>

The amounts due to or from the current fund and grants fund are due to the fact that there is no separate grants fund bank account. All other interfunds are due to cash being transferred between accounts. It is anticipated that all other interfunds will be liquidated during the subsequent calendar year.

D. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, there were no deferred charges shown on the balance sheets of the various funds.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

E. Leases

The Borough of Mountain Lakes has not entered into any long-term agreements except for equipment which is being capitalized as installment purchases of fixed assets in accordance with N.J.A.C. 5:30-5.6.

The Borough of Mountain Lakes is leasing equipment totaling \$276,933.94 under capital leases. All capital leases are for terms of five to seven years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2015.

<u>Year</u>	<u>Amount</u>
2016	\$ 40,462.02
2017	28,341.84
2018	13,080.00
2019	13,080.00
2020	<u>8,720.00</u>
Total Minimum lease payments	103,683.86
Less: Amount representing interest	<u>8,106.42</u>
Present value of net minimum Lease payments	<u>\$ 95,577.44</u>

The Borough of Mountain Lakes has commitments to lease copying equipment under operating leases which expire in 2019. Total operating lease payments made during the year ended December 31, 2015, were \$5,026.28. Future minimum lease payments are as follows:

<u>Year ended</u>	<u>Amount</u>
December 31, 2016	\$ 5,026.28
December 31, 2017	5,026.28
December 31, 2018	5,026.28
December 31, 2019	<u>2,513.14</u>
Total future minimum lease payments	<u>\$ 17,591.98</u>

BOROUGH OF MOUNTAIN LAKES
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

F. Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal and utility capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough of Mountain Lakes are general obligation bonds, backed by the full faith and credit of the Borough of Mountain Lakes. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

Long-term debt as of December 31, 2014 and 2015 consisted of the following:

	Balance Dec. 31, 2014	Issued	Retired	Balance Dec. 31, 2015	Amounts Due Within One Year
Bonds Payable:					
General	\$ 7,255,000.00	\$ -	\$ 890,000.00	\$ 6,365,000.00	\$ 870,000.00
	<u>\$ 7,255,000.00</u>	<u>\$ -</u>	<u>\$ 890,000.00</u>	<u>\$ 6,365,000.00</u>	<u>\$ 870,000.00</u>
	<u>Year 2015</u>		<u>Year 2014</u>		<u>Year 2013</u>
<u>Issued</u>					
General:					
Bonds and Notes	\$ 8,005,726.00		\$ 8,576,640.00		\$ 8,116,000.00
Total Issued	<u>8,005,726.00</u>		<u>8,576,640.00</u>		<u>8,116,000.00</u>
Net Debt Issued	<u>8,005,726.00</u>		<u>8,576,640.00</u>		<u>8,116,000.00</u>
<u>Authorized but not Issued</u>					
General:					
Bonds and Notes	19,000.00		-		612,560.00
Total Authorized but Not Issued	<u>19,000.00</u>		<u>-</u>		<u>612,560.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 8,024,726.00</u>		<u>\$ 8,576,640.00</u>		<u>\$ 8,728,560.00</u>

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

Summary of Statutory Debt Condition-Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.609 %.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 10,125,000.00	\$ 10,125,000.00	\$ -
General Debt	8,024,726.00	-	8,024,726.00
	<u>\$ 18,149,726.00</u>	<u>\$ 10,125,000.00</u>	<u>\$ 8,024,726.00</u>

Net Debt \$8,024,726.00 divided by Equalized Valuation Basis
per N.J.S.A. 40A:2-2 as amended, \$1,317,177,622.33 = 0.609%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 46,101,216.78
Net Debt	<u>8,024,726.00</u>
Remaining Borrowing Power	<u>\$ 38,076,490.78</u>

BOROUGH OF MOUNTAIN LAKES
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

Calculation of " Self Liquidating Purpose", Water Utility Per N.J.S.A. 40A:2-45

Cash Receipts from fees, rents or other charges for year		\$	875,247.65
Deductions:			
Operating and Maintenance Cost	\$	800,000.00	
Debt Service per Water Account		<u>-</u>	
Total Deductions			<u>800,000.00</u>
Excess in Revenue-Self Liquidating		\$	<u>75,247.65</u>

Footnote:

If there is an "excess in revenue", all such utility debt is deductible.

Calculation of " Self Liquidating Purpose", Sewer Utility Per N.J.S.A. 40A:2-45

Cash Receipts from fees, rents or other charges for year		\$	811,709.32
Deductions:			
Operating and Maintenance Cost	\$	746,000.00	
Debt Service per Sewer Account		<u>-</u>	
Total Deductions			<u>746,000.00</u>
Deficit in Revenue		\$	<u>65,709.32</u>

Footnote:

If there is a "deficit in revenue", all such utility debt is not deductible to the extent of 20 times such deficit amount.

A revised annual debt statement should be filed by the Chief Financial Officer.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

1. Bonds Payable

Bonds are authorized in accordance with State law by the adoption of an ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough of Mountain Lakes are general obligation bonds.

Serial Bonds outstanding as of December 31, 2015 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General of 2007	Various	9/1	2020	\$ 2,101,000.00	\$ 1,000,000.00
General Refunding of 2007	4.00%	7/15	2022	2,915,000.00	1,395,000.00
General Refunding of 2009	Various	11/15	2020	2,965,000.00	1,400,000.00
General of 2013	Various	1/15	2025	<u>3,035,000.00</u>	<u>2,570,000.00</u>
				<u>\$ 11,016,000.00</u>	<u>\$ 6,365,000.00</u>

BOROUGH OF MOUNTAIN LAKES
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

1. Bonds Payable

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

Calendar Year		<u>General</u> <u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$	870,000.00	\$ 206,825.00	\$ 1,076,825.00
2017		875,000.00	174,775.00	1,049,775.00
2018		875,000.00	141,687.50	1,016,687.50
2019		880,000.00	108,725.00	988,725.00
2020		880,000.00	75,725.00	955,725.00
2021		550,000.00	41,562.50	591,562.50
2022		480,000.00	28,606.25	508,606.25
2023		315,000.00	15,556.25	330,556.25
2024		320,000.00	9,600.00	329,600.00
2025		<u>320,000.00</u>	<u>3,200.00</u>	<u>323,200.00</u>
	\$	<u>6,365,000.00</u>	\$ <u>806,262.50</u>	\$ <u>7,171,262.50</u>

BOROUGH OF MOUNTAIN LAKES
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

2. Bond Anticipation Notes

Bond Anticipation Notes outstanding as of December 31, 2015 consists of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
General Capital Fund:				
Ord. 01-13 Various Capital Improvements	0.68%	8/13/15	8/12/16	\$ 551,304.00
Ord. 06-14 Various Capital Improvements	0.68%	8/13/15	8/12/16	638,172.00
Ord. 07-15 Various Capital Improvements	0.68%	8/13/15	8/12/16	432,250.00
Ord. 09-15 Various Capital Improvements	0.68%	8/13/15	8/12/16	<u>19,000.00</u>
				<u>\$ 1,640,726.00</u>

3. Bonds Authorized but not Issued

As of December 31, 2015 the Borough of Mountain Lakes had authorized but not issued bonds as follows:

General Capital Fund	\$ 19,000.00
Water Utility Capital Fund	-0-
Sewer Utility Capital Fund	-0-

Short-term financing as of December 31, 2014 and 2015 consisted of the following:

	<u>Balance Dec. 31, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2015</u>	<u>Amounts Due Within One Year</u>
Bond Anticipation Notes:					
General	<u>\$ 1,321,640.00</u>	<u>\$ 1,640,726.00</u>	<u>\$ 1,321,640.00</u>	<u>\$ 1,640,726.00</u>	<u>\$ 1,640,726.00</u>
	<u>\$ 1,321,640.00</u>	<u>\$ 1,640,726.00</u>	<u>\$ 1,321,640.00</u>	<u>\$ 1,640,726.00</u>	<u>\$ 1,640,726.00</u>

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

G. Fund Balance Appropriated

Fund balances at December 31, 2015, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016 were as follows:

Current Fund	\$ 741,000.00
Water Utility Operating Fund	70,000.00
Sewer Utility Operating Fund	72,500.00

Note III: Pension Plans

Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS), or the Police and Fireman's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The PERS and PFRS are considered cost sharing multiple-employer defined benefit plans.

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system.

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

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note III: Pension Plans(Continued)

Description of Systems(Continued)

The Police and Fireman's Retirement System (PFRS) was established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State Firemen appointed after June 30, 1944.

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

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of 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.

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Significant Legislation

P.L 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF, PERS, PFRS, SPRS, and JRS operate and to the benefit provisions of those systems.

This legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note III: Pension Plans (Continued)

Significant Legislation(Continued)

- It increased the active member contribution rates as follows: TPAF and PERS active member rates increased from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS and PERS Prosecutors Part active member rates increased from 8.5 percent to 10 percent; SPRS active member rates increased from 7.5 percent to 9 percent; and JRS active member rates increased from 3 percent to 12 percent phased-in over seven years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF, PERS and JRS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended until reactivated as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. The pension funds provide for employee contributions based on 10.0 percent for PFRS and 7.06 percent for PERS of employees' annual compensation.

During the state fiscal year ended June 30, 2015, for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost equals contributions made.

The Borough's total payroll for the year ended December 31, 2015 was \$3,331,618.48 and covered payroll was \$1,027,452.00 for PERS and \$1,274,709.00 for PFRS. Contributions to the PERS and PFRS for the last three years made by the employees and Borough of Mountain Lakes were as follows:

			<u>PERS</u>	Percent of Covered Payroll	<u>PFRS</u>	Percent of Covered Payroll
Employees	12/31/13	\$	72,707.31	7.39%	125,713.00	10.00 %
	12/31/14		67,540.50	6.85%	133,278.30	10.14 %
	12/31/15		73,768.71	7.18%	127,470.90	10.00 %
Borough of Mountain Lakes	12/31/13		124,140.00	12.59%	330,189.00	26.26%
	12/31/14		98,392.00	9.98%	319,428.00	24.30%
	12/31/15		110,053.00	10.71%	311,833.00	24.46%

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IV: Public Employees Retirement System

At December 31, 2015, the Borough of Mountain Lakes reported a liability of \$2,866,224.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability 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 employers, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0127682842%, which was a decrease of 4.36% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough of Mountain Lakes recognized pension expense of \$110,053.00. At December 31, 2015, the Borough of Mountain Lakes reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Difference between expected and actual experience	\$ 68,378	\$
Changes of assumptions	307,810	
Net difference between projected and actual earnings on pension plan investments		46,083
Changes in proportion	38,388	92,354
District contributions subsequent to the measurement data	<u>110,053</u>	
Total	<u>\$524,629</u>	<u>\$138,437</u>

\$110,053 reported as deferred outflows of resources related to pensions resulting from the Borough's contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	
2016	\$ 60,096
2017	60,096
2018	60,096
2019	95,712
2020	<u>54,106</u>
Total	<u>\$330,106</u>

BOROUGH OF MOUNTAIN LAKES
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(COUNTINUED)

Note IV: Public Employees Retirement System

Schedule of the Borough's Proportionate Share of the Net Pension Liability-PERS

	Year Ending December 31,			
	2013	2014	2015	2016
Borough's proportion of the net pension liability				
	0.0130583500%	0.0133496998%	0.0127682842%	
Borough's proportionate share of the net pension liability	\$ 2,495,710.00	\$ 2,499,429.00	\$ 2,866,224.00	
Borough's covered employee payroll	\$ 985,968.00	\$ 985,864.00	\$ 1,027,452.00	
Borough's proportionate share of the net pension liability as a percentage of its covered employee payroll	253.12%	253.53%	278.96%	
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.92%	

	Year Ending December 31,		
	2018	2019	2020
Borough's proportion of the net pension liability			
Borough's proportionate share of the net pension liability			
Borough's covered employee payroll			
Borough's proportionate share of the net pension liability as a percentage of its covered employee payroll			
Plan fiduciary net position as a percentage of the total pension liability			

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IV: Public Employees Retirement System (Continued)

Actuarial Assumptions

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

Inflation rate	3.04%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

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

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IV: Public Employees Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate of 4.90%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) or 1-percentage point higher (5.90%) than the current rate:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Borough's proportionate share of the net pension liability	\$3,562,430	\$2,866,224	\$2,282,661

Note V: Police and Fireman's Retirement System

At December 31, 2015, the Borough of Mountain Lakes reported a liability of \$7,589,572.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability 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 employers, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0418914494%, which was an increase of 3.18% from its proportion measured as of June 30, 2014.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note V: Police and Fireman's Retirement System (Continued)

For the year ended December 31, 2015, the Borough of Mountain Lakes recognized pension expense of \$311,833.00. At December 31, 2015, the Borough of Mountain Lakes reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Difference between expected and actual experience	\$	\$ 60,184
Changes of assumptions	1,288,248	
Net difference between projected and actual earnings on pension plan investments		121,440
Changes in proportion	141,702	285,987
District contributions subsequent to the measurement data	<u>311,833</u>	
Total	<u>\$1,741,783</u>	<u>\$467,611</u>

\$311,883 reported as deferred outflows of resources related to pensions resulting from the Borough's contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	
2016	\$ 210,168
2017	210,168
2018	210,168
2019	344,603
2020	<u>131,517</u>
Total	<u>\$1,106,624</u>

BOROUGH OF MOUNTAIN LAKES
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note V: Police and Firemen's Retirement System

Schedule of the Borough's Proportionate Share of the Net Pension Liability-PFRS

	Year Ending December 31,				
	2013	2014	2015	2016	2017
Borough's proportion of the net pension liability	0.0437825854%	0.0405996040%	0.0418914494%		
Borough's proportionate share of the net pension liability	\$ 6,363,041.00	\$ 5,656,998.00	\$ 7,589,572.00		
Borough's covered employee payroll	\$ 1,257,130.00	\$ 1,314,289.00	\$ 1,274,709.00		
Borough's proportionate share of the net pension liability as a percentage of its covered employee payroll	506.16%	430.42%	595.40%		
Plan fiduciary net position as a percentage of the total pension liability	58.70%	62.41%	56.31%		

	Year Ending December 31,				
	2018	2019	2020	2021	2022

Borough's proportion of the net pension liability

Borough's proportionate share of the net pension liability

Borough's covered employee payroll

proportionate share of the net pension liability as a percentage of its covered employee payroll

Plan fiduciary net position as a percentage of the total pension liability

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note V: Police and Fireman's Retirement System (Continued)

Actuarial Assumptions

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

Inflation rate	3.04%
Salary increases:	
2012-2021	2.60% - 9.48% (based on age)
Thereafter	3.60% - 10.48% (based on age)
Investment rate of return:	7.90%

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

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

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

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

BOROUGH OF MOUNTAIN LAKES
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)

Note V: Police and Fireman's Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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 of 5.79%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.79%) or 1-percentage point higher (6.79%) than the current rate:

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Borough's proportionate share of the net pension liability	\$10,005,333	\$7,589,572	\$5,619,319

Note VI: Health Benefits and Post Retirement Medical Benefits

P.L. 2011, c.78 effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Health Benefits Program Fund (HBPF)-Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note VI: Health Benefits and Post Retirement Medical Benefits

P.L. 1997, C.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80% of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$44.3 million for the state fiscal year 2015 to provide benefits under Chapter 330 to qualified retirees.

PERS employees do not receive post-retirement medical benefits.

Note VII: Deferred Compensation Plan

The Borough of Mountain Lakes offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457B of the Internal Revenue Code. The Plan, which is administered by Lincoln National Life Insurance Co. is available to all Borough of Mountain Lakes employees and permits participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Borough of Mountain Lakes (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the Borough of Mountain Lakes's general creditors. Participants' right under the Plan are equivalent to those of general creditors of the Borough of Mountain Lakes in an amount equal to the fair market value of the deferred account for each participant.

The maximum amount of deferred compensation for any participant for any taxable year shall not exceed the lesser of \$18,000.00 or 100 percent of the participant's includable compensation for the taxable year except as provided by the limited catch-up provision which may effect a participant's last three taxable years ending before a participant attains normal retirement age as defined by plan.

During the year ended December 31, 2015 and 2014, the employees' contributions to the plan were \$69,697.21, and \$68,600.00 respectively.

BOROUGH OF MOUNTAIN LAKES
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note VIII: Risk Management

The Borough of Mountain Lakes is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough of Mountain Lakes is a member of the Morris County Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and worker's compensation insurance coverage up to \$100,000 for member municipalities. The Borough of Mountain Lakes pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board; these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The Borough of Mountain Lakes is also a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL provides insurance coverage for claims in excess of \$100,000 for general liability, automobile liability and workers' compensation. The MEL also provides insurance coverage for the following: employment practices liability, non-owned aircraft, public official's liability, directors and officer's liability and Excess Faithful Performance and Employee Dishonesty Blanket Bond (\$1,000,000 limit).

The JIF's members are also members of the New Jersey Municipal Environmental Risk Management Fund which provides commercial insurance coverage for environmental impairment liability.

The JIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

The Borough of Mountain Lakes continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IX: Segment Information – Utility/Enterprise Funds

The Borough of Mountain Lakes maintains utility/enterprise funds which provide water, and sewer services. Segment information for the year ended December 31, 2015 was as follows:

	<u>Water Utility</u> <u>Fund</u>	<u>Sewer Utility</u> <u>Fund</u>
Operating Revenues	\$ 805,669.68	774,522.53
Operating Income or (Loss)	5,669.68	28,522.53
Operating Transfers in or (Out)	25.21	69.58
Net Income or (Loss)	139,619.74	81,459.43
Fixed Assets:		
Additions	8,128.00	10,000.00
Deletions	-	-
Net Working Capital	170,709.70	112,514.14
Total Operating Assets	1,069,697.22	711,118.18
Operating Fund Balance	140,419.06	81,924.94
Long Term Debt	-0-	-0-
Short Term Debt	-0-	-0-

Note X: Accrued Sick and Vacation Benefits

The Borough of Mountain Lakes permits the members of the Police Department to accrue a limited amount of unused vacation pay, which may be taken as time off or paid upon retirement or separation at an agreed-upon rate. Officers with at least 15 years of service with the Borough are permitted to bank up to a maximum of 25 vacation days.

It is estimated that the current cost of such unpaid compensation would approximate \$20,338.00. This amount is not reported either as expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Borough of Mountain Lakes budget operating expenditures in the year in which it is used.

Note XI: Contingent Liabilities

The Borough of Mountain Lakes is a defendant in several lawsuits, none of which is unusual for a municipality of its size. Additional liabilities, if not covered by insurance, should not be material in amount.

Various tax appeals on assessed valuations have been filed against the Borough and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Borough Tax Assessor will aggressively defend the Borough's assessments.

BOROUGH OF MOUNTAIN LAKES

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note XII: Subsequent Events

The Borough of Mountain Lakes has evaluated subsequent events through June 8, 2016, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

Note XIII: Length of Service Awards Program (Unaudited)

During the 2002 calendar year, the voters of the Borough of Mountain Lakes approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as fire fighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The Borough of Mountain Lakes appropriated \$18,000.00 and \$18,000.00 in 2015 and 2014 budgets, respectively, for contributions to the LOSAP for volunteers who have met the established criteria.

The LOSAP is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Borough of Mountain Lakes subject only to the claims of the Borough of Mountain Lakes general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Borough of Mountain Lakes and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Borough of Mountain Lakes believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role, the Borough of Mountain Lakes has an obligation of due care in selecting the third party administrator. In the opinion of the Borough of Mountain Lakes legal counsel, the Borough of Mountain Lakes has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

The Borough of Mountain Lakes issues a separate unaudited financial report that includes the statement of net assets available for benefits for the LOSAP.

SUPPLEMENTARY DATA

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

	Year 2015		Year 2014	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 1,500,000.00	4.60%	\$ 1,295,000.00	4.05%
Miscellaneous-From other than Local Property Tax Levies	1,561,793.57	4.79%	1,520,308.08	4.76%
Collection of Delinquent Taxes and Tax Title Liens	109,487.80	0.34%	332,524.88	1.04%
Collection of Current Tax Levy	29,200,517.24	89.53%	28,715,660.10	89.87%
Other Credits to Income	244,046.03	0.75%	87,363.30	0.27%
Total Income	<u>32,615,844.64</u>	<u>100.00%</u>	<u>31,950,856.36</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	7,371,094.60	23.04%	7,103,139.80	23.42%
County Taxes	3,318,937.35	10.37%	3,385,883.48	11.16%
Local School District Taxes	20,190,214.00	63.10%	19,761,187.00	65.13%
Other Expenditures	1,114,463.15	3.48%	88,989.32	0.29%
Total Expenditures	<u>31,994,709.10</u>	<u>100.00%</u>	<u>30,339,199.60</u>	<u>100.00%</u>
Excess in Revenue	621,135.54		1,611,656.76	
Fund Balance January 1	<u>1,642,101.48</u>		<u>1,325,444.72</u>	
	2,263,237.02		2,937,101.48	
Less:				
Utilization as Anticipated Revenue	<u>1,500,000.00</u>		<u>1,295,000.00</u>	
Fund Balance December 31	<u>\$ 763,237.02</u>		<u>\$ 1,642,101.48</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - WATER UTILITY OPERATING FUND

	<u>Year 2015</u>		<u>Year 2014</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 68,000.00	7.12%	\$ 168,750.00	19.14%
Collection of Water Rents	775,440.60	81.23%	624,117.13	70.80%
Miscellaneous	31,807.05	3.33%	31,648.78	3.59%
Other Credits to Income	79,372.09	8.31%	57,047.19	6.47%
Total Income	<u>954,619.74</u>	<u>100.00%</u>	<u>881,563.10</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	744,000.00	91.29%	758,750.00	91.44%
Capital Improvements	15,000.00	1.84%	15,000.00	1.81%
Deferred Charges and Statutory Expenditures	56,000.00	6.87%	56,000.00	6.74%
Total Expenditures	<u>815,000.00</u>	<u>100.00%</u>	<u>829,750.00</u>	<u>100.00%</u>
Excess in Revenue	139,619.74		51,813.10	
Fund Balance January 1	<u>68,799.32</u>		<u>185,736.22</u>	
	208,419.06		237,549.32	
Less:				
Utilization as Anticipated Revenue	<u>68,000.00</u>		<u>168,750.00</u>	
Fund Balance December 31	<u>\$ 140,419.06</u>		<u>\$ 68,799.32</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - SEWER UTILITY OPERATING FUND

	<u>Year 2015</u>		<u>Year 2014</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 37,000.00	4.41%	\$ -	0.00%
Collection of Sewer Charges	701,750.90	83.80%	649,034.19	86.65%
Miscellaneous	72,958.42	8.71%	71,961.14	9.61%
Other Credits to Income	<u>25,750.11</u>	<u>3.07%</u>	<u>28,073.53</u>	<u>3.75%</u>
Total Income	<u>837,459.43</u>	<u>100.00%</u>	<u>749,068.86</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	720,000.00	95.24%	650,100.00	91.11%
Capital Improvements	10,000.00	1.32%	10,000.00	1.40%
Statutory Expenditures	<u>26,000.00</u>	<u>3.43%</u>	<u>53,404.96</u>	<u>7.48%</u>
Total Expenditures	<u>756,000.00</u>	<u>100.00%</u>	<u>713,504.96</u>	<u>100.00%</u>
Operating Deficit				
Excess in Revenue	81,459.43		35,563.90	
Fund Balance January 1	<u>37,465.51</u>		<u>1,901.61</u>	
	118,924.94		37,465.51	
Less:				
Utilization as Anticipated Revenue	<u>37,000.00</u>		<u>-</u>	
Fund Balance December 31	<u>\$ 81,924.94</u>		<u>\$ 37,465.51</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

<u>Year</u>	<u>Assessed Valuation</u>	<u>Apportionment of Tax Rate</u>			
		<u>Total</u>	<u>Municipal</u>	<u>County</u>	<u>Local School</u>
2015	1,189,755,800	\$ 2.468	\$ 0.492	\$ 0.279	\$ 1.697
2014	1,188,699,800	2.422	0.475	0.285	1.662
2013	1,182,075,500 (1)	2.387	0.462	0.274	1.651
2012	1,285,362,542	2.163	0.409	0.245	1.509
2011	1,293,069,079	2.123	0.374	0.249	1.500
2010	1,290,679,428	2.100	0.374	0.255	1.471
2009	1,284,172,607 (1)	2.109	0.368	0.263	1.478
2008	1,477,533,321	1.767	0.308	0.222	1.237
2007	1,475,160,245	1.700	0.282	0.228	1.190
2006	1,474,893,716 (2)	1.620	0.255	0.226	1.139

(1) Devaluation Effective in 2009 and 2013

(2) Revaluation Effective in 2006

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2015	\$ 29,447,982.03	\$ 29,200,517.24	99.15%
2014	28,884,232.53	28,715,660.10	99.41%
2013	28,293,119.20	27,940,791.60	98.75%
2012	27,859,869.58	27,258,948.66	97.84%
2011	27,495,958.87	27,141,568.38	98.71%
2010	27,142,846.44	26,804,557.41	98.75%
2009	27,096,374.49	26,796,802.02	98.89%
2008	26,170,297.00	25,862,220.00	98.82%
2007	25,160,057.00	24,903,036.00	98.97%
2006	23,919,478.00	23,655,434.00	98.89%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last ten years.

<u>Dec. 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ -	\$ 217,980.64	\$ 217,980.64	0.74%
2014	-	109,487.80	109,487.80	0.37%
2013	-	332,524.88	332,524.88	1.17%
2012	-	388,128.34	388,128.34	1.39%
2011	-	254,762.43	254,762.43	0.92%
2010	2,651.33	261,287.99	263,939.32	0.97%
2009	-	269,376.81	269,376.81	0.99%
2008	-	243,429.44	243,429.44	0.93%
2007	-	181,168.35	181,168.35	0.72%
2006	-	193,921.54	193,921.54	0.81%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2015 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2015	169,885.09
2014	169,885.09
2013	169,885.09
2012	169,885.09
2011	169,885.09
2010	169,885.09
2009	169,885.09
2008	169,885.09
2007	169,885.09
2006	169,885.09

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2015	\$ 780,443.97	\$ 775,440.60
2014	630,090.59	624,117.13
2013	596,204.48	641,221.06
2012	676,982.81	635,096.65
2011	590,620.63	598,721.72
2010	658,002.36	643,596.31
2009	575,708.89	575,574.99
2008	683,204.55	662,433.05
2007	670,742.22	651,831.48
2006	542,190.02	510,480.71

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2015	\$ 703,504.97	\$ 701,750.90
2014	657,297.60	649,034.19
2013	552,226.51	560,905.05
2012	576,004.27	567,966.11
2011	545,882.45	555,268.84
2010	591,759.49	576,083.42
2009	545,366.42	543,696.01
2008	564,948.67	550,580.88
2007	521,862.70	527,091.86
2006	536,615.65	529,866.90

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2015	\$ 763,237.02	\$ 741,000.00
	2014	1,642,101.48	1,500,000.00
	2013	1,325,444.72	1,295,000.00
	2012	898,086.19	895,000.00
	2011	540,536.29	358,500.00
	2010	1,004,323.17	1,003,800.00
	2009	1,277,454.26	1,247,500.00
	2008	1,294,391.23	1,237,500.00
	2007	1,511,543.84	1,417,000.00
	2006	1,308,078.10	1,318,000.00
Water Utility Operating Fund	2015	\$ 140,419.06	\$ 70,000.00
	2014	68,799.32	68,000.00
	2013	185,736.22	168,750.00
	2012	124,238.55	87,050.00
	2011	149,477.50	108,400.00
	2010	106,907.09	77,000.00
	2009	126,602.07	109,000.00
	2008	156,483.16	41,000.00
	2007	156,483.16	-
	2006	48,232.05	40,500.00
Sewer Utility Operating Fund	2015	\$ 81,924.94	\$ 72,500.00
	2014	37,465.51	37,000.00
	2013	1,901.61	-
	2012	55,901.61	54,000.00
	2011	37,236.11	24,704.36
	2010	81,238.62	57,700.00
	2009	47,098.76	45,700.00
	2008	70,040.75	38,230.35
	2007	70,040.75	-
	2006	42,593.71	40,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
G. Douglas McWilliams	Mayor	
Peter Holmberg	Deputy Mayor	
William Albergo	Councilman	
Frank Borin	Councilman	
William Barrett	Councilman	
John Lester	Councilman	
Daniel Happer	Councilman	
Robert Tovo	Borough Manager (To 1/31/2015)	
	Treasurer (To 1/31/2015)	
	Custodian of Water and Sewer Funds (To 1/31/2015)	\$ 1,000,000.00
Robert Hoffman	Interim Borough Manager (From 2/1/2015 to 4/24/2015)	
	Treasurer (From 2/1/2015 to 4/24/2015)	
	Custodian of Water and Sewer Funds (From 2/1/2015 to 4/24/2015)	\$ 1,000,000.00
Richard Sheola	Borough Manager (From 4/27/2015)	
	Treasurer (From 4/27/2015)	
	Custodian of Water and Sewer Funds (From 4/27/2015)	\$ 1,000,000.00
	Qualified Purchasing Agent (From 9/15/2015)	
Michele Reilly	Borough Clerk	
D. Timothy Roberts	Acting Chief Financial Officer (To 3/31/2015)	
	Qualified Purchasing Agent (To 9/15/2015)	
	Deputy Treasurer (From 3/31/2015 to 9/15/2015)	
	Chief Financial Officer (From 4/1/2015 to 9/15/2015)	
	Chief Financial Officer (From 9/15/2015)	
James T. McCue	Tax Collector	\$ 1,000,000.00
Bernard Re	Utilities Clerk	
Ann Purcell	Director of Department of Public Works	
Melissa Mabey	Construction Code Official	
Mark Prusina	Building Sub Code Official	
Rita Sharp	Fire Sub Code Official	
Russell Heiney	Electrical Sub Code Official	
	Plumbing Sub Code Official	
Giulio Monaco	Fire Safety Officer	
John Scialla	Code Enforcement Official	
Jeffrey Montemarano	Zoning Officer	
	Fire Prevention Official	
Thomas Trapasso	Tax Assessor	
Ernest DelGuercio	Borough Attorney	
Martin F. Murphy		

The above bonds were in force under the Municipal Excess Liability Joint Insurance Fund.

Public Employees Dishonesty and Faithful Performance coverage of \$1,000,000.00 is in force for all other employees under the Morris County Municipal Joint Insurance Fund (\$50,000.00) and the Municipal Excess Liability Joint Insurance Fund (\$950,000.00).

The surety bonds for Tax Collector, Water and Sewer Custodian personnel were in accordance with the Local Finance Board promulgated schedule.

BOROUGH OF MOUNTAIN LAKES
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 2,186,195.61
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 55,322.61	
Tax Collector	A-5	29,356,496.64	
Amount Due from State for Senior Citizens'			
and Veterans' Deductions	A-8	11,250.00	
Revenue Accounts Receivable	A-12	1,454,101.75	
Interfund Accounts Receivable	A-13	56,336.87	
Interfund Accounts Payable	A-18	703,243.39	
Other Liabilities and Reserves	A-24	<u>29,660.00</u>	
			<u>31,666,411.26</u>
			33,852,606.87
Decreased by Disbursements :			
Prior Year Tax Appeals Granted	A-1	114,031.85	
2015 Budget Appropriations	A-3	6,774,807.74	
Interfund Accounts Receivable	A-13	872,320.99	
Other Accounts Receivable	A-14	2,458.39	
2014 Appropriation Reserves	A-16	158,078.64	
Interfund Accounts Payable	A-18	129,273.28	
Other Liabilities and Reserves	A-24	27,893.84	
Local District School and County Taxes	A-25	<u>23,482,299.03</u>	
			<u>31,561,163.76</u>
Balance December 31, 2015	A		<u>\$ 2,291,443.11</u>

BOROUGH OF MOUNTAIN LAKES
CURRENT FUND
SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>	
Increased by Receipts :		
Taxes Receivable	A-9	\$ 29,153,637.68
Revenue Accounts Receivable	A-12	39,628.42
Prepaid Taxes	A-19	157,881.68
Tax Overpayments	A-20	<u>5,348.86</u>
		<u>\$ 29,356,496.64</u>
Decreased by Disbursements :		
Paid to Treasurer	A-4	<u>\$ 29,356,496.64</u>

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF CHANGE FUNDS

	Balance <u>Dec. 31, 2014</u>	Balance <u>Dec. 31, 2015</u>
Tax Collector/Treasurer	\$ 200.00	\$ 200.00
	<u>\$ 200.00</u>	<u>\$ 200.00</u>
Ref.	A	A

SCHEDULE OF PETTY CASH

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 250.00
Balance December 31, 2015	A	<u>\$ 250.00</u>

BOROUGH OF MOUNTAIN LAKES

A-8

CURRENT FUND
 SCHEDULE OF AMOUNT DUE FROM/(TO) STATE OF NEW JERSEY
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 2,020.26
Increased by :		
Senior Citizens' Deductions Per Tax Billings	A-8	\$ 250.00
Veterans' Deductions Per Tax Billings	A-8	<u>\$ 11,500.00</u>
		11,750.00
		<u>13,770.26</u>
Decreased by :		
Received in Cash from State of New Jersey	A-4	<u>11,250.00</u>
		<u>11,250.00</u>
Balance December 31, 2015	A	<u>\$ 2,520.26</u>
Calculation of State's Share of <u>Senior Citizens' and Veterans' Deductions</u>		
Senior Citizens' Deductions per Tax Billings	A-8	\$ 250.00
Veterans' Deductions per Tax Billings	A-8	<u>11,500.00</u>
	A-9	<u>\$ 11,750.00</u>

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF 2015 PROPERTY TAX LEVY

Year	Balance Dec. 31, 2014	2015 Levy	2014 Collections	2015	State's Share of Senior Citizens' and Veterans' Deductions	Tax Overpayments Applied	Canceled	Balance Dec. 31, 2015
2014	\$ 109,487.80	\$ -	\$ -	\$ 109,487.80	\$ -	\$ -	\$ -	\$ -
2015	-	29,447,982.03	135,718.30	29,044,149.88	11,750.00	8,899.06	29,484.15	217,980.64
	\$ 109,487.80	\$ 29,447,982.03	\$ 135,718.30	\$ 29,153,637.68	\$ 11,750.00	\$ 8,899.06	\$ 29,484.15	\$ 217,980.64
Ref.	A		A-2,19	A-2,5	A-2,8	A-2,20		A
<u>Analysis of 2015 Property Tax Levy</u>								
Tax Yield :								
General Purpose Tax	\$ 29,343,350.13							
Business Personality Tax	19,822.98							
Added Taxes (54-4-63.1 et seq.)			\$ 29,363,173.11					
			84,808.92					
			\$ 29,447,982.03					
Tax Levy :								
Regional School District Tax (Abstract)			\$ 20,190,214.00					
County Taxes (Abstract)	\$ 3,176,908.28							
County Open Space Preservation (Abstract)	132,441.61							
Amount Due to County for Added Taxes (54-4-63.1 et seq.)	9,587.46							
Local Tax for Municipal Purposes (Abstract)	5,859,925.48		3,318,937.35					
Add : Additional Tax Levied	78,905.20		5,938,830.68					
			\$ 29,447,982.03					

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

NOT APPLICABLE

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

	<u>Ref.</u>	
Balance December 31, 2014	A	<u>\$ 169,885.09</u>
Balance December 31, 2015	A	<u>\$ 169,885.09</u>

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Accrued in 2015	Collector	Collected by Treasurer
Alcohol Beverage Licenses	A-2	\$ 12,688.00	\$ -	\$ 12,688.00
Board of Health - Other Licenses	A-2	1,120.00		1,120.00
Construction Code Official - Fees and Permits	A-2	151,914.00		151,914.00
Clerk - Fees and Permits	A-2	3,616.00		3,616.00
Planning Board - Fees and Permits	A-2	2,811.51		2,811.51
Board of Adjustment - Fees and Permits	A-2	8,530.00		8,530.00
Tax Assessor - Fees	A-2	330.00		330.00
Police - Fees	A-2	4,829.52		4,829.52
Parking Permit Fees	A-2	1,340.00		1,340.00
Smoke Detector Inspection Fees	A-2	8,500.00		8,500.00
Soil Fees and Permits	A-2	900.00		900.00
Municipal Court - Fines and Costs	A-2	48,607.03		48,607.03
Interest and Costs on Taxes	A-2	39,628.42	39,628.42	
Interest on Investments	A-2	5,549.52		5,549.52
Solid Waste Fees - Trash Bags	A-2	193,062.50		193,062.50
Solid Waste Fees - Board of Education	A-2	55,987.00		55,987.00
Recreation Fees and Income	A-2	60,490.00		60,490.00
Field Lease - Board of Education	A-2	45,000.00		45,000.00
Energy Receipts Tax	A-2	417,293.00		417,293.00
General Capital Fund Balance	A-2	10,000.00		10,000.00
Rent from Railroad Station	A-2	26,073.12		26,073.12
Cell Tower Lease - Omnipoint/Voicestream	A-2	58,492.16		58,492.16
Cell Tower Lease - Sprint	A-2	20,806.87		20,806.87
FEMA Reimbursements	A-2	207,828.15		207,828.15
Park Place CO Fees	A-2	108,333.37	-	108,333.37
		<u>\$ 1,493,730.17</u>	<u>\$ 39,628.42</u>	<u>\$ 1,454,101.75</u>
Ref.			A-5	A-4

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2014	Accrued in in 2015	Interfund Advance Original in 2015	Received in 2015	Balance Dec. 31, 2015
Federal and State Grants Funds	\$ 4,551.09	\$ -	\$ -	\$ 4,551.09	\$ -
Animal Control Fund - Interest	7.83	9.58	-	-	17.41
Other Trust Funds:					
Interest	524.53	734.18		25.01	1,283.70
Advances	33,782.85	-	91,637.57	33,764.57	91,665.85
	34,307.38	734.18	91,637.57	33,779.56	92,869.55
General Capital Fund:					
Interest	1,067.39	1,282.89		2,350.28	-
Advance	14,935.69	-	-	14,935.69	-
	16,003.08	1,282.89	-	17,285.97	-
Water Operating Fund - Advance	65.15	-	257,623.63	-	257,692.78
Water Capital Fund - Advance	-	-	50.00	-	50.00
Sewer Operating Fund - Advance	2,415.99	-	518,272.79	720.23	519,968.55
Sewer Capital Fund - Advance	-	-	50.00	-	50.00
Net Payroll Account - Advance	-	23,668.24	528.70	-	24,196.94
Payroll Agency Account - Advance	-	101,983.68	4,158.30	-	106,141.98
	\$ 57,354.52	\$ 127,678.57	\$ 872,320.99	\$ 56,336.87	\$ 1,001,017.21

Ref.

A

A-1,4

A-4

A

Ref.

Interfund Advances	A-1	\$ 125,651.92
Budgetary Revenue - Interest		2,026.65
Net Accrual		\$ 127,678.57
Budgetary Revenue - Interest		\$ 2,026.65
Budgetary Refunds	A-3	111,243.10
Interfunds Accounts Payable	A-13	14,408.82
		\$ 127,678.57

Ref.

Return of Interfund Advance
Interest on Investments

A-1	\$ 53,961.58
A-2	2,375.29
	\$ 56,336.87

BOROUGH OF MOUNTAIN LAKES
 CURRENT FUND
SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

	<u>Ref</u>	<u>Total</u>	<u>Due From Outside Lienholder</u>
Increased by:			
Paid in 2015	A-1,4	<u>\$ 2,458.39</u>	<u>\$ 2,458.39</u>
Balance December 31, 2015	A	<u>\$ 2,458.39</u>	<u>\$ 2,458.39</u>

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF DEFERRED CHARGES

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2014</u>	<u>Authorized in 2015</u>	<u>Raised in 2015 Budget</u>	<u>Balance Dec. 31, 2015</u>
12/17/12	Special Emergency (N.J.S.A. 40A:4-54): Hurricane Sandy Damage	500,000.00	100,000.00	\$ 200,000.00	\$ -	\$ 200,000.00	\$ -
				<u>\$ 200,000.00</u>	<u>\$ -</u>	<u>\$ 200,000.00</u>	<u>\$ -</u>
			Ref.	A		A-3	A

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

OPERATIONS WITHIN "CAP"	Balance Dec. 31, 2014	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
Salaries and Wages :	\$	\$	\$	\$	\$	\$
General Administration	47.90	-	-	47.90	-	47.90
Borough Clerk	800.00	-	-	800.00	-	800.00
Financial Administration	1,544.25	-	-	1,544.25	-	1,544.25
Collection of Taxes	2,442.00	-	-	2,442.00	-	2,442.00
Assessment of Taxes	232.93	-	-	232.93	-	232.93
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board	34.61	-	-	34.61	-	34.61
Zoning Costs	3,210.30	-	-	3,210.30	-	3,210.30
Police	13,417.22	-	-	13,417.22	-	13,417.22
Fire Department	4.26	-	-	4.26	-	4.26
Road Repairs and Maintenance	3,561.70	-	-	3,561.70	-	3,561.70
Solid Waste Collection	2,447.30	-	-	2,447.30	-	2,447.30
Board of Health	5,000.00	-	-	5,000.00	-	5,000.00
Recreation Services and Programs	430.53	-	-	430.53	-	430.53
Accumulated Leave Compensation	10,000.00	-	-	10,000.00	-	10,000.00
Uniform Construction Code:						
Code Enforcement and Administration	7,174.24	-	-	7,174.24	-	7,174.24
Other Expenses :						
General Administration	404.18	-	1,992.15	2,396.33	2,396.33	-
Mayor and Council	2.55	-	1,262.80	1,265.35	1,262.80	2.55
Borough Clerk	620.03	-	4,823.98	5,444.01	4,823.98	620.03
Financial Administration	372.27	-	13.99	386.26	375.61	10.65
Audit Services	300.00	-	-	300.00	-	300.00
Computer Information Technology	299.54	-	3,346.09	3,645.63	3,355.89	289.74
Collection of Taxes	2,076.02	-	-	2,076.02	-	2,076.02
Assessment of Taxes	402.57	-	-	402.57	-	402.57
Legal Services and Costs	11,200.08	(11,200.00)	3,131.50	3,131.58	3,131.50	0.08
Engineering Services and Costs	5,088.78	-	-	5,088.78	1,073.45	4,015.33
Historical Preservation						
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board	186.53	-	117.48	304.01	156.96	147.05
Zoning Costs	79.84	-	12.50	92.34	12.50	79.84

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	Balance Dec. 31, 2014	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
<u>Other Expenses: (Continued)</u>						
Insurance:	\$ 2,117.62	\$ -	\$ 4,762.00	\$ 6,879.62	\$ 4,762.00	\$ 2,117.62
General Liability						
Worker's Compensation	2,821.27			2,821.27	422.00	2,399.27
Group Insurance - Hospital and Medical	22,318.70		19,398.50	41,718.20	17,227.45	24,490.75
Police	2,000.00			2,000.00		2,000.00
Emergency Management Services						
Aid to Volunteer Ambulance Companies	1,395.33		4,160.63	5,555.96	4,295.58	1,260.38
Fire Department						
Fire Safety Official	8,374.54	10,670.00	7,398.56	26,443.10	23,734.13	2,708.97
Road Repairs and Maintenance	15,275.72		775.00	16,050.72	3,676.00	12,374.72
Shade Tree Commission	6,695.45		40,622.32	47,317.77	47,072.32	245.45
Solid Waste Collection	512.84		3,488.22	4,001.06	3,988.22	12.84
Public Buildings and Grounds	387.40	530.00	6,613.20	7,510.60	7,278.20	232.40
Vehicle Maintenance						
Board of Health						
Environmental Commission	2,909.50			2,909.50		2,909.50
Woodlands Committee	1,000.00			1,000.00		1,000.00
Contribution to Senior Citizens	3,000.00			3,000.00		3,000.00
Recreation Services and Programs	46.17		2,621.49	2,667.66	2,621.49	46.17
Maintenance of Parks	18,023.29		2,925.22	20,948.51	3,825.22	17,123.29
Celebration of Public Events	500.00			500.00		500.00
Uniform Construction Code						
Code Enforcement and Administration	1,138.42		167.66	1,306.08	167.66	1,138.42
Utilities:						
Electricity	794.92			794.92		486.21
Street Lighting	41,380.48			41,380.48	308.71	41,380.48
Telephone and Telegraph	4,022.91		335.50	4,358.41	446.12	3,912.29
Natural Gas	190.60			190.60		190.60
Diesel Fuel, Fuel Oil	2,097.61		5,320.03	7,417.64	5,320.03	2,097.61
Social Security System (O.A.S.I.)	95.09			95.09		95.09
Police and Firemen's Retirement System of NJ						
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
Other Expenses:						
Insurance						
Employee Group Health	8,120.00			8,120.00		8,120.00
Length of Service Award Program (N.J.S.A. 40A-4-453j)	17,600.00			17,600.00	17,250.00	350.00
Maintenance of Library						
Recycling Tax	1,601.27	-	344.46	1,945.73	344.46	1,601.27
County of Morris Dispatch Service	0.02	-	-	0.02	-	0.02
	\$ 235,778.78	\$ -	\$ 113,634.28	\$ 349,413.06	\$ 159,328.61	\$ 190,084.45

Ref.

A

A-17

Ref.

A-1

Disbursed
Encumbrances

A-4

\$ 158,078.64

A-17

1,249.97

159,328.61

BOROUGH OF MOUNTAIN LAKES
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 113,634.28
Increased by :			
2015 Budget Charges	A-3	\$ 194,209.34	
2014 Appropriation Reserves Charges	A-16	<u>1,249.97</u>	
			195,459.31
			<u>309,093.59</u>
Decreased by :			
Transferred to 2014			
Appropriation Reserves	A-16		<u>113,634.28</u>
Balance December 31, 2015	A		<u>\$ 195,459.31</u>
<u>Analysis of Balance December 31, 2015</u>			
2015 Purchase Orders			\$ 194,209.34
2014 Purchase Orders			<u>1,249.97</u>
			<u>\$ 195,459.31</u>

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2014	Received in 2015	Accrued in 2015	Paid in 2015	Balance Dec. 31, 2015
Federal and State Grants Funds					
Animal Control Fund-Reimbursement	\$ -	\$ 22,074.40	\$ -	\$ 10,082.12	\$ 11,992.28
Other Trust Funds:		150.00			150.00
Tax Sale Premiums	50,200.00				
Police Outside Duties	9,181.88			10,500.00	39,700.00
Recreation Fees	2,359.00	9,908.50		9,181.88	-
General Capital Fund - Grants and Reimbursements	-	476,040.73			12,267.50
Water Operating Fund - Received in Error	4,000.00	3,030.19		4,050.00	476,040.73
Water Operating Fund - Consumers' Accounts Receivable		192,039.57			2,980.19
Sewer Operating Fund - Received in Error	929.51			929.51	192,039.57
Payroll Agency Account - Received in Error	9,259.42		(9,259.42)		-
Payroll Account - Received in Error	70,861.53	-	23,668.24	94,529.77	-
	<u>\$ 146,791.34</u>	<u>\$ 703,243.39</u>	<u>\$ 14,408.82</u>	<u>\$ 129,273.28</u>	<u>\$ 735,170.27</u>
Ref.	A	A-4	A-13	A-4	A

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 135,718.30
Increased by :		
2016 Taxes Paid	A-5	<u>157,881.68</u>
		293,599.98
Decreased by :		
Applied to Taxes Receivable	A-9	<u>135,718.30</u>
Balance December 31, 2015	A	<u>\$ 157,881.68</u>

BOROUGH OF MOUNTAIN LAKES
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 129,343.35
Increased by:		
Taxes Overpaid in 2015	A-5	5,348.86
		<u>5,348.86</u>
		134,692.21
Decreased by:		
Applied to Taxes Receivable in 2015	A-9	8,899.06
		<u>8,899.06</u>
Balance December 31, 2015	A	<u>\$ 125,793.15</u>
<u>Analysis of Balance December 31, 2015</u>		
2011 Taxes		\$ 17,964.66
2012 Taxes		56,410.99
2013 Taxes		23,556.35
2014 Taxes		22,807.53
2015 Taxes		<u>5,053.62</u>
		<u>\$ 125,793.15</u>

SCHEDULE OF RESERVE FOR TAX APPEALS PENDING

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
CURRENT FUND
SCHEDULE OF RESERVES FOR FUNDS - APPROPRIATED

NOT APPLICABLE

SCHEDULE OF RESERVE FOR FUNDS - UNAPPROPRIATED

	<u>Ref.</u>	<u>Total</u>	<u>Police Equipment</u>	<u>Exterminating Pests Donation</u>
Balance December 31, 2014	A	\$ 1,044.71	\$ 744.71	\$ 300.00
Balance December 31, 2015	A	\$ 1,044.71	\$ 744.71	\$ 300.00

BOROUGH OF MOUNTAIN LAKES
CURRENT FUND
SCHEDULE OF OTHER LIABILITIES AND RESERVES

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Received</u> <u>in 2015</u>	<u>Paid</u> <u>in 2015</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Amount Due to State - UCC Fees	\$ 1,493.00	\$ 8,528.00	\$ 8,388.00	\$ 1,633.00
Amount Due to State - Marriage License Fees	25.00	325.00	325.00	25.00
Amount Due to T-Mobile/Sprint	<u>-</u>	<u>20,807.00</u>	<u>19,180.84</u>	<u>1,628.16</u>
	<u>\$ 1,518.00</u>	<u>\$ 29,660.00</u>	<u>\$ 27,893.84</u>	<u>\$ 3,284.16</u>
Ref.	A	A-4	A-4	A

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT AND COUNTY TAXES PAYABLE

	Ref.	(Prepaid) or Balance <u>Dec. 31, 2014</u>	<u>2015 Levy</u>	<u>Paid in 2015</u>	Balance <u>Dec. 31, 2015</u>
Local School District Tax	A-2	\$ (28,316.48)	\$ 20,190,214.00	\$ 20,161,897.03	\$ 0.49
County Tax	A-2	-	3,176,908.28	3,176,908.28	-
County Open Space Preservation	A-2	-	132,441.61	132,441.61	-
Amount Due County for Added and Omitted Taxes - 2015 - 2014	A-2		9,587.46		9,587.46
		<u>11,052.11</u>	<u>-</u>	<u>11,052.11</u>	<u>-</u>
		<u>\$ (17,264.37)</u>	<u>\$ 23,509,151.35</u>	<u>\$ 23,482,299.03</u>	<u>\$ 9,587.95</u>
		A	A-1	A-4	A

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
 SCHEDULE OF AMOUNT DUE FROM/(TO) CURRENT FUND
TO FEDERAL AND STATE GRANTS FUND

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ (4,551.09)
Increased by :			
Received in Current Fund			
- Unappropriated Reserves	A-29	26,625.49	
2015 Budget Appropriations	A-28	<u>10,365.50</u>	
			<u>36,990.99</u>
			32,439.90
Decreased by :			
2015 Budget Revenues			
- State Aid Receivable	A-27	-	
- Unappropriated Reserves	A-29	10,365.50	
Expended in Current Fund			
- Appropriated Reserves	A-28	8,946.12	
- Reserve for Encumbrances	A-30	<u>1,136.00</u>	
			<u>20,447.62</u>
Balance December 31, 2015	A		<u>\$ 11,992.28</u>

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

	Balance Dec. 31, 2014	2015 Budget Revenues	Received in Current Fund	Balance Dec. 31, 2015
Municipal Alliance on Alcoholism and Drug Abuse	\$ 11,729.92	\$ -	\$ -	\$ 11,729.92
Municipal Alliance on Alcoholism and Drug Abuse - Supplemental Click It or Ticket	2,500.00			2,500.00
	49.68			49.68
Morris County-Historic Preservation Grant	16,000.00			16,000.00
Mountain Lakes Bd. Of Ed.-Historic Preservation Grant	3,800.00			3,800.00
Green Communities Grant	3,000.00			3,000.00
BSF Forestry Grant	1,500.00			1,500.00
Highlands Plan Conformance Grant	39,779.36			39,779.36
Reduction in Speed Grant - 2008	1,649.76	-	-	1,649.76
	<u>\$ 80,008.72</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,008.72</u>

Ref.

A

A

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2014	2015 Budget Appropriations	Expenditures in Current Fund	Encumbrances	Bills Paid by Recreation Fund	Balance Dec. 31, 2015
Drunk Driving Enforcement Fund	\$ 5,121.20	\$ -	\$ -	\$ -	\$ -	\$ 5,121.20
Clean Communities Program	3,256.97	8,768.93	7,984.42	262.84	400.00	3,378.64
Alcohol Education and Rehabilitation Fund	3,679.58					3,679.58
Municipal Alliance on Alcoholism and Drug Abuse	16,796.98					16,796.98
Municipal Alliance on Alcoholism and Drug Abuse - Supplemental	2,500.00					2,500.00
Body Armor Replacement Fund	5,230.29	1,596.57				6,826.86
Click It or Ticket	7,858.00					7,858.00
Community Forestry Grant	3,000.00					3,000.00
Green Communities Grant	1,500.00					3,000.00
BSF Forestry Grant	5,946.06					1,500.00
Highlands Plan Conformance Grant	607.33					5,946.06
Reduction in Speed Grant - 2008	1,054.00		961.70			607.33
Bulletproof Vest Program - Federal - 2004	2,405.72					92.30
Office of Emergency Management - 2004	2,000.00					2,405.72
Sustainable Jersey Grant						2,000.00
	<u>\$ 63,956.13</u>	<u>\$ 10,365.50</u>	<u>\$ 8,946.12</u>	<u>\$ 262.84</u>	<u>\$ 400.00</u>	<u>\$ 64,712.67</u>
Ref.	A	A-26	A-26	A-30	A-31	A

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2014	Received in Current Fund	Utilized as 2015 Budget Revenue	Current Fund	Balance Dec. 31, 2015
Recycling Tonnage Grant	\$ -	\$ 13,830.04	\$ -	-	\$ 13,830.04
Clean Communities Program	8,768.93	10,653.58		8,768.93	10,653.58
Alcohol Education and Rehabilitation Fund	-	472.35			472.35
DWI Grant		75.00			75.00
Body Armor Replacement Fund	1,596.57	1,594.52		1,596.57	1,594.52
	<u>\$ 10,365.50</u>	<u>\$ 26,625.49</u>	<u>\$ -</u>	<u>10,365.50</u>	<u>\$ 26,625.49</u>
Ref.	A	A-26		A-26	A

BOROUGH OF MOUNTAIN LAKES

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES FOR FEDERAL AND STATE GRANTS

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 1,136.00
Increased by :		
Accrued in 2015	A-28	<u>262.84</u>
		1,398.84
Decreased by :		
Paid in 2015	A-26	<u>1,136.00</u>
Balance December 31, 2015	A	<u>\$ 262.84</u>

A-31

SCHEDULE OF AMOUNT DUE TO RECREATION TRUST FUND

	<u>Ref.</u>	
Increased by :		
Bills Paid in 2015	A-28	<u>\$ 400.00</u>
Balance December 31, 2015	A	<u>\$ 400.00</u>

BOROUGH OF MOUNTAIN LAKES
TRUST FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other Funds</u>
Balance December 31, 2014	B	\$ 765.41	\$ 431,785.70
Increased by Receipts:			
Interfund Accounts Receivable	B-2	2,850.00	-
Interfund Accounts Payable	B-3	10.09	2,964.64
2015 Dog License Fees	B-4	6,920.40	
Late Fees	B-4	875.00	
Miscellaneous	B-4	19.00	
Cat Licenses	B-4	1,969.00	
Amount Due to State Board of Health	B-5	630.60	
Reserve for Special Deposits	B-8	-	396,958.33
		<u>13,274.09</u>	<u>399,922.97</u>
		<u>14,039.50</u>	<u>831,708.67</u>
Decreased by Disbursements :			
Interfund Accounts Receivable	B-2		0.51
Interfund Accounts Payable	B-3	-	32,779.58
Expenditures Per R.S. 4:19-15.11	B-4	13,754.62	
Reserve for Special Deposits	B-8	-	228,434.42
		<u>13,754.62</u>	<u>261,214.51</u>
Balance December 31, 2015	B	\$ 284.88	\$ 570,494.16

BOROUGH OF MOUNTAIN LAKES

B-2

TRUST FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2014	Received in 2015	Accrued in 2015	Paid in 2015	Accrued in 2015	Balance Dec. 31, 2015
Animal Control Fund:						
Current Fund	\$ -	\$ 2,850.00	\$ 3,000.00	\$ -	\$ -	\$ 150.00
Other Trust Funds:						
Current Fund:						
Tax Sale Premiums	\$ 50,200.00	\$ -	\$ -	\$ -	\$ 10,500.00	\$ 39,700.00
Police Outside Employment	9,181.88	-	-	-	9,181.88	-
Recreation Fees	2,359.00	-	9,908.50	-	-	12,267.50
Grants Fund:						
Recreation	-	-	400.00	-	-	400.00
Animal Control:						
SUI	-	-	-	0.51	-	0.51
	<u>61,740.88</u>	<u>-</u>	<u>10,308.50</u>	<u>0.51</u>	<u>19,681.88</u>	<u>52,368.01</u>
	<u>\$ 61,740.88</u>	<u>\$ 2,850.00</u>	<u>\$ 13,308.50</u>	<u>\$ 0.51</u>	<u>\$ 19,681.88</u>	<u>\$ 52,518.01</u>
Ref.	B	B-1	B-4,8	B-1	B-8	B

B-3

SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2014	Received in 2015	Accrued in 2015	Paid in 2015	Accrued in 2015	Balance Dec. 31, 2015
Animal Control Fund:						
Current Fund - Interest	\$ 7.83	\$ 9.58	\$ -	\$ -	\$ -	\$ 17.41
SUI	-	0.51	-	-	-	0.51
	<u>7.83</u>	<u>10.09</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17.92</u>
Other Trust Funds:						
Current Fund:						
SUI- Advance	-	50.00	-	-	-	50.00
Police Outside Employment - Interest	31.07	445.82	-	19.37	-	457.32
Police Outside Employment - Advance	33,782.85	50.00	88,298.36	32,754.57	-	89,376.84
Police Forfeited Assets- Interest	14.82	13.17	-	-	-	27.99
Police Forfeited Assets- Advance	-	50.00	61.50	-	-	111.50
Developers' Escrow - Interest	106.29	68.48	-	-	-	174.76
Developers' Escrow - Advance	-	-	1,047.25	-	1,000.00	47.25
Municipal Alliance - Interest	113.84	41.04	-	1.66	-	153.02
Municipal Alliance - Advance	-	50.00	-	-	-	50.00
Recreation Trust - Interest	89.59	51.09	-	-	-	140.68
Flexible Spending - Interest	7.38	5.87	-	-	-	13.25
Flexible Spending - Advance	-	1,930.46	-	-	-	1,930.46
Shade Tree- Interest	8.90	13.86	-	-	-	22.76
Shade Tree- Advance	-	50.00	-	-	-	50.00
COAH- Interest	152.84	95.07	-	3.98	-	243.93
COAH- Advance	-	50.00	-	-	-	50.00
	<u>34,307.38</u>	<u>2,984.64</u>	<u>89,407.11</u>	<u>32,779.58</u>	<u>1,000.00</u>	<u>92,899.55</u>
Capital Fund:						
Police Outside Employment	-	-	1,925.00	-	-	1,925.00
	<u>\$ 34,315.21</u>	<u>\$ 2,974.73</u>	<u>\$ 91,332.11</u>	<u>\$ 32,779.58</u>	<u>\$ 1,000.00</u>	<u>\$ 94,842.47</u>
Ref.	B	B-1	B-8	B-1	B-8	B

BOROUGH OF MOUNTAIN LAKES
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2014	B		\$ 765.38
Increased by :			
2015 Dog License Fees	B-1	\$ 6,920.40	
Late Fees	B-1	875.00	
Miscellaneous	B-1	19.00	
Cat Licenses	B-1	1,969.00	
Amount Due From Current Fund	B-2	<u>3,000.00</u>	
			<u>12,783.40</u>
			13,548.78
Decreased by :			
Expenditures Per R.S. 4:19-15.11	B-1		<u>13,754.62</u>
Balance December 31, 2015	B		<u>\$ (205.84)</u>

Animal Control Fees Collected

<u>Year</u>	<u>Amount</u>
2013	9,611.65
2014	<u>10,627.93</u>
	<u>\$ 20,239.58</u>

BOROUGH OF MOUNTAIN LAKES
TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE BOARD OF HEALTH

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ (7.80)
Increased by :		
Fees Collected in 2015	B-1	<u>630.60</u>
		622.80
Decreased by :		
Paid to State Board of Health	B-1	<u>-</u>
Balance December 31, 2015	B	<u>\$ 622.80</u>

SCHEDULE OF PREPAID LICENSE FEES

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES

TRUST FUND

SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
TRUST FUND
RESERVE FOR SPECIAL DEPOSITS

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Received in</u> <u>2015</u>	<u>Interest</u> <u>Earnings</u>	<u>Accrued</u> <u>in 2015</u>	<u>Paid in</u> <u>in 2015</u>	<u>Accrued</u> <u>in 2015</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
State Unemployment Compensation Insurance	\$ 4,587.12	\$ 4,572.59	\$ 12.30	\$ -	\$ 223.50	\$ -	\$ 8,948.51
Police Outside Employment	66,158.67	146,840.02				99,405.24	113,593.45
Police Forfeited Assets	5,154.61	5,175.18			5,175.18	61.50	5,093.11
Developers' Escrow	149,017.12	28,650.10		1,000.00	35,663.19	1,047.25	141,956.78
Parking Offenses Adjudication Act Fines	190.69						190.69
Municipal Alliance	15,127.17				1,500.00		13,627.17
Recreation Trust	109,555.36	184,419.28		10,308.50	160,821.30		143,461.84
Flexible Spending	2,648.20	22,083.80			19,876.19		4,855.81
Shade Tree Donations	4,082.59	5,205.06			5,175.06		4,112.59
COAH	32,797.67						32,797.67
Tax Sale Premiums	68,900.00	-	-	-	-	10,500.00	59,400.00
	<u>\$ 459,219.20</u>	<u>\$396,946.03</u>	<u>\$ 12.30</u>	<u>\$ 11,308.50</u>	<u>\$ 228,434.42</u>	<u>\$ 111,013.99</u>	<u>\$ 528,037.62</u>
Ref.	B	B-1	B-1	B-2,3	B-1	B-2,3	B

BOROUGH OF MOUNTAIN LAKES
TRUST FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2014	C		\$ 583,639.87
Increased by Receipts:			
Capital Improvement Fund	C-11	37,500.00	
Interfund Accounts Payable	C-13	1,282.89	
Bond Anticipation Notes	C-17	<u>1,640,726.00</u>	
			<u>1,679,508.89</u>
			2,263,148.76
Decreased by Disbursements :			
Improvement Authorizations	C-9	757,174.69	
Reserve for Encumbrances	C-10	35,207.36	
Interfund Accounts Payable	C-13	27,285.97	
Bond Anticipation Notes	C-17	<u>1,189,476.00</u>	
			<u>2,009,144.02</u>
Balance December 31, 2015	C		<u>\$ 254,004.74</u>

BOROUGH OF MOUNTAIN LAKES

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance or (Deficit) Dec. 31, 2014	Receipts			Disbursements			Transfers To	From	Balance or (Deficit) Dec. 31, 201
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous			
Improvement Authorizations :										
05-08 Various Capital Improvements	\$ 80.22		\$ -	\$ -		\$ 80.22	\$ -	\$ -	\$ -	\$ -
06-09 Various Capital Improvements:										
DPW Equipment	96.76					96.76				-
Vehicles	61.58					61.58				-
07-10 Various Capital Improvements:										
Riding Lawn Mower and Generator	833.06					833.06				-
Various Vehicles	5.00					5.00				-
Infrastructure Repair/ Maintenance	1,740.48					1,740.48				-
Buildings and Grounds Repair/Maintenance	262.21					262.21				-
Dam Rehabilitation and Repair	274.11					274.11				-
06-11 Various Capital Improvements:										
Fire Department Equipment	3,420.50					3,420.50				-
Police Equipment	3,806.50					3,806.50				-
Public Works Equipment	674.00					674.00				-
Buildings and Grounds Repair/Maintenance	946.88					946.88				-
Water/Sewer Utility Equipment	853.85					853.85				-
Lakes Management	1,868.65					1,868.65				-
17-12 Various Capital Improvements:										
Police, Fire and Public Works										
Departments Equipment	3,606.54					3,606.54				-
Buildings and Grounds Repair/Maintenance	149,637.24					5,850.39				143,786.81
Administrative Computer Equipment	4,878.02					1,961.02		2,917.00		-
Improvement of Various Roads	6,338.91					2,700.00				3,638.91
Construction of Curbs and Sidewalks	210.00					103.12				106.81
Improvement of Water Supply										
and Distribution System										
01-13 Various Capital Improvements:										
Police, Fire, Public Works and										
Administration Departments Equipment	44,409.56	78,480.00			78,480.00	6,314.50				-
Buildings and Grounds Repair/Maintenance	28,887.79	147,141.00			147,141.00	22,393.20		9,346.79		28,748.21
Improvement of Various Roads	-	94,050.00			94,050.00	-		87.00		6,407.56
Construction of Curbs and Sidewalks	22,739.50	94,050.00			94,050.00	22,739.50				-
Improvement of Storm Water Drainage System	-	55,620.00			55,620.00	-				-
Improvement of Water Supply										
and Distribution System	54,750.89	68,130.00			68,130.00	1,046.73				53,704.16
Refurbishment of Front-End Loader	3,303.87	13,833.00			13,833.00	3,303.87				-

BOROUGH OF MOUNTAIN LAKES

She

GENERAL CAPITAL FUND
ANALYSIS OF CASH
CONTINUED

	Balance or (Deficit) Dec. 31, 2014	Receipts		Disbursements			Transfers To	From	Balance or (Deficit) Dec. 31, 2015
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations			
Improvement Authorizations:									
06-14 Various Capital Improvements:									
Administrative, Fire and Public Works									
Departments Equipment	\$ 33,293.97	\$ 68,485.50	\$ -	\$ -	\$ 68,485.50	\$ 1,788.82	\$ -	\$ 13,148.40	\$ 18,356.
Buildings and Grounds Repair/Maintenance	133,041.03	214,605.00			214,605.00	37,702.50		56,203.41	39,135.
DPW Computer Equipment	4,000.00	3,420.00			3,420.00	4,000.00			
Improvement of Various Roads	385,560.35	184,936.50			184,936.50	396,338.36	61,715.73		51,457.
Construction of Curbs and Sidewalks	82,040.53	85,500.00			85,500.00	41,082.57		39,950.00	1,007.1
Improvement of Storm Water Drainage System	51,500.00	55,575.00			55,575.00	8,583.04		11,359.47	31,557.1
Improvement of Water Supply									
and Distribution System									
Improvement of Briarcliff and Crane Roads	27,361.00	25,650.00			25,650.00	247.33			27,113.6
07-14 Various Capital Improvements:									
Fire Department Equipment		370,500.00				86.03	1,000.00	2,107.15	(1,173.1
Improvement of Various Roads						178,274.77	19,500.00	81,786.00	129,939.2
Improvement of Storm Water Drainage System									
and Improvement of Water Supply									
09-15 Various Capital Improvements:									
Fire Department Equipment		61,750.00				214.60	3,250.00		64,785.4
Purchase of Computer Equipment		4,750.00							
Reserve for Encumbrances	39,599.36					2,150.00	250.00		2,850.0
Capital Reserves	13,964.91	14,250.00				2,784.00	750.00	1,379.00	10,837.0
Interfund Accounts Payable	834.23		37,500.00				218,764.22	24,750.00	223,156.2
Fund Balance	16,003.08								26,714.9
Federal and State Aid Receivable	10,051.88			1,282.89			10,000.00		834.2
Interfund Accounts Receivable	(547,296.59)						416,250.00		51.81
									(131,046.5)
	\$ 583,639.87	\$ 1,640,726.00	\$ 37,500.00	\$ 1,282.89	\$ 1,189,476.00	\$ 757,174.69	\$ 731,479.95	\$ 731,479.95	\$ 254,004.71

BOROUGH OF MOUNTAIN LAKES

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 7,255,000.00
Decreased by:		
Serial Bonds Paid:		
2015 Budget Appropriation	C-15	<u>890,000.00</u>
Balance December 31, 2015	C	<u>\$ 6,365,000.00</u>

BOROUGH OF MOUNTAIN LAKES

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2015	Bond Anticipation Notes	Analysis of Balance December 31, 2015	
							Expenditures	Unexpended Balance
01-13	Various Capital Improvements: Police, Fire, Public Works and Administration Departments Equipment Buildings and Grounds Repair/Maintenance Improvement of Various Roads Construction of Curbs and Sidewalks Improvement of Storm Water Drainage System Improvement of Water Supply and Distribution System Refurbishment of Front-End Loader	\$ 87,200.00 163,490.00 104,500.00 104,500.00 61,800.00 75,700.00 15,370.00	\$ -	\$ 8,720.00 16,349.00 10,450.00 10,450.00 6,180.00 7,570.00 1,537.00	\$ 78,480.00 147,141.00 94,050.00 94,050.00 55,620.00 68,130.00 13,833.00	\$ 78,480.00 147,141.00 94,050.00 94,050.00 55,620.00 68,130.00 13,833.00	\$ -	\$ -
06-14	Various Capital Improvements: Administrative, Fire and Public Works Departments Equipment Buildings and Grounds Repair/Maintenance DPW Computer Equipment Improvement of Various Roads Construction of Curbs and Sidewalks Improvement of Storm Water Drainage System Improvement of Water Supply and Distribution System	76,095.00 238,450.00 3,800.00 205,485.00 95,000.00 61,750.00 28,500.00		7,609.50 23,845.00 380.00 20,548.50 9,500.00 6,175.00 2,850.00	68,485.50 214,605.00 3,420.00 184,936.50 85,500.00 55,575.00 25,650.00	68,485.50 214,605.00 3,420.00 184,936.50 85,500.00 55,575.00 25,650.00		
07-15	Various Capital Improvements: Fire Department Equipment Improvement of Various Roads Improvement of Storm Water Drainage System and Improvement of Water Supply and Distribution System		19,000.00 370,500.00		19,000.00 370,500.00		1,173.18	17,826.82
09-15	Various Capital Improvements: Fire Department Equipment Purchase of Computer Equipment		61,750.00 4,750.00 14,250.00		61,750.00 4,750.00 14,250.00	61,750.00 4,750.00 14,250.00		
Ref.		\$ 1,321,640.00	\$ 470,250.00	\$ 132,164.00	\$ 1,659,726.00	\$ 1,640,726.00	\$ 1,173.18	\$ 17,826.82
		C	C-9	C-17	C			
	Improvement Authorizations - Unfunded							
	Less: Unexpended Proceeds of Notes Issued							
	Ordinance No. 01-13						88,860.02	
	Ordinance No. 06-14						168,628.71	
	Ordinance No. 07-15						191,689.23	
	Ordinance No. 09-15						13,687.00	
							462,864.96	
								\$ 480,691.78
								\$ 17,826.82

BOROUGH OF MOUNTAIN LAKES

GENERAL CAPITAL FUND
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION -
EXPENDITURES WITHOUT ORDINANCE APPROPRIATION

NOT APPLICABLE

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 547,296.59
Decreased by :		
Received in 2015	C-8	<u>416,250.00</u>
Balance December 31, 2015	C	<u>\$ 131,046.59</u>
 <u>Analysis of Balance December 31, 2015</u>		
NJDOT Grant (Ordinance 06-14d)		47,500.00
Energy Efficiency and Conservation Block Grant (Ordinance 06-11f)		20,000.00
Clean Energy Incentive Grant (Ordinance 06-11f)		<u>63,546.59</u>
		 <u>\$ 131,046.59</u>

BOROUGH OF MOUNTAIN LAKES

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance <u>Dec. 31, 2014</u>	Paid <u>in 2015</u>	Accrued <u>in 2015</u>	Received <u>in 2015</u>	Balance <u>Dec. 31, 2015</u>
Current Fund:					
Bills Paid in Error			\$ 59,790.73		\$ 59,790.73
NJDOT Grants			416,250.00		416,250.00
Other Trust Fund:					
Police Outside Duty bills	-	-	1,925.00	-	1,925.00
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 477,965.73</u>	<u>\$ -</u>	<u>\$ 477,965.73</u>

Ref.

Ref.

C

NJDOT Grants	C-7	416,250.00
Bills Paid in Error	C-9	<u>61,715.73</u>
		<u>477,965.73</u>

BOROUGH OF MOUNTAIN LAKES
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2014		2015 Authorizations			Balance Dec. 31, 2015		
				Funded	Unfunded	Funded	Unfunded	Deferred Charges - Unfunded	Paid or Charged	Encumbrances	Funded
05-08	Various Capital Improvements	5/12/08	\$ 786,000.00	\$ 80.22	\$ -	\$ -	\$ -	\$ -	80.22	\$ -	\$ -
06-09	Various Capital Improvements: DPW Equipment	5/11/09	44,500.00	96.76					96.76		
	Vehicles		111,150.00	61.58					61.58		
07-10	Various Capital Improvements: Riding Lawn Mower and Generator	6/28/10	22,000.00	833.06					833.06		
	Various Vehicles		128,500.00	5.00					5.00		
	Infrastructure Repair/ Maintenance		325,000.00	1,740.48					1,740.48		
	Buildings and Grounds Repair/Maintenance		75,000.00	262.21					262.21		
06-11	Dam Rehabilitation and Repair		25,000.00	274.11					274.11		
	Various Capital Improvements: Fire Department Equipment	9/12/11	25,000.00	3,420.50					3,420.50		
	Police Equipment		35,000.00	3,806.50					3,806.50		
	Public Works Equipment		13,500.00	674.00					674.00		
17-12	Buildings and Grounds Repair/Maintenance		169,999.59	946.88					946.88		
	Water/Sewer Utility Equipment		49,000.00	853.85					853.85		
	Lakes Management		35,000.00	1,868.65					1,868.65		
	Various Capital Improvements: Police, Fire and Public Works	9/10/12	93,425.00	3,606.54					3,606.54		
01-13	Departments Equipment		202,000.00	149,637.24					5,850.39		
	Buildings and Grounds Repair/Maintenance		15,000.00	4,878.02					1,961.02	2,917.00	
	Administrative Computer Equipment		285,000.00	6,338.91					2,700.00		
	Improvement of Various Roads		110,000.00	210.00					103.12	106.88	
01-13	Construction of Curbs and Sidewalks	5/13/13	91,600.00	-	44,409.56				6,314.50	9,346.79	
	Police, Fire, Public Works and Administration Departments Equipment		171,700.00	-	28,887.79				22,393.20	87.00	
	Buildings and Grounds Repair/Maintenance		110,000.00	-	22,739.50				22,739.50		
	Construction of Curbs and Sidewalks		79,500.00	-	54,750.89				1,046.73		
01-13	Improvement of Water Supply and Distribution System		17,000.00	-	3,303.87				3,303.87		
	Refurbishment of Front-End Loader										

BOROUGH OF MOUNTAIN LAKES
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
CONTINUED

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2014			2015 Authorizations			Balance Dec. 31, 2015		
				Funded	Unfunded	Deferred Charges - Unfunded	Funded	Unfunded	Paid or Charged	Encumbrances	Funded	Unfunded
06-14	Various Capital Improvements: Administrative, Fire and Public Works Departments Equipment Buildings and Grounds Repair/Maintenance DPW Computer Equipment Improvement of Various Roads Construction of Curbs and Sidewalks Improvement of Storm Water Drainage System Improvement of Water Supply and Distribution System	6/23/14	\$ 80,100.00 251,000.00 4,000.00 406,300.00 100,000.00 65,000.00	- - 200.00 180,075.35 - -	\$ 33,293.97 133,041.03 3,800.00 205,485.00 82,040.53 51,500.00	\$ - - - - - -	\$ 1,788.82 37,702.50 4,000.00 333,622.63 41,062.57 8,583.04	\$ 13,148.40 56,203.41 - 480.00 39,950.00 11,359.47	- - - - - -	\$ 18,356.75 39,135.15 - 51,457.72 1,007.96 31,557.49		
07-15	Various Capital Improvements: Fire Department Equipment Improvement of Various Roads Improvement of Storm Water Drainage System and Improvement of Water Supply and Distribution System	6/22/15	30,000.00 230,000.00	- -	27,361.00	- -	247.33	- -	- -	27,113.67		
09-15	Various Capital Improvements: Fire Department Equipment Purchase of Computer Equipment	8/24/15	20,000.00	- -	- -	1,000.00 19,500.00	66.03 178,274.77	2,107.15 81,786.00	- -	17,826.82 129,939.23		
						3,250.00 250.00 750.00	61,750.00 4,750.00 14,250.00	214.60 2,150.00 2,784.00	3,035.40 - -	61,750.00 2,850.00 10,837.00		
				\$ 359,869.86	\$ 690,613.14	\$ 24,750.00	\$ 470,250.00	\$ 695,458.96	\$ 218,764.22	\$ 150,568.04	\$ 480,691.78	
			Ref.	C	C	C-11	C-5	C-10	C	C	C	
							Ref.					
						Disbursed Bills Paid In Error	C-2 C-8			757,174.69 (61,715.73)		
										695,458.96		

BOROUGH OF MOUNTAIN LAKES
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 39,599.36
Increased by :		
Improvement Authorization Charges	C-9	<u>218,764.22</u>
		258,363.58
Decreased by :		
Paid in 2015	C-2	<u>35,207.36</u>
Balance December 31, 2015	C	<u>\$ 223,156.22</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 13,964.91
Increased by :		
2015 Budget Appropriation	C-2	<u>37,500.00</u>
		51,464.91
Decreased by :		
Appropriated to Finance		
Improvement Authorizations	C-9	<u>24,750.00</u>
Balance December 31, 2015	C	<u>\$ 26,714.91</u>

BOROUGH OF MOUNTAIN LAKES
 GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL RESERVES

	<u>Ref.</u>	<u>Total</u>	<u>Appropriated Purchase of Defibrillator</u>
Balance December 31, 2014	C	<u>\$ 834.23</u>	<u>\$ 834.23</u>
Balance December 31, 2015	C	<u>\$ 834.23</u>	<u>\$ 834.23</u>

BOROUGH OF MOUNTAIN LAKES
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Received</u> <u>in 2015</u>	<u>Accrued</u> <u>in 2015</u>	<u>Paid</u> <u>in 2015</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Current Fund - Interest	\$ 1,067.39	\$ 1,282.89	\$ -	\$ 2,350.28	\$ -
Current Fund - Bills	14,935.69			14,935.69	-
Current Fund - Revenue	<u>-</u>	<u>\$ -</u>	<u>10,000.00</u>	<u>10,000.00</u>	<u>-</u>
	<u>\$ 16,003.08</u>	<u>\$ 1,282.89</u>	<u>\$ 10,000.00</u>	<u>\$ 27,285.97</u>	<u>\$ -</u>
Ref.	C	C-2	C-1	C-2	

BOROUGH OF MOUNTAIN LAKES

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS

Purpose	Original Issue		Interest Rate	Annual Maturities of Bonds Outstanding		Balance Dec. 31, 2014	Paid	Balance Dec. 31, 2015
	Date	Amount		Date	Amount			
General Improvements	9/1/07	\$ 2,101,000.00	5.000%	09/01/16	\$ 200,000.00	\$ 1,200,000.00	\$ 200,000.00	\$ 1,000,000.00
			4.000%	09/01/17-20	200,000.00			
General Improvement Refunding	11/20/07	2,915,000.00	4.00%	07/15/16	200,000.00	1,595,000.00	200,000.00	1,395,000.00
			4.00%	7/15/17	205,000.00			
			4.00%	07/15/18-20	200,000.00			
			4.00%	07/15/21-22	195,000.00			
General Improvement Refunding	12/30/09	2,965,000.00	4.00%	11/15/16	280,000.00	1,655,000.00	255,000.00	1,400,000.00
			5.00%	11/15/17-20	280,000.00			
General Improvements	1/29/13	3,035,000.00	1.50%	1/15/16	190,000.00	2,805,000.00	235,000.00	2,570,000.00
			1.50%	1/15/17	190,000.00			
			1.50%	1/15/18	195,000.00			
			1.50%	1/15/19	200,000.00			
			1.50%	1/15/20	200,000.00			
			1.50%	1/15/21	355,000.00			
			1.75%	1/15/22	285,000.00			
			1.75%	1/15/23	315,000.00			
			2.00%	1/15/24	320,000.00			
			2.00%	1/15/25	320,000.00			
						\$ 7,255,000.00	\$ 890,000.00	\$ 6,365,000.00
Ref.						C	C-4	C

BOROUGH OF MOUNTAIN LAKES

GENERAL CAPITAL FUND
SCHEDULE OF LOANS

NOT APPLICABLE

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue	Original Notes Amount Issued	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Decreased		Balance Dec. 31, 2015	
								Increased	Decreased		
01-13 Various Capital Improvements: Police, Fire, Public Works and Administration Departments Equipment	Buildings and Grounds Repair/Maintenance	8/15/14	\$ 87,200.00	8/15/14	8/14/15	1.25%	\$ 87,200.00	\$ -	\$ 87,200.00	\$ -	
	Buildings and Grounds Repair/Maintenance	8/15/14	163,490.00	8/13/15	8/12/16	0.68%	163,490.00	78,480.00	163,490.00	78,480.00	
	Improvement of Various Roads	8/15/14	104,500.00	8/13/15	8/12/16	0.68%	104,500.00	147,141.00	104,500.00	147,141.00	
	Construction of Curbs and Sidewalks	8/15/14	104,500.00	8/13/15	8/12/16	0.68%	104,500.00	94,050.00	104,500.00	94,050.00	
	Improvement of Storm Water Drainage System	8/15/14	61,800.00	8/13/15	8/12/16	0.68%	61,800.00	94,050.00	104,500.00	94,050.00	
	Improvement of Water Supply and Distribution System	8/15/14	75,700.00	8/13/15	8/12/16	0.68%	75,700.00	55,620.00	61,800.00	55,620.00	
	Refurbishment of Front-End Loader	8/15/14	15,370.00	8/13/15	8/12/16	0.68%	15,370.00	13,833.00	15,370.00	13,833.00	
							612,560.00	551,304.00	612,560.00	551,304.00	
	06-14 Various Capital Improvements: Administrative, Fire and Public Works Departments Equipment	Buildings and Grounds Repair/Maintenance	8/15/14	76,095.00	8/13/15	8/12/16	0.68%	76,095.00	68,485.50	76,095.00	-
		DPW Computer Equipment	8/15/14	3,800.00	8/13/15	8/12/16	0.68%	3,800.00	214,605.00	238,450.00	68,485.50
Improvement of Various Roads		8/15/14	205,485.00	8/13/15	8/12/16	0.68%	205,485.00	3,420.00	205,485.00	3,420.00	
Construction of Curbs and Sidewalks		8/15/14	95,000.00	8/13/15	8/12/16	0.68%	95,000.00	184,936.50	95,000.00	184,936.50	
Improvement of Storm Water Drainage System		8/15/14	61,750.00	8/13/15	8/12/16	0.68%	61,750.00	85,500.00	61,750.00	85,500.00	
Improvement of Water Supply and Distribution System		8/15/14	28,500.00	8/13/15	8/12/16	0.68%	28,500.00	55,575.00	28,500.00	55,575.00	
							709,080.00	25,650.00	709,080.00	25,650.00	
							638,172.00	638,172.00	638,172.00	638,172.00	
07-15 Various Capital Improvements: Improvement of Various Roads and Improvement of Water Supply and Distribution System			8/13/15		8/13/15	8/12/16	0.68%	370,500.00			370,500.00
			8/13/15		8/13/15	8/12/16	0.68%		61,750.00		61,750.00
09-15 Various Capital Improvements: Fire Department Equipment Purchase of Computer Equipment		8/13/15		8/13/15	8/12/16	0.68%		4,750.00		4,750.00	
		8/13/15		8/13/15	8/12/16	0.68%		14,250.00		14,250.00	
								19,000.00		19,000.00	
							\$ 1,321,640.00	\$ 1,640,726.00	\$ 1,321,640.00	\$ 1,640,726.00	
						Ref.					
						C-2	\$ 1,640,726.00	\$ 1,188,476.00			
						C-5		132,164.00			
							\$ 1,640,726.00	\$ 1,321,640.00			

BOROUGH OF MOUNTAIN LAKES

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Bonds and Notes		Balance Dec. 31, 2015
				Canceled	Issued	
07-15	Various Capital Improvements: Fire Department Equipment Improvement of Various Roads Improvement of Storm Water Drainage System and Improvement of Water Supply and Distribution System	\$ -	\$ 19,000.00 370,500.00	\$ -	\$ 370,500.00	\$ 19,000.00 -
09-15	Various Capital Improvements: Fire Department Equipment Purchase of Computer Equipment	-	61,750.00 4,750.00 14,250.00	-	61,750.00 4,750.00 14,250.00	- - -
		\$ -	\$ 470,250.00	\$ -	\$ 451,250.00	\$ 19,000.00

BOROUGH OF MOUNTAIN LAKES
 WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2014	D	\$ 166,738.90	\$ 8,935.81
Increased by Receipts:			
Miscellaneous Revenue	D-3	31,781.84	
Water Collector	D-7	583,401.03	
Interfunds Accounts Receivable	D-8	50.00	-
Interfunds Accounts Payable	D-18	784,959.85	75.21
		<u>1,400,192.72</u>	<u>75.21</u>
		<u>1,566,931.62</u>	<u>9,011.02</u>
Decreased by Disbursements :			
2015 Budget Appropriations	D-4	445,591.54	
Interfunds Accounts Receivable	D-8	3,030.19	-
2014 Appropriation Reserves	D-16	18,503.74	
Reserve for Encumbrances	D-17	3,719.91	
Interfunds Accounts Payable	D-18	265,408.24	-
		<u>736,253.62</u>	<u>-</u>
Balance December 31, 2015	D	\$ 830,678.00	\$ 9,011.02

BOROUGH OF MOUNTAIN LAKES
WATER UTILITY FUND
ANALYSIS OF WATER CAPITAL CASH

	Balance or (Deficit) Dec. 31, 2014	Receipts			Disbursements				Transfers From	Balance or (Deficit) Dec. 31, 2015
		Budget Appropriation	Serial Bonds and Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	To		
Interfund Accounts Receivable	\$ (5,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,000.00)
Interfund Accounts Payable	57.88	-	-	75.21	-	-	-	-	-	133.09
Capital Improvement Fund	13,228.21	-	-	-	-	-	-	-	-	13,228.21
Fund Balance	649.72	-	-	-	-	-	-	-	-	649.72
	\$ 8,935.81	\$ -	\$ -	\$ 75.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,011.02

BOROUGH OF MOUNTAIN LAKES
 WATER UTILITY FUND
SCHEDULE OF CASH - WATER COLLECTOR

	<u>Ref.</u>	
Increased by Receipts:		
Consumers' Accounts Receivable	D-9	<u>\$ 583,401.03</u>
Decreased by Disbursements :		
Amount Paid to Treasurer:		
Water Operating Fund	D-5	<u>\$ 583,401.03</u>

BOROUGH OF MOUNTAIN LAKES
WATER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2014	Paid in 2015	Accrued in 2015	Received in 2015	Balance Dec. 31, 2015
Water Operating Fund:					
Current Fund	\$ 4,000.00	\$ 3,030.19	\$ 188,039.57	\$ 50.00	\$ 195,019.76
Water Capital Fund - Interest	57.88		25.21		83.09
Payroll Agency	13,625.73	-	-	-	13,625.73
	<u>17,683.61</u>	<u>3,030.19</u>	<u>188,064.78</u>	<u>50.00</u>	<u>208,728.58</u>
Water Capital Fund:					
Water Operating Fund	5,000.00	-	-	-	5,000.00
	<u>5,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000.00</u>
	<u>\$22,683.61</u>	<u>\$ 3,030.19</u>	<u>\$188,064.78</u>	<u>\$ 50.00</u>	<u>\$213,728.58</u>
Ref.	D	D-5		D-5	D

	Ref
Current Fund - Consumer Accounts Receivable	D-3
Budget Appropriation	D-4
Water Capital Fund - Interest	D-3
	<u>\$192,039.57</u>
	<u>(4,000.00)</u>
	<u>25.21</u>
	<u>\$188,064.78</u>

BOROUGH OF MOUNTAIN LAKES
 WATER UTILITY FUND
SCHEDULE OF WATER UTILITY CONSUMERS' ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 25,287.27
Increased by :		
2015 Charges		<u>780,443.97</u>
		805,731.24
Decreased by :		
Received in 2015	D-3,7	583,401.03
Amount Due from Current Fund	D-8	<u>192,039.57</u>
		<u>775,440.60</u>
Balance December 31, 2015	D	<u>\$ 30,290.64</u>

D-10

SCHEDULE OF WATER LIENS RECEIVABLE

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES

WATER UTILITY FUND

SCHEDULE OF DEFERRED CHARGES-OPERATING DEFICIT

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES

WATER UTILITY FUND
SCHEDULE OF FIXED CAPITAL

	Balance <u>Dec. 31, 2014</u>	2015 Additions by <u>Budgets</u>	Balance <u>Dec. 31, 2015</u>
Organization and Intangible Costs	\$ 2,539.92	\$ -	\$ 2,539.92
Pumping System, Land and Improvements	11,044.28		11,044.28
Storage Reservoir, Land	4,798.81		4,798.81
Other Distribution System, Land	1,000.00		1,000.00
Springs, Wells and Collection Reservoirs	150,743.31		150,743.31
Aeration and Chemical Treatment Plant	5,916.89		5,916.89
Pumping Station Structures	44,839.27		44,839.27
Electric Power Pumping Equipment	109,957.25		109,957.25
Transmission Mains and Accessories	53,098.59		53,098.59
Storage Reservoir, Tanks and Stand Pipe	164,439.66		164,439.66
Distribution Mains and Accessories	655,122.86		655,122.86
Service Pipes and Stops	28,643.58		28,643.58
Meters, Meter Boxes and Vaults	109,705.07		109,705.07
Fire Hydrants and Fire Cisterns	34,571.28		34,571.28
General Structures	7,005.08		7,005.08
General Equipment	190,622.91		190,622.91
Backhoe/Tractor	61,772.00		61,772.00
Pneumatic Torpedo	4,000.00		4,000.00
Pneumatic Tools	4,025.41		4,025.41
Trash Dump	5,100.00		5,100.00
Vehicles	49,752.96		49,752.96
Sewer Jet Truck	19,790.00		19,790.00
Water Flowmeter	480.00		480.00
Sewer Jet	17,428.21		17,428.21
Water Pump	4,750.00		4,750.00
Drain Valve		8,128.00	8,128.00
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,741,147.34</u>	<u>\$ 8,128.00</u>	<u>\$ 1,749,275.34</u>
Ref.	D	D-27	D

BOROUGH OF MOUNTAIN LAKES

WATER UTILITY FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES

WATER UTILITY FUND

SCHEDULE OF WASTEWATER TREATMENT TRUST LOANS RECEIVABLE

NOT APPLICABLE

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

WATER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	Balance <u>Dec. 31, 2014</u>	<u>Transfers</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 9,984.88	\$ -	\$ -	\$ 9,984.88
Other Expenses	59,670.55		18,503.74	41,166.81
Capital Improvement:				-
Capital Outlay	75.44			75.44
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	27,396.35			27,396.35
Social Security System (O.A.S.I.)	<u>748.61</u>	<u>-</u>	<u>-</u>	<u>748.61</u>
	<u>\$ 97,875.83</u>	<u>\$ -</u>	<u>\$ 18,503.74</u>	<u>\$ 79,372.09</u>
Ref.	D		D-5	D-1

BOROUGH OF MOUNTAIN LAKES
 WATER UTILITY FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 6,472.61
Increased by :		
Charges to 2015 Budget Appropriations	D-4	<u>43,342.89</u>
		49,815.50
Decreased by :		
Transfer to account payable in 2015	D-1	2,752.70
Paid in 2015	D-5	<u>3,719.91</u>
		<u>6,472.61</u>
Balance December 31, 2015	D	<u>\$ 43,342.89</u>

BOROUGH OF MOUNTAIN LAKES

WATER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2014	Received in 2015	Accrued in 2015	Paid in 2015	Balance Dec. 31, 2015
Water Operating Fund:					
Current Fund	\$ 69.15	\$ 438.72	\$ 257,184.91	\$ -	\$ 257,692.78
Water Capital Fund:	5,000.00				5,000.00
2015 Budget Appropriation	1,255.60	784,521.13	25,638.00	265,408.24	546,006.49
Sewer Operating Fund:	6,324.75	784,959.85	282,822.91	265,408.24	808,699.27
Sewer User Charges					
Water Capital Fund:	-	50.00			50.00
Current Fund	57.88	25.21	-	-	83.09
Water Operating Fund:	57.88	75.21	-	-	133.09
Interest on Investments					
	\$ 6,382.63	\$ 785,035.06	\$ 282,822.91	\$ 265,408.24	\$ 808,832.36

Ref.	D	D-5	D-4	D-5	D
------	---	-----	-----	-----	---

BOROUGH OF MOUNTAIN LAKES

D-19

WATER UTILITY FUND
SCHEDULE OF UTILITY CHARGES OVERPAYMENTS

NOT APPLICABLE

SCHEDULE OF ACCRUED INTEREST ON BONDS

D-20

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
WATER UTILITY FUND
SCHEDULE OF ACCRUED INTEREST ON LOANS

NOT APPLICABLE

SCHEDULE OF ACCRUED INTEREST ON NOTES

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
WATER UTILITY FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
WATER UTILITY FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
 WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2014	D	<u>\$ 13,228.21</u>
Balance December 31, 2015	D	<u>\$ 13,228.21</u>

SCHEDULE OF CAPITAL RESERVES

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
 WATER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2014	D	\$ 1,741,147.34
Increased by :		
Addition to Fixed Capital	D-12	<u>8,128.00</u>
Balance December 31, 2015	D	<u>\$ 1,749,275.34</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

NOT APPLICABLE

D-29

BOROUGH OF MOUNTAIN LAKES
WATER UTILITY FUND
SCHEDULE OF SERIAL BONDS PAYABLE

NOT APPLICABLE

D-30

SCHEDULE OF NEW JERSEY WASTEWATER TREATMENT
FINANCING PROGRAM LOAN PAYABLE

NOT APPLICABLE

D-31

SCHEDULE OF BOND ANTICIPATION NOTES

NOT APPLICABLE

D-32

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2014	E	\$ 86,247.01	\$ 24,764.47
Increased by Receipts:			
Miscellaneous Revenue	E-3	117.21	
Interfunds Accounts Receivable	E-8	266,337.75	
Interfunds Accounts Payable	E-18	109,986.41	119.58
		<u>376,441.37</u>	<u>119.58</u>
		<u>462,688.38</u>	<u>24,884.05</u>
Decreased by Disbursements :			
2015 Budget Appropriations	E-4	309,714.73	
2014 Appropriation Reserves	E-16	28,948.86	
Reserve for Encumbrances	E-17	3,253.24	
Interfunds Accounts Payable	E-18	720.23	-
		<u>342,637.06</u>	<u>-</u>
Balance December 31, 2015	E	\$ <u>120,051.32</u>	\$ <u>24,884.05</u>

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND
ANALYSIS OF SEWER CAPITAL CASH

	Balance or (Deficit) Dec. 31, 2014	Receipts			Disbursements			Transfers From	Balance or (Deficit) Dec. 31, 2015
		Budget Appropriation	Serial Bonds	Miscellaneous	Improvement Authorizations	Miscellaneous	To		
Improvement Authorizations:									
Ord.									
No.									
11-05 Various Improvements	\$ 5,554.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,554.00
Capital Improvement Fund	24,050.00								24,050.00
Interfund Accounts Payable	160.47	-	-	119.58	-	-	-	-	280.05
Interfund Accounts Receivable	(5,000.00)	-	-	-	-	-	-	-	(5,000.00)
	<u>\$ 24,764.47</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119.58</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,884.05</u>

BOROUGH OF MOUNTAIN LAKES
SEWER UTILITY FUND
SCHEDULE OF CASH - SEWER COLLECTOR

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2014	Paid in 2015	Accrued in 2015	Received in 2015	Balance Dec. 31, 2015
Sewer Operating Fund:					
Current Fund	\$ 929.51	\$ -	\$ -	\$ 929.51	\$ -
Water Operating Fund	1,255.60		810,159.13	265,408.24	546,006.49
Sewer Capital Fund	160.47		69.58		230.05
Payroll Agency Account	14,241.12	-	-	-	14,241.12
	<u>16,586.70</u>	<u>-</u>	<u>810,228.71</u>	<u>266,337.75</u>	<u>560,477.66</u>
Sewer Capital Fund:					
Sewer Operating Fund	5,000.00	-	-	-	5,000.00
	<u>5,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000.00</u>
	<u>\$ 21,586.70</u>	<u>\$ -</u>	<u>\$ 810,228.71</u>	<u>\$ 266,337.75</u>	<u>\$ 565,477.66</u>
Ref.	E			E-5	E

	Ref.
Interest on Delinquencies	E-3
Connection Fee	E-3
Sewer Capital Fund - Interest	E-3
Budget Appropriation	E-4
Sewer Service Charges	E-9
	<u>\$ 17,771.63</u>
	<u>55,000.00</u>
	<u>69.58</u>
	<u>35,636.60</u>
	<u>701,750.90</u>
	<u>\$ 810,228.71</u>

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND
SCHEDULE OF SEWER UTILITY CONSUMERS' ACCOUNTS RECEIVABLE

<u>Year</u>	<u>Balance Dec. 31, 2014</u>	<u>Billings in 2015</u>	<u>Collections 2015</u>	<u>Balance Dec. 31, 2015</u>
2015	\$ 28,835.13	\$ 703,504.97	\$ 701,750.90	\$ 30,589.20
	<u>\$ 28,835.13</u>	<u>\$ 703,504.97</u>	<u>\$ 701,750.90</u>	<u>\$ 30,589.20</u>
Ref.	E		E-3,8	E

BOROUGH OF MOUNTAIN LAKES

E-10

SEWER UTILITY FUND
SCHEDULE OF SEWER LIENS RECEIVABLE

NOT APPLICABLE

SCHEDULE OF DEFERRED CHARGES-OPERATING DEFICIT

E-11

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND
SCHEDULE OF FIXED CAPITAL

	Balance <u>Dec. 31, 2014</u>	2015 Additions by <u>Budget</u>	Balance <u>Dec. 31, 2015</u>
General Equipment	\$ 64,471.40	\$ -	\$ 64,471.40
Vehicles	36,924.56	10,000.00	46,924.56
Sewer Jet	68,276.80		68,276.80
Sewer Camera	<u>8,211.60</u>	<u>-</u>	<u>8,211.60</u>
	<u>\$ 177,884.36</u>	<u>\$ 10,000.00</u>	<u>\$ 187,884.36</u>
Ref.	E	E-27	E

BOROUGH OF MOUNTAIN LAKES
SEWER UTILITY FUND
SCHEDULE OF NJEIT RECEIVABLE

NOT APPLICABLE

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

SEWER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 26,841.83	\$ -	\$ 22,777.12	\$ 4,064.71
Other Expenses	14,825.33		6,171.74	8,653.59
Capital Improvement:				
Capital Outlay	75.44			75.44
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	11,444.77			11,444.77
Social Security System (O.A.S.I.)	<u>1,511.60</u>	<u>-</u>	<u>-</u>	<u>1,511.60</u>
	<u>\$ 54,698.97</u>	<u>\$ -</u>	<u>\$ 28,948.86</u>	<u>\$ 25,750.11</u>
Ref.	E		E-5	E-1

BOROUGH OF MOUNTAIN LAKES
SEWER UTILITY FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 3,253.24
Increased by :		
Charges to 2015 Budget Appropriations	E-4	<u>30,731.51</u>
		33,984.75
Decreased by :		
Paid in 2015	E-5	<u>3,253.24</u>
Balance December 31, 2015	E	<u>\$ 30,731.51</u>

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2014	Received in 2015	Accrued in 2015	Paid in 2015	Balance Dec. 31, 2015
Sewer Operating Fund:					
Current Fund	\$ 2,415.99	\$ 109,986.41	\$ 408,286.38	\$ 720.23	\$ 519,968.55
Sewer Capital Fund	5,000.00	-	-	-	5,000.00
Total Sewer Operating Fund	<u>7,415.99</u>	<u>109,986.41</u>	<u>408,286.38</u>	<u>720.23</u>	<u>524,968.55</u>
Sewer Capital Fund:					
Current Fund		50.00			50.00
Sewer Operating Fund	160.47	69.58	-	-	230.05
Total Sewer Capital Fund	<u>160.47</u>	<u>119.58</u>	<u>-</u>	<u>-</u>	<u>280.05</u>
	<u>\$ 7,576.46</u>	<u>\$ 110,105.99</u>	<u>\$ 408,286.38</u>	<u>\$ 720.23</u>	<u>\$ 525,248.60</u>

Ref.	E	E-5	E-4	E-5	E
------	---	-----	-----	-----	---

BOROUGH OF MOUNTAIN LAKES

E-19

SEWER UTILITY FUND
SCHEDULE OF UTILITY CHARGES OVERPAYMENTS

NOT APPLICABLE

SCHEDULE OF ACCRUED INTEREST ON BONDS

E-20

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
SEWER UTILITY FUND
SCHEDULE OF ACCRUED INTEREST ON LOANS

NOT APPLICABLE

SCHEDULE OF ACCRUED INTEREST ON NOTES

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
SEWER UTILITY FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Amount	Balance Dec. 31, 2014		Balance Dec. 31, 2015	
				Funded	Unfunded	Funded	Unfunded
11-05	Various Improvements	6/27/2005	\$ 12,950.00	\$ 5,554.00	\$ -	\$ 5,554.00	\$ -
				<u>\$ 5,554.00</u>	<u>\$ -</u>	<u>\$ 5,554.00</u>	<u>\$ -</u>
			Ref.	E		E	

BOROUGH OF MOUNTAIN LAKES
SEWER UTILITY FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
SEWER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2014	E	<u>\$ 24,050.00</u>
Balance December 31, 2015	E	<u>\$ 24,050.00</u>

SCHEDULE OF CAPITAL RESERVES

NOT APPLICABLE

BOROUGH OF MOUNTAIN LAKES
SEWER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2014	E	\$ 177,884.36
Increased by :		
Capital Outlay:		
Sewer Utility Operating Budget	E-12	<u>10,000.00</u>
Balance December 31, 2015	E	<u>\$ 187,884.36</u>

BOROUGH OF MOUNTAIN LAKES

SEWER UTILITY FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2015</u>
11-05	Various Improvements	\$ 12,950.00	6/27/2005	\$ 5,554.00	\$ 5,554.00
				\$ 5,554.00	\$ 5,554.00
			Ref.	E	E

BOROUGH OF MOUNTAIN LAKES
SEWER UTILITY FUND
SCHEDULE OF SERIAL BONDS PAYABLE

NOT APPLICABLE

SCHEDULE OF NEW JERSEY WASTEWATER TREATMENT
FINANCING PROGRAM LOAN PAYABLE

NOT APPLICABLE

SCHEDULE OF BOND ANTICIPATION NOTES

NOT APPLICABLE

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

NOT APPLICABLE

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS

T. M. Vrabel & Associates, LLC

Accountants and Auditors

Timothy M. Vrabel, RMA, PSA

Chris C. Hwang, CPA

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

INDEPENDENT AUDITOR REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Mountain Lakes
County of Morris, New Jersey

We have audited the financial statements of the Borough of Mountain Lakes as of and for the years ended December 31, 2015 and December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 8, 2016. In our report our opinion was qualified because the Borough of Mountain Lakes prepares its financial statements on a basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with 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 in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Borough of Mountain Lakes is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Mountain Lakes' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstance 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 of Mountain Lakes' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Mountain Lakes' internal control over financial reporting.

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 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.

350 Main Road, Suite 104

Montville, NJ 07045

973-953-7769 Fax: 973-625-8733

Email: tmvrabeldvc@optonline.net

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2015-1 that we consider to be significant deficiencies.

Compliance and Other Matters

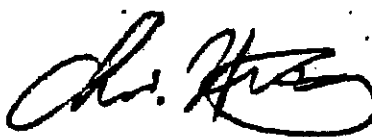
As part of obtaining reasonable assurance about whether the Borough of Mountain Lakes' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



Chris C.W. Hwang
Certified Public Accountant
License No. CC033704

Montville, New Jersey
June 8, 2016

Federal Funding Department	CFDA No.	Federal Grant (Award Number)	Total		Amount of Receipts		Amount of Expenditures		Unexpended Balance Dec. 31, 2015	
			Grant Award Amount	Grant Period From To	Prior Year	Current Year	Prior Year	Current Year (1)		
Justice		Bulletproof Vest Program	\$ 2,988.93	2004	\$ 2,988.93	\$ -	\$ -	\$ 1,934.93	\$ 961.70	\$ 92.30
					\$ 2,988.93	\$ -	\$ -	\$ 1,934.93	\$ 961.70	\$ 92.30

171

BOROUGH OF MOUNTAIN LAKES

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

State Program	State Account Number	Grant Award Amount	Total		Amount of Receipts			Accounts Receivable Dec. 31, 2015	Amount of Expenditures			Unexpended Balance Dec. 31, 2015
			From	To	Prior Years	Current Year	Prior Years		Current Year (1)			
Department of Transportation: N.J. Transportation Trust Fund: Ordinance No. 17-12d Ordinance No. 06-14d Ordinance No. 07-14		\$ 175,000.00 190,000.00 230,000.00			\$ 131,250.00	\$ 43,750.00 142,500.00 230,000.00	\$ - 47,500.00 -	\$ 175,000.00 20,739.65 230,000.00	\$ - 169,260.35 -	- -	-	
Energy Efficiency and Conservation Block Grant (Ordinance No. 06-11f)		20,000.00					20,000.00	20,000.00			-	
Clean Energy Incentive Grant (Ordinance No. 06-11f)		63,546.59					63,546.59	63,546.59			-	
Recycling Tonnage Grant Drunk Driving Enforcement Fund Clean Communities Grant Alcohol Education and Rehabilitation Fund DWI Grant	4900-752-178810-60 1110-448-031020-60 4900-765-178810-60 9735-760-060000-60	13,830.04 5,121.20 22,679.48 4,151.93 75.00			5,121.20 12,025.90 3,679.58 75.00	13,830.04 10,653.58 472.35 75.00	- - - -		8,647.26		13,830.04 5,121.20 14,032.22 4,151.93 75.00	
Municipal Alliance on Alcoholism and Drug Abuse Body Armor Replacement Fund Click it or Ticket Green Communities Grant BSF Forestry Grant Highlands Plan Conformance Grant Reduction in Speed Grant OEM Grant Sustainable Jersey Grant		19,296.98 8,421.38 7,858.00 3,000.00 7,000.00 50,000.00 26,508.00 2,405.72 2,000.00			5,067.06 6,826.86 7,808.32 3,000.00 5,500.00 10,220.64 24,858.24 2,405.72 2,000.00	14,229.92 - 49.68 - 3,000.00 1,500.00 39,779.36 1,649.76 - -					19,296.98 8,421.38 7,858.00 3,000.00 1,500.00 5,946.06 607.33 2,405.72 2,000.00	
			2008 2004									
					\$ 219,763.52	\$ 442,875.49	\$ 191,255.31	\$ 584,740.85	\$ 177,907.61		\$ 91,245.86	

(1) Represents total expenditures (grant activity) subject to audit.

BOROUGH OF MOUNTAIN LAKES

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Borough of Mountain Lakes . The municipality is defined in Note I:B. to the Borough financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting as described in Notes I:D. to the Borough of Mountain Lakes' financial statements.

Note 3: Relationship to Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough of Mountain Lakes' financial statements. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 4: Relationship to Federal and State Financial Reports

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

BOROUGH OF MOUNTAIN LAKES
SCHEDULE OF FINDINGS AND RESPONSES OR QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Part I – Summary of Auditor's Report

Financial Statement Section

- | | | |
|---|------------|---------------------|
| A) Type of auditor's report issued: | Qualified | |
| B) Internal Control over financial reporting: | | |
| 1) Material weakness(es) identified? | _____yes | ___X___no |
| 2) Were significant deficiencies identified
that were not considered to be material
weaknesses? | ___X___yes | ___none
reported |
| C) Noncompliance material to general-purpose
financial statements noted? | _____yes | ___X___no |

BOROUGH OF MOUNTAIN LAKES

SCHEDULE OF FINDINGS AND RESPONSES OR QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.

Finding 2015-1

Criteria or specific requirement:

Management is responsible for establishing and maintaining an internal control system to ensure compliance with requirements of laws, regulations, contracts and grants.

Condition:

Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties, so that one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists, that unintentional or intentional errors or irregularities could exist and not be promptly detected. Certain functions, including payroll preparation, in the Borough Office are handled by one person.

Questioned Costs:

Not Applicable

Context:

While this situation is not unusual in operations the size of the Borough, management should be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Effect:

Our Audit did not reveal any significant errors or irregularities resulting from this lack of segregation of employees' duties and responsibilities.

Recommendation:

Not Applicable

Management's Response

This finding was evaluated; however, due to budgetary constraints, the Borough does not have the resources currently available to adequately segregate related duties.

BOROUGH OF MOUNTAIN LAKES

SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2015

This section identifies the status of prior-year findings related to the general-purpose financial statements and federal awards and state financial assistance that are required to be reported in accordance with Chapter 6.12 of 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.

STATUS OF PRIOR YEAR FINDINGS

FINDING 2014-1

Condition

Segregation of duties deficiency.

Current Status

See Finding 2015-1

BOROUGH OF MOUNTAIN LAKES

PART II

**GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A 40A: 11-4

Effective April 17, 2000 N.J.S.A. 40A:11-1 et seq. (Local Public Contracts Law) was revised by P.L. 1999, c.440 (originally known as Assembly bill No. 3519). The Division of Local Government Services in the Department of Community Affairs, after consultation with the Commissioner of Education, shall prescribe rules and procedures to implement the requirements of the law.

Effective April 17, 2000 the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) was \$17,500.00. Effective July 1, 2005 the threshold was raised to \$ 21,000.00. Effective July 1, 2010 the threshold was raised to \$36,000.00. Effective July 1, 2015 the threshold was raised to \$40,000.00.

It is pointed out that the governing body of the Borough has the responsibility of determining whether commitments and expenditures are in compliance with the statutes and, where question arises as to whether any contract or agreement might result in violation of these statutes the Borough Attorney's opinion should be sought before commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments by categories for the performance of any work or the furnishings 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. None were disclosed.

The results of my examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory limit where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 40A:11-4.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 for Auditor, Attorney, Consulting Engineers, Bond Counsel, I. T. Maintenance and Support, Water Quality Management, Dam Consultant, and Lake Management.

The minutes indicate that bids were requested by public advertising for the following items:

Road Improvement and Solid Waste Collection.

The system of records is not required to provide and therefore did not provide for an accumulation of purchases for which the Borough used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. My examination revealed the following purchases made through the use of State contracts: None.

The Borough entered into a cooperative purchasing program with the County of Morris Pricing Council for the following items:

Milling and Paving and Bulk Salt.

COLLECTIONS OF INTEREST ON DELINQUENT TAXES, ASSESSMENTS, WATER AND SEWER CHARGES

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 5, 2015, adopted the following resolution authorizing interest and 6% penalty to be charged on delinquent taxes and assessments:

WHEREAS, N.J.A.S. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement of discount for the late payment of taxes as provided by law; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Borough Council of the Borough of Mountain Lakes, County of Morris, State of New Jersey, as follows:

1. Property Taxes shall be due and payable quarterly on February 1st, May 1st, August 1st and November 1st of each year, with a ten-day grace period, after which dates if unpaid shall become delinquent, with interest charged as set forth below and reverting back to the due rate on any quarterly taxes.
2. The rate of interest for delinquent property taxes is fixed at 8% per annum on the first \$1,500.00 of delinquency and 18% per annum on any amount of taxes in excess of \$1,500.00.
3. A 6% year-end penalty will be assessed on the last day of the fiscal year on delinquent property tax accounts when in excess of \$10,000.00.
4. That a penalty on delinquent water and sewer payments be set at 8% per quarter on the outstanding balance. This penalty shall be charged following a thirty (30) day grace period for each quarter or portion thereof.
5. This resolution shall be published in its entirety once in an Official Newspaper of Borough of Mountain Lakes.
6. A certified copy of this resolution shall be provided by the Office of the Clerk to the Tax Collector, Utility Billing Clerk, Borough Attorney, and Borough Auditor.

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

DELINQUENT TAXES AND TAX TITLE LIENS

The delinquent taxes at December 31, 2015 include taxes for only 2015.

The last tax sale was held on December 2, 2015, and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31:

<u>Year</u>	<u>Number of Liens</u>
2015	0
2014	0
2013	0
2012	0
2011	0
2010	0
2009	1
2008	0
2007	0
2006	0

VERIFICATION OF TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2016Taxes	25
Payments of 2015Taxes	25
Delinquent Taxes	25
Payments of Water Charges	25
Delinquent Water Charges	25
Payments of Sewer Charges	25
Delinquent Sewer Charges	25

The result of the test, which was made as of December 31, 2015 is not yet fully known, however the items that were returned were checked and in agreement with the Borough's records and for items not returned either a second request was made or the open items were traced to subsequent collection. If any irregularities are discovered as a result of our second request a separate report will be issued.

OTHER COMMENTS

TREASURER

A review of the expenditures indicated that minor transfers were required to provide sufficient appropriation balances to meet expenses.

TECHNICAL ACCOUNTING DIRECTIVES

The Division of Local Government Services has established three systems which are required by all local units. They are as follows:

1. Encumbrance accounting system (N.J.A.C. 5:30-5.2)
2. Fixed asset accounting and reporting system (N.J.A.C. 5:30-5.6)
3. General Ledger accounting and record system (N.J.A.C. 5:30-5.7)

The Borough has complied by implementing all three directives.

RECOMMENDATIONS

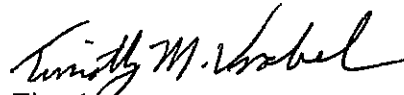
NONE

STATUS OF PRIOR YEAR'S AUDIT FINDINGS/RECOMMENDATIONS:

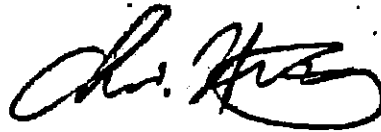
Should any questions arise as to our comments, or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

APPRECIATION

We wish to express our appreciation of the assistance and courtesies rendered by the Borough Officials during the course of the audit.



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



Chris C.W. Hwang
Certified Public Accountant
License No. CC033704

June 8, 2016